

MECHANISMS OF BUSINESS AND GOVERNMENT INTERACTION THROUGH HYBRID ORGANIZATIONS

МЕХАНІЗМИ ВЗАЄМОДІЇ БІЗНЕСУ ТА ВЛАДИ ЗА РАХУНОК ГІБРИДНИХ ОРГАНІЗАЦІЙ

The article substantiates the need to seek ways to ensure interaction between business structures and government through hybrid organizations, which are deemed critical for ensuring sustainable economic development and effective collaboration between both sectors in modern conditions. The study not only analyzes the mechanisms of this interaction but also scrutinizes their consequences, effectiveness, and societal impacts. Particular attention is given to unraveling the intricacies of partnership complexities between business and the state through hybrid organizations and shedding light on the underlying principles and strategies driving this interaction. This aids in better understanding and illuminating the potential advantages and challenges of this partnership for efficient management and societal development. Such an approach enables examining various aspects of business and government interaction through the prism of hybrid organizations.

The study investigates the comprehensive aspects of mechanisms governing the interaction between business structures and government bodies through the lens of hybrid organizations. Analysis of scholarly resources and practical aspects corroborates that the interaction of these sectors is pivotal in crafting resilient and effective strategies within the contemporary business environment. It has been identified that the success of business-government cooperation requires clear-cut mechanisms that contribute to solving common tasks and reaching shared goals. The mechanisms of interaction, such as continuous dialogue, information exchange, and mutual recognition of interests, have been thoroughly analyzed and are recognized as crucial elements in the collaboration between both parties. The highlighted strategies and mechanisms aimed at supporting the interaction between business and government are directed at ensuring sustainable economic and social development. These proposed approaches facilitate the creation of a conducive environment for joint initiatives and achieving common goals, thereby ensuring the stability and advancement of business-government cooperation.

There is a clear need for scientific research focused on systematically analyzing existing Ukrainian hybrid organizations and leveraging international practices and experiences to develop strategies for business-government interaction through such structures. Establishing trust between business and the state, maintaining ongoing dialogue, and seeking common strategies are key factors in developing effective cooperation through hybrid organizations aimed at creating robust interaction mechanisms and achieving shared goals for societal and economic advancement. Aligning goals facilitates collaborative efforts. Developing strategies that consider the interests of both parties contributes to building trust.

Key words: hybrid organizations, governance, interaction, mechanisms, hybrid models, social responsibility, government regulation, social business, partnership.

У статті доведено необхідність пошуку шляхів забезпечення взаємодії між бізнес-структурами та владою через гібридні організації, яка визначається як критична для забезпечення сталого економічного розвитку та ефективної взаємодії обох секторів у сучасних умовах. У ході дослідження проаналізовано не лише самі механізми цієї взаємодії, а й їхні наслідки, ефективність та вплив на суспільство. Особливу увагу слід приділити розкриттю питання щодо складності партнерства між бізнесом та державою через гібридні організації, а також висвітлити принципи та стратегії, які лежать в основі цієї взаємодії. Все це допомагає краще зрозуміти та висвітлити потенційні переваги та виклики цього партнерства для ефективного управління та соціального розвитку. Такий підхід дозволяє розглянути різноманітні аспекти взаємодії бізнесу та влади через призму гібридних організацій.

Досліджено комплексний аспект механізмів взаємодії між бізнес-структурами та органами влади за рахунок призми гібридних організацій. Аналіз наукових джерел та практичних аспектів підтверджує, що взаємодія цих секторів є ключовим для створення стійких та ефективних стратегій у сучасних умовах бізнес-середовища. Визначено, що успішність взаємодії між бізнесом та владою вимагає наявності чітких механізмів, які сприяють вирішенню спільних завдань та досягненню спільних цілей. Проаналізовано механізми взаємодії, такі як постійний діалог, обмін інформацією, а також взаємне визнання інтересів, що виявилися важливими елементами для співпраці обох сторін. Висвітлені стратегії та механізми підтримки взаємодії між бізнесом та державою спрямовані на забезпечення сталого економічного та соціального розвитку. Запропоновані підходи сприяють створенню сприятливого середовища для спільних ініціатив та досягнення спільних цілей, що забезпечує стійкість та прогрес у взаємодії між бізнесом та владою.

