



Theorising hybridity in state-owned enterprises (SOEs)

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Abstract

In the context of governing state-owned enterprises (SOEs), we respond to calls for further research into public entrepreneurship and for theorising hybridity in SOEs, by navigating through the diverse and fragmented literature on public entrepreneurship. Synthesising this literature will improve our understanding of this complex organisation form and identify key areas of tension, enabling the development and deployment of more appropriate governance models for SOEs. A modified five-stage systematic literature review process is used to ensure that this study sufficiently encapsulate the significant topics, themes and debates in SOEs, relating to relevant early and contemporary studies. We identify areas that introduce significant tension into this organisation field, noting that corporate governance within SOEs constitutes a laboratory for governance issues. Linking public entrepreneurship with public enterprises, we discuss the restructuring of SOEs as well as hybridity in SOEs. Taking into account the practices and characteristics of SOEs, we argue that the missing link in theorising hybridity in SOEs is theorising hybridity in terms of objective/activity; thus bridging this gap. In concluding, we note that although this paper has discussed some of the identified gaps at length, it is a precursor for future research convergence, thereby pointing to areas for future research.

Keywords Corporate governance · Hybridity · Ownership · Public enterprises · Public entrepreneurship · State-owned enterprises (SOEs)

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1 Introduction

Responding to calls for further research into public entrepreneurship (Bernier, 2014) and for theorising hybridity in SOEs (Bruton et al., 2015), we navigate the diverse and fragmented literature on public entrepreneurship, with the aim of synthesising this literature to improve our understanding of key areas of tension in this complex organisation form, enabling the development and deployment of more appropriate governance models for SOEs. Klein et al. (2010) note that public entrepreneurship manifests in a variety of activities, such as, changing the institutional environment or rules of the game, establishing new public organisations, creating and managing new public resources, and taking advantage of spill overs through private action for the wider public good. Accordingly, for the purposes of this study, public entrepreneurship refers to the innovative management of existing, publicly owned resources to achieve predetermined ends (Klein et al., 2010). Improving understanding and revisiting and redeveloping a theory of hybridity in SOEs is well overdue, especially since SOEs are often plagued with unexplainable problems that are not usually experienced by private-sector enterprises. Navigating through the literature on public entrepreneurship in conjunction with public enterprises, brings to light topics that have been researched, how these topics have been researched and how they can be further researched, as well as topics that have not been researched, or under-researched; with the hope of reconciling disjointed literature on public entrepreneurship, while situating SOEs within this wider body of literature on public entrepreneurship. Among other things, this has resulted in the realisation that hybridity in SOEs is underdeveloped and appears to contribute to the reason for the failure of corporate governance for SOEs.

Public entrepreneurship, SOEs and hybridity are linked with Klein et al.'s (2010) insight on public entrepreneurship indicating that it largely relates to managing publicly owned resources (in our case SOEs) in a way that enables them achieve their predetermined objectives. In this instance, as observed below, hybridity in SOEs constitutes one of the major tensions in terms of SOEs management, which influences the structure and operations of SOEs. Thus, if SOEs are to achieve their mandates, these issues should be addressed, introducing a need to explore hybridity in SOEs as a way of responding to contingent issues in public entrepreneurship. We accordingly attempt to add this missing link to the existing theory of hybridity for SOEs, i.e. hybridity by objective/activity.

Notwithstanding the lack of clarity about the mandates of SOEs and whether they should be service providers or surplus maximisers, or a combination of both, SOEs in some countries, such as China, Norway and Singapore (Huat, 2016), have grown so large that they are now involved in international operations (Blyschak, 2016). Following the global financial crises, countries such as China began using their state enterprises to explore international market opportunities (Liao & Zhang, 2014). Despite Karolyi and Liao (2017) contending that it is difficult to observe the objectives, behaviour, governance and activities of SOEs in internationalisation, SOEs continue to internationalise. In this context, Estrin, Meyer,

Nielsen and Nielsen (2016) posit that SOEs continue to internationalise, even internationalising more than private sector enterprises. Thus, these economies are increasingly leveraging their SOEs to pursue state-led development, based on industrialisation (Bernier et al., 2020; Hopper et al., 2009). Moreover, SOEs are extremely important in emerging economies, arguably as a result of an underdeveloped private sector (Hopper et al., 2009; Huat, 2016). In this regard, Huat (2016) notes that Singaporean SOEs were established as a way of correcting the shortage of private expertise and funds, prevailing at that time.