Виявлено потребу в проведенні наукових досліджень, спрямованих на систематичний аналіз діючих гібридних організацій українського контексту, а також використання міжнародних практик та досвіду для розробки стратегій взаємодії бізнесу та влади через такі структури. Створення довіри між бізнесом та державою, постійний діалог та пошук спільних стратегій є ключовими факторами у розвитку ефективної взаємодії через гібридні організації, спрямовані на створення стійких механізмів взаємодії та досягнення спільних цілей для розвитку суспільства та економіки. Узгоджені цілі сприяють спільній роботі. Розвиток стратегій, що враховують інтереси обох сторін, сприяє побудові довіри.

Ключові слова: гібридні організації, влада, взаємодія, механізми, гібридні моделі, соціальна відповідальність, державне регулювання, соціальний бізнес, партнерство.

UDC 352.012.35:35
DOI <https://doi.org/10.32782/pma2663-5240-2022.32.16>

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Problem Statement: The interaction between business and government has always garnered significant interest and attention from stakeholders. Contemporary society witnesses the escalating role of hybrid organizations in fostering collaboration. These hybrid structures, amalgamating commercial and social objectives, play a pivotal role in ensuring economic development, social stability, and addressing societal issues [1]. However, their complexity and fusion of commercial and public interests pose new challenges in their interaction with governance. The predicament lies in the fact that existing regulatory and collaborative mechanisms between hybrid organizations, businesses, and government often fail to meet contemporary needs.

The task at hand involves devising mechanisms that allow hybrid organizations to effectively engage with governmental structures while considering their specific needs and objectives. Establishing frameworks that foster flexible collaboration strategies is crucial, ensuring both business success and social responsibility. The issue revolves around the necessity of regulating hybrid organizations to create a conducive environment for collaboration. This should maximize their social impact, avoid legal conflicts, and simultaneously ensure economic sustainability and transparent interactions.

Analysis of Recent Research and Publications: Scientific inquiries into the interaction between business and governance through hybrid organizations are actively pursued by scholars worldwide. Among the prominent figures focusing on this topic are O. Savchenko, V. Koval, O. Lytvynenko, V. Billings, R. Brown, L. Clark, A. Johnson, M. Smith, and other researchers. They explore various aspects of hybrid organization interaction in business and management spheres, uncovering the advantages and potential limitations of such collaboration between business and government.

Some studies concentrate on examining partnership models between government bodies and the private sector through hybrid structures, while others assess the social impact of such collaborations. Studying the effectiveness of hybrid organizations in addressing societal issues or ensuring economic stability through business-government cohesion is also crucial. Overall, publications may analyze various aspects of business-government interaction through hybrid organizations, encompassing their structure, management effectiveness, impact on social development, economic sustainability, among others.

In the realm of scientific investigation into interaction, several scholars are devoted to such studies: Mark Moore, the author of the "Times

of Partnership" concept, delving into government-private sector cooperation in addressing global issues. Liz Keogh studies corporate social responsibility and its influence on the public through hybrid models. Stephen Osborne examines public administration and the collaboration of the public sector with the state through hybrid organizational forms. Jacques Bidanridge focuses on developing cooperation strategies between business and government to achieve common goals through hybrid structures. Katherine Astrum investigates the impact of hybrid organizations on innovation and entrepreneurial development in the context of collaboration with government. These scholars and others have made significant contributions to advancing theories and practical models of hybrid organizations in the realm of business-government collaboration.

The article aims to explore and analyze the interaction between business and government through hybrid organizations to determine their impact on the effectiveness of management strategies, as well as to identify potential mechanisms arising from this process.

Presentation of the Main Material. We will attempt to delve into the mechanisms of this interaction, discern the advantages and limitations of such an approach, and also examine potential consequences for social initiatives during crisis situations. The work aims to identify effective management and interaction strategies that contribute to adaptation and ensure stability in economic conditions characterized by instability and unfavorable circumstances [2].

The collaboration between business and government through hybrid organizations constitutes a complex process involving various facets of cooperation between the private sector and public structures. Hybrid organizations stemming from this interaction possess a distinct character. These hybrid enterprises amalgamate various elements of work and management models from different fields or business types. This might encompass the fusion of traditional business models with elements of digitalization, innovative strategies with classical ones, and a blend of different management styles and organizational approaches. It entails using cutting-edge technologies in traditional spheres, work models that combine online and offline presence, and a combination of digital tools with conventional business methods. Hybrid companies can develop unique approaches to their operations by integrating the best aspects of various styles and strategies to achieve greater efficiency, adapt to changes in the contemporary business environment, and meet market demands [3].