Public entrepreneurship is therefore emerging as a growing and important area for research, not only because SOEs, which are a component of public entrepreneurship, continue to internationalise, despite their mandates not usually being well articulated, but also because these SOEs often utilise significant national resources in the form of taxpayers' funds (Bernier, 2011; Thynne, 2011). However, when these state enterprises are properly managed, they can be good socioeconomic policy tools (Aharoni, 1986; Bernier, 2014). In this context, Bernier (2011) and Thynne (2011) observe that SOEs are used as instruments of innovative policy management in terms of policy coordination, policy utilisation, fiscal responsibility and surplus maximisation. In addition to seeking socioeconomic returns to improve the competitiveness of their nations and enhance their ability to deliver more public goods, SOEs also develop managerial and administrative capabilities in the public sector. Hence, the continuous increase in the number of SOEs is testament to their socioeconomic importance. In this regard, Grossi et al. (2015) and Rentsch and Finger (2015), report that a majority of the public sector workforce are employed by SOEs, and related organisations and not in the core central administration. Consequently, SOEs oversee about three quarters of the public sector investments in terms of value, with the ratio of debt often being higher when compared to the central administration (Del Bo et al., 2017; Grossi et al., 2015).

Notwithstanding its importance, research on SOEs does not appear to be converging. Confirming this paucity of research, Bruton et al. (2015) observe that research on SOEs has not received sufficient attention by researchers, nor space in top tier academic journals (Mühlenkamp, 2015; Rentsch & Finger, 2015; Stan et al., 2014), despite its relative importance to their owning nations. This tension, brought about by the lack of adequate research in this organisational field, has prompted authors (such as Bernier, 2014; Bruton et al., 2015; Daiser et al., 2017; Mühlenkamp, 2015), to call for scholars to pay more attention to SOEs and to focus on wider public entrepreneurship, while paying attention to further theorising hybridity in SOEs (Bruton et al., 2015).

SOEs are arguably good socioeconomic policy tools (Bernier, 2014). Since SOEs oversee major public sector investments, and often utilise significant public funds (Bernier, 2011; Thynne, 2011), increasing research into SOEs is warranted to improve our understanding of the characteristics they display, in order to properly manage them and to improve their competitiveness, thereby enhancing their ability to deliver their prescribed mandates. Despite their importance, Florio (2014) and Florio and Fecher (2011) observe uncertainty by economists, policy-makers, managers and other stakeholders, about the reasons SOEs exist, how their performance should be measured, as well as the role that the state can

and should play as owners. This prompted Alexius and Cisneros Örnberg (2015) to argue the need for new ideas on the appropriate role, active governance and scope of these enterprises, with Belloc (2014) contending that strong corporate governance is crucial to the survival and innovation of these enterprises, confirming the need for more research into SOEs.

This paper makes three primary contributions: the first, responds to calls for further research into public entrepreneurship by navigating the diverse and fragmented literature on public entrepreneurship, within the context of SOEs, in order to establish the state of research on SOEs. The second, identifies areas of tension in this organisation field, as a first step to tackle issues inhibiting SOEs from achieving their mandates. The third, appropriately positions SOEs within the wider public entrepreneurship literature, by considering their characteristics and further theorising hybridity in SOEs, which is necessary for their operational effectiveness and efficiency.

Following the introduction, we proceed by describing the methodology utilised – a systematic literature review, in order to ensure that this study adequately covers the key areas in public entrepreneurship, viz-a-viz SOE governance. Thereafter, we present the analysis, interpretation and discussion of the emerging observations, before concluding, discussing the implications of this study for theory and practice and providing avenues for further research.

2 Methodology

The approach utilised to navigate through the literature involves reviewing the literature more systematically than traditional narrative reviews. Article selection in a systematic literature review tends to be more explicit than the conventional process adopted in narrative literature reviews. Not only does systematic literature reviews assist in the mitigation of bias, it simultaneously contributes to ensuring that all relevant and current literature have been sufficiently covered (Watts, 2017). Gathering secondary data in this way provides a robust evaluation of prior research, while enhancing the ability to explore emerging research about the phenomena being studied (David & Han, 2004). The methods employed by Yi and Wang (2013) and Newbert (2007), informed the approach adopted for the systematic literature search and review in this study. The rationale behind using a systematic review process was to ensure that the resultant review meaningfully represents pertinent journal articles dealing with the different aspects of public sector entrepreneurship, as well as appropriate terminology. Therefore, without compromising comprehensiveness, this approach allowed the data analysis to separate and manage a reasonable sample of studies.

The systematic literature review adopted for this study, comprises the following five steps, each containing decision points.

o Step 1: Identifying databases

The literature selected for inclusion in the review targeted databases containing scholarly high impact factor journals in accounting, sociology, business, economics, management, political science, public policy and public management disciplines.

o **Step 2: Searching databases**

To ensure adequate coverage, the search does not target particular journals; instead, the literature search was conducted through an institutional search engine, by entering suitable keywords into the “advanced” search panel, which ensured that the search covered all databases as well as the journals associated with those databases. Journals found under these databases, which were not considered pertinent to the subject areas covered by this study, were filtered out by unticking certain boxes.

The keywords entered into the search panels of the databases included: “state-owned enterprises” *or* “public enterprises”, and “public sector enterprises”, “government business enterprises” *or* “government owned companies”, *and* “government-linked companies”, “organisational governance” *or* “corporate governance” and “public entrepreneurship”, “hybridity” *or* “hybrids” and “hybrid governance”. As expected, since the initial search returned huge amounts of unfiltered results (n=4 386), appropriate filters, such as language of publication, were subsequently applied to the initial search results returned, reducing the returned articles to a more manageable (n=2 107), but still representative sample. Mendeley reference management software was used to manually and electronically manage selected articles throughout the literature review process.

o **Step 3: Removing non-relevant articles**

Articles that were perceived as not being particularly relevant to the study, were deleted in step 3 (n=1 789). For example, articles in languages other than English (as the authors are not able to read articles in other languages) and those on social enterprises and statutory boards. However, studies falling in this category were thoroughly scanned—for example using Google Translate for studies in languages other than English—before discarding, to prevent relevant studies from being discarded. Since these studies only represented a small fraction of the studies used, discarding them had no impact on the results.

o **Step 4: Reading abstracts, introductions and conclusions**

To identify relevant articles for the study, the abstracts, introductions and conclusions of the papers that were selected for this stage were read, and subjected to thematic content analysis. This ensured that the articles reviewed (n=318) complied with the predetermined criteria, and were methodologically and conceptually sound.

o **Step 5: Reading full papers**

The remaining articles were carefully read and captured in an Excel spreadsheet-based literature template. The template columns included “title of article”, “name of journal”, “year of publication”, “author(s)”, “theory”, “unit of analysis”, “objective(s)/research question(s)”, “sample (country/where)”, “method/data”, “findings and/or conclusions” and “avenues for future research”. The use of the Excel template improved the ability to manage and control the data for the purpose of analysis.

Since it was impossible to discuss all the observations from the review due to space constraints, despite the study identifying several tensions, only two major tensions, i.e. restructuring of SOEs and theorising hybridity in SOEs, are discussed in detail.