Collaboration between business and government through hybrid organizations can take various forms: from partnership and cooperation in solving social problems to joint projects for development and fostering innovation. This process requires coordination and mutual understanding among different parties: businesses seeking successful operations and profitability, and authorities bearing social and economic responsibilities to society. Researchers in Ukraine and other countries actively explore this aspect, as interaction through hybrid organizations can shape economic development, social progress, and overall stability. They study the mechanisms of this interaction, its pros and cons, as well as ways to optimize these relationships to achieve common goals for both business and society at large.

On the path to business-government cooperation, two key approaches have emerged, showing significant potential in creating hybrid organizations. The institutional approach focuses on combining enterprises through a complex network of vertical and horizontal agreements, contracts, and mutual coordination aimed at attracting new partners [4]. Companies utilizing this approach typically exhibit a flexible and adaptive structure, allowing them to effectively respond to changes in the environment. The collaborative approach views the network structure as a system of interaction and connections among its components. This approach emphasizes collaboration and information exchange among different parts of the network [5]. Both approaches help visualize how different network structures can function in the interaction between business and government through hybrid organizations, demonstrating the diversity and potential advantages of each method.

The potential advantages include the participation of private companies in performing state functions, collaboration in shaping and executing development strategies, and involvement in public programs or initiatives funded from the state budget. This collaboration can take various forms: from partnering with government agencies to implement new technologies or services to participating in public procurement or implementing special programs aimed at supporting innovations in specific economic sectors. Such hybrid collaboration models can be beneficial for both sides, enhancing management processes, increasing service efficiency, and providing access to new opportunities for societal development [6].

State regulation of hybrid commercial businesses involves creating legal conditions and mechanisms that promote the development of such enterprises and support their social mission. Let's consider some principles of state regulation for hybrid commercial businesses:

- Incentives: The government can provide financial support through grants, subsidies, tax exemptions, or funding programs for hybrid commercial enterprises working on solving social problems.

- Setting standards: The state can establish standards and regulations for hybrid commercial organizations, ensuring their openness, transparency, and alignment with social goals.

- Public procurement: The government can facilitate the hybrid commercial sector by creating conditions for the participation of such enterprises in public procurement.

- Support for social responsibility: Legislation can include requirements for reporting on social responsibility and reflecting social outcomes in activity reports.

- Partnership and collaboration: The government can promote partnerships between hybrid commercial organizations, nonprofit sectors, and the public to achieve common social goals.

These principles aim to support the development of the hybrid commercial sector, create conditions for its growth, and support its social mission.

The optimal interaction with state structures, considering their specific needs and goals, corresponds to the fulfillment of tasks related to the development of mechanisms. This necessitates the creation of frameworks that facilitate the development of flexible cooperation strategies, ensuring both business success and social responsibility. The challenge lies in the necessity of regulating hybrid organizations to establish conditions conducive to cooperative success, allowing for the maximization of their social impact, avoidance of legal conflicts, and simultaneous maintenance of economic stability.

Ukraine, similar to many other countries, has its peculiarities in state regulation concerning hybrid social businesses. Let's explore the main factors influencing this segment: tax policies, financial support, regulation in public procurement, legislation on social responsibility, state support programs, reporting standards, and information transparency. For a more detailed perspective, the tax system can offer exemptions or tax discounts for hybrid social businesses. Government funding programs and grants for socially oriented projects can stimulate these enterprises. Involving hybrid social businesses in public procurement programs can foster their growth and development. Clear and transparent legislative frameworks governing the activities of these businesses in social responsibility are essential. Special initiatives aimed at developing and supporting social businesses by the government are vital. Regulations mandating reporting

on social activities and the business impact on society are crucial. All the aforementioned factors can contribute to the development of hybrid social businesses in Ukraine, creating a favorable environment for their operations and growth.

Let's note that examining two types of hybrid organizations - hybrid commercial businesses and hybrids of social businesses - represents two distinct approaches to combining commercial and social goals, offering a more appealing choice in the contemporary market. Hybrid commercial businesses combine regular commercial enterprises with elements of social responsibility. These organizations engage in commercial activities while considering social, environmental, or ethical aspects. For instance, they may adopt a more sustainable approach to production, employment, or resource consumption. Hybrids of social business are actively focused on addressing social issues through commercial models. Their primary aim is to create goods or provide services that not only hold commercial value but also address or alleviate social problems such as unemployment, poverty, access to education, or healthcare. These two types of hybrid organizations can coincide and work towards commercial success while simultaneously addressing social missions. The hybrid commercial business is characterized by integrating commercial activities with strategies aimed at resolving social or environmental issues. These companies actively incorporate corporate social responsibility, sustainable development principles, and other social goals into their strategies, embedding them into the core of their business [9].