Two significant criticisms of the systematic review process (Watts, 2017) are that it tends to limit the material to be reviewed and may only cover relevant/current literature while ignoring seminal studies. To ensure the rigor of this study and improve representativeness, the literature review was not only confined to scholarly articles, but also included appropriate references from textbooks, conference proceedings, reports and periodicals (as confirmed in the list of references), albeit only representing a small proportion of the total number of studies consulted. This was achieved by using a technique known as snowball referencing, which involves tracing citations in articles and other reference sources to further sources. In this study, although the search criteria initially targeted journal articles, snowball referencing assisted in identifying further useful reference sources, such as books.

In addition, snowball referencing ensured that the filters used at the database search stage, did not adversely affect the overall coverage of the review. After a rigorous process, all categories were consolidated to develop a thematic (topical or debate oriented) overview of the topics discussed in the literature.

3 Analysis, discussion and interpretation of the emerging observations

As a precursor to conducting a meaningful analysis, it is necessary to first briefly highlight key literary milestones in public sector entrepreneurship. State ownership of enterprises has been extensively researched since Aharoni's (1981) re-introduction of state ownership as an important socioeconomic policy instrument. Prior to 1981, few research studies were conducted on state enterprises. Notable exceptions include Seidman (1954) on organisation and control of government corporations, Phatak (1969) on management problems associated with government enterprises due to governmental interference, Turvey (1971) on economic analysis of public enterprises, Jones and Sakong (1976) on accounting socially for public enterprises, Bergson (1978) on the risks faced by public enterprise managers and the rewards they receive, Keyser and Windle (1978) on public enterprises in the European Economic Community, Sheperd (1978) on economic analysis of public enterprises,

and Mazzolini (1979) on enterprises controlled by the government. The works of these seminal authors meaningfully contributed to early research into the public enterprises organisational field, while also serving as pointers to different aspects of public sector entrepreneurship. These important early studies, particularly the early work of Aharoni (1981), forms the basis of modern research on public enterprises today. This explains the reason for Aharoni's (1981) work being the most cited earlier work in modern research on state ownership, especially those relating to performance and corporate governance of state enterprises. Nevertheless, all the early authors contributed meaningfully to this organisation field, providing pertinent references for subsequent studies.

Although there are different strands of literature on state entrepreneurship, the literature tends to overlap. Arguing that entrepreneurship literature has failed to include public enterprises (SOEs for the purposes of this paper), Bernier (2014) introduces entrepreneurship into the public sector literature. Although this overlap may blur the distinction between public goods and services delivered by public entities (e.g. statutory boards (SBs) and public enterprises (SOEs)), the distinction and demarcation still remain fairly intuitive. The broad and overlapping literature on public ownership suggests that although the literature on SOEs (a component of public ownership and entrepreneurship) has been covered, this has largely been in a disjointed manner (Clo et al., 2017; Levy, 2015; MacCarthaigh, 2011).

3.1 Tensions in public entrepreneurship literature

Differences in terminology have emerged as the first tension in state ownership (Chen, 2016; MacCarthaigh, 2011; Presidential Review Commission, 2012). Some countries, such as India and Libya, refer to these enterprises as public enterprises, with associated scholarly literature typically referring to public sector enterprises or public enterprises (Bhardwaj, 2016). Other countries, such as Malaysia and Singapore, refer to them as government-linked companies (Koe, 2013). In South Africa, these entities are known as government owned companies and state-owned companies (Tsheola et al., 2013), but occasionally referred to as social enterprises (Low, 2006). This terminological divergence introduces a need to link together the literature on public ownership to improve the understanding of the phenomena and a need to consolidate and homogenise the terminologies. Observers have highlighted the importance of linking disjointed SOE literature (Bernier, 2014; Grossi et al., 2015). One of the ways this disjointed literature can be linked is comprehensively researching public enterprises, variously categorised as state-owned enterprises, state-owned companies, public enterprises, government business enterprises, government owned companies, government-linked companies and state-owned companies. This paper proceeds along this line. Consolidating the different nomenclatures, and following the argument of Grossi et al. (2015) that since SOEs is already the preferred term widely used by global scholars, international organisations such as the OECD and the World Bank, practitioners and academics, this paper uses the umbrella term SOEs to identify these enterprises.

The second tension relates to the structuring and governance of SOEs to achieve their mandates. Navigating through the extensive public sector entrepreneurship literature (development, ownership, organising, managing, governance and objectives) clearly identifies corporate governance as an important sub-field, confirming Daiser et al. and's (2017) assertion that corporate governance is critical in public sector entrepreneurship. In fact as noted by Okhmatovskiy et al. (2021), corporate governance is a key tenet in SOE literature, such that it highly influenced the reasoning behind theorising SOEs as hybrids by ownership, a notion with which Zhou (2018) concurs. Much of the debate on SOEs has often been on privatisation or nationalisation and on how they should be governed in terms of the decision-making authority between public and private sector role-players as managers of SOEs. Since the most salient problems faced by SOEs are usually associated with governance issues, it is unsurprising that the general literature on entrepreneurship appears to focus on identifying the best solution for solving SOE governance problems. Despite this focus, there is still a need for research on corporate governance of SOEs to converge.

In addition to the issue of corporate governance, the structural form that SOEs should take, informed by the perpetual debate about whether SOEs perform better when privatised or nationalised, emerges as a third tension. To address the vacillating privatisation vs. nationalisation debate, a fourth tension has emerged in terms of which SOEs have been theorised as hybrid organisations between public and private enterprises, based on ownership. A further tension, the fifth, relates to the observation that despite governments around the world investing significant national resources in these enterprises, SOEs seldom achieve their mandates, frequently requiring state bail outs, prompting stakeholders to demand that they transparently account to the public for the efficiency, effectiveness, economy and sustainability with which these public resources have been utilised. Within this context, Grossi et al. (2015) assert that the provision of public goods and services and the consolidation of the public budget would be difficult to achieve without powerfully, efficiently, and effectively governing and managing SOEs, making it necessary to implement mechanisms to enhance the transparency, accountability and performance of SOEs.

Despite the importance of the identified tensions, as previously indicated, we only focus on the second and fourth tensions—restructuring of SOEs and the theorisation of SOEs as hybrid organisations, which provide a starting point for mitigating the remaining identified tensions. However, as we will observe below, our discussion in Sect. 3.2 touched on issues relating to circumstances under which SOEs should be nationalised or privatised, which is an element of the third tension—the ideal structural form for SOEs. While the first area focuses on restructuring of SOEs resulting from greater convergence on the topic, the second relates to further theorising hybridity in SOEs. As illustrated by trends in both research and practice, the effective restructuring of SOEs is important. The importance of theorising hybridity in public sector entrepreneurship and public enterprises within a SOE restructuring context, is key to understanding the effects of the discourse on nationalisation and privatisation in public sector entrepreneurship by SOEs. This hybridity is also vital for adopting and implementing sound corporate governance practices and corporate structures for SOEs. Hence, the discussion on hybridity which highlights some of the major reasons SOEs typically experience difficulties, is equally important. The

discussion below reveals that simplistically focusing on privatisation and nationalisation when restructuring SOEs, may have been wrongly conceived, since SOEs are believed to be hybrid only by ownership.

3.2 Restructuring of state-owned enterprises

In attempting to ensure that SOEs deliver on their mandates and are free from state bail outs, privatisation and nationalisation (publicisation) are the two alternatives most commonly utilised for restructuring SOEs. Conceiving SOEs as organisations that fall between private and public sectors (hybrid by ownership), advocates of privatisation were powerful and imposed their analyses on why the privatisation of SOEs would ease the burden of SOEs on their owning nations. This was aided by the strong support for capitalism following the incompetence and corruption of eighteenth and nineteenth century governments (Keynes, 1926). Also, the arguments against capitalism were not as strong as those advocated by the pro-capitalism lobby, with the tools used by opponents of capitalism at that time, appearing too weak to defeat capitalism. This, Keynes (1926) summarises thus:

“But the principles of *laissez-faire* have had other allies besides economic text-books. It must be admitted that they have been confirmed in the minds of sound thinkers and the reasonable public by the poor quality of opponent proposals – Protectionism on one hand, and Marxian Socialism on the other. Yet these doctrines are both characterised, not only or chiefly by their infringing general presumption in favour of *laissez-faire*, but by mere logical fallacy... At any rate, the obvious scientific deficiencies of these two schools greatly contributed to the prestige and authority of nineteenth-century *laissez-faire*”

Despite being unable to confidently assert that SOEs are inefficient, without categorical proof, capitalist arguments have always remained strong and have never really disappeared, although it does appear that more sound arguments against capitalism have since been developed (Wright, Wood, Cuervo-Cazurra, Sun & Grosman, 2021; McNally, 2013; Porter, 2003). It is therefore posited that observers may have been incorrectly persuaded that public enterprises were inefficient and political tools, rather than useful socioeconomic policy instruments (Mirjana & Micic, 2015). The timing of this deliberate misinformation, while SOEs in most countries were struggling and most governments were financially handicapped (Gumede, 2016), incapacitated stakeholders who were therefore unable to present strong counter-arguments against privatisation, since governments were required to act quickly to safeguard both their own, as well as their countries' interests (Farazmand, 2012). This deliberate misinformation was used to convince observers that for public enterprises to thrive and achieve their mandates, ownership of SOEs should be transferred to the private sector (Farazmand, 2012). Advocates of private ownership assert that ownership contributes positively to enterprise performance (Songvilay et al., 2017), and that private ownership works better. These arguments, exacerbated by the “no

reform, no aid/support” policies of Western governments, contributed to the large-scale privatisation of SOEs experienced at the time.

According to Wu et al. (2016), privatisation started in Britain in the 1980s, gradually moving to the former Soviet Union and surrounding countries by the 1990s. Following the collapse of the Berlin Wall in 1989 (He et al., 2016), privatisation of SOEs accelerated and became widespread throughout Europe, Asia, Latin America and particularly in the former Soviet Union (Turner et al., 2017). Despite reports suggesting that the transformation of SOEs did not take place at the same pace in Asia, especially when compared to European countries, the UK in particular, transformation eventually occurred in Asia as well (He et al., 2016). Wu et al. (2016) note that both Britain and the former Soviet Union were drastic and comprehensive in their privatisation activities. Not only did China embark on privatisation much later, their public enterprises were only partially privatised. In this regard, Sappideen (2017) notes that about half of the Chinese privatisation interventions were through management buyouts. Wu et al. (2016) conclude that ultimately, China’s partial privatisation method appears to have yielded more sustainable benefits, when compared to the outright privatisation in the UK and the former Soviet Union. Ironically, Putniņš (2015) referred to this form of Chinese privatisation as the corporatisation of SOEs.

By contrast, acknowledging that privatisation may not necessarily solve the problems being experienced by SOEs, some countries adopted a policy of nationalisation, which has resulted in a proliferation of SOEs across the world today. Notwithstanding, several countries around the world are still involved in privatisation. Reasons advanced for ongoing privatisation efforts, include strategic positioning (Florio, 2014), and the need for states to achieve greater efficiency and competitiveness (Hai & Donnell, 2017). The privatisation or nationalisation of SOEs today, are therefore institutional reforms that may be triggered by any issue, rather than the former contention that SOEs were more likely to perform better when privatised, or fully nationalised, or pursuing capitalist or socialist ideologies, based on the perceived superiority of capitalism when compared to socialism, and vice versa.