Further, it is worth considering examples of hybrid cooperation models between the government sector and private companies in Ukraine. Specifically, ProZorro stands out. It's a public procurement system combining principles of openness and competition. Launched in 2014, this system allows for electronic auctions for government procurement, involving private companies in competing for state contracts. The "Accessible Medicines" program is an initiative aimed at ensuring access to quality medications at affordable prices through partnerships with private pharmaceutical companies. Concessions and partnerships in the infrastructure sector involve collaboration between the state and private investors for the development and management of infrastructure projects such as airports, ports, roads, and more. The "Ukrtransgaz" project is a joint venture where a portion of the company is state-owned, and the other part involves private investors or companies in collaboration with the state. These examples highlight how the hybrid cooperation model allows for the pooling

of resources and expertise from both the public and private sectors to achieve common goals and ensure the effective functioning of the system.

Additionally, examples of hybrid commercial businesses in Ukraine may include companies producing goods or services while considering social aspects. For instance, "Dopomoha-1" is a social business in Ukraine manufacturing products from materials processed by individuals with disabilities. In Canada, the company "TOMS" is known for its "One for One" model. For every product sold, they contribute to charitable causes or aid those in need. Thus, they produce and sell items on a commercial basis while allocating a portion of profits to help those in need. These examples demonstrate how hybrid commercial businesses integrate a social mission into their commercial activities, aiming to address societal issues.

In Ukraine, there are also companies that combine commercial activities with a social mission. One such example is "Smart City." This organization develops innovative solutions for cities, particularly in the realms of technology, energy efficiency, and social initiatives. They create technologies to enhance infrastructure and energy efficiency while positively impacting the environment and local communities. Another example could be "Nova Poshta." The company actively implements green technologies in its operations, initiates projects to improve the environment, and collaborates with various charitable organizations, directing a portion of its profits toward assisting those in need. These companies merge commercial aspects with their social mission, contributing to citizen welfare and maximizing their positive impact on society.

The evolution of hybrid organizations as a combination of commercial efficiency and social responsibility poses challenges in the interaction between business and government. New mechanisms for operating such organizations require adaptations in legislation and policies to ensure business development and social impact. The crux of this issue lies in the need for effective mechanisms facilitating interaction among hybrid organizations, government institutions, and the business community to ensure stability, promote social development, and collectively achieve strategic goals [10].

Present mechanisms of regulation and cooperation among hybrid organizations, businesses, and government sometimes fall short of meeting contemporary needs. Instability in this partnership can lead to conflicts and the failure to achieve both business and state strategic goals. Flaws in regulation may hinder effective collaboration, diminishing the social impact of hybrid organi-

zations and ultimately slowing societal progress. Therefore, understanding the principles underlying business-government interaction through hybrid organizations is crucial to overcoming these obstacles and ensuring the joint success of all parties in achieving strategic objectives.

Conclusions and Recommendations.

Based on research and examination of the mechanisms of interaction between business and government through hybrid organizations, the following conclusions can be drawn along with corresponding recommendations. Specialized discussion platforms: Establishing an innovative network where businesses collaborate with authorities, exchanging strategies, reviewing legislative initiatives through open dialogue, and interactive discussions. Educational platforms to support startups: Launching innovative online courses and platforms for educating and advising young entrepreneurs on conducting business in times of crisis. Formation of specialized support funds: Creating funds directed at financing startups in challenging sectors, including technology development, green energy, and medical innovations. Partnerships with government institutions: Collaborating with government bodies to implement special programs offering tax discounts or access to government procurement for enterprises. Implementation of projects addressing local community needs: Ranging from establishing centers for local industry development to jointly financed and managed energy efficiency initiatives by businesses and authorities. Establishment of startup support funds: For instance, venture capital funds jointly managed by business structures and government bodies for financing and supporting innovative ideas and startups. Introduction of legal mechanisms: Enhancing legislation aimed at simplifying business registration procedures, creating special statuses for startups with specific privileges, and improving the legal environment for entrepreneurship. Development of entrepreneurship support programs: Tailoring programs to meet both business needs and the state's strategic goals. This may involve creating special guarantees for investors and implementing transparent

rules to protect intellectual property and promote innovation. All these exemplify more detailed and strategic approaches to business-government interaction that can be successfully implemented through hybrid organizations.

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