An important question in terms of privatisation and nationalisation, relates to the circumstances under which each, or both, of the restructuring options are desirable. It was previously noted that the number of SOEs continue to increase, especially in emerging countries where they are typically used as instruments of industrialisation to correct market failures and since in-depth analyses have shown the limitations of privatisation, which has resulted in more SOEs being created than privatised (Bernier et al., 2020). Thus, in answering this question, certain factors have to be considered, as illustrated in Fig. 1. Firstly, transaction cost economics (TCE) details how organisations may be structured in line with different governance models. As described below, the unit of analysis in TCE is the organisation itself and not the commodity traded by the organisation. TCE is important for organisational analysis because of asset specificity, information asymmetry, formal and informal governance apparatus, uncertainty and incentives. According to TCE, organisational transactions differ along the lines of the degree of asset specificity (idiosyncrasy), uncertainty and frequency (Williamson, 2005). These attributes may be useful in determining when SOEs should remain nationalised (wholly state-owned—unified

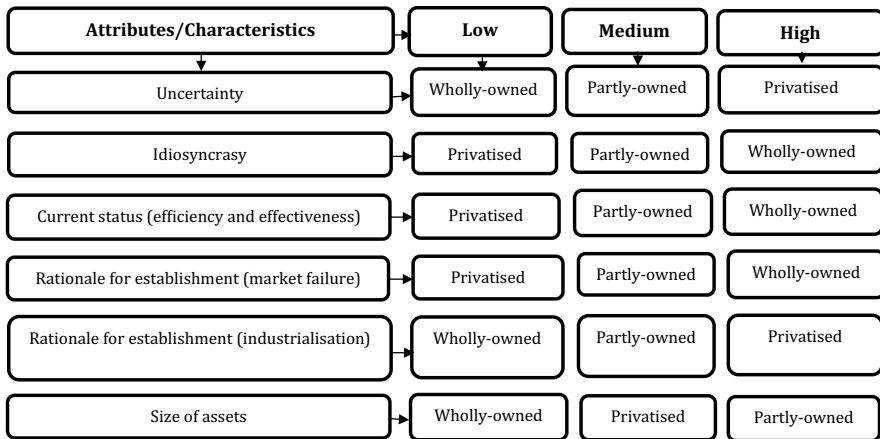


Fig. 1 Structuring State-owned enterprises *Source* Authors own elaboration with insights from Williams (1979; 2005).

governance), be privatised (wholly privately owned—market governance), or corporatised (co-owned by public and private sector role players—mixed governance). In this instance, characteristics, in terms of the critical dimensions by which governance structures are analysed in relation to the attributes, comes into play. These critical dimensions include incentive intensity, administrative controls, autonomous adaptation, cooperative adaptation, contract law, information context and decision-making context. While market and unified governance differs on these dimensions, since bilateral governance is a midpoint between the two, it is semi-strong on each of these critical dimensions. Market governance is strong in terms of incentive intensity, but unified governance is weak. Administrative control and cooperative adaptation are weak in market governance, but strong in unified governance. Autonomous adaptation, contract law, information context and decision-making context are strong in market governance, but weak in unified governance (Menard, 2021; Williamson, 1991).

To address this question, the relevant two of the three attributes (uncertainty and idiosyncrasy) are varied as low, medium and high. Uncertainty relates to the limited ability of an organisation to fully ascertain environmental and behavioural issues in unforeseen circumstances. Idiosyncrasy on the other hand, relates to goods and services that involve investments of transaction-specific human and physical capital, through which benefits are realised upon successful completion (Williamson, 1979). Thus, it has to do with the type and degree of asset specificity involved in supplying typical goods/and or services (Williamson, 1991). Asset specificity is concerned with the degree to which an asset can be redeployed to alternative uses and by alternative users without sacrificing productive value (Williamson, 1991). Where investment and operating uncertainty in SOEs is low, SOEs are better wholly-owned, but better privatised when high. Where investment and operating uncertainty is medium, SOEs are better partly-owned. This is quite different from idiosyncrasy, where SOEs are better privatised when there is low level of idiosyncrasy (highly standardised

assets), and wholly-owned when idiosyncrasy is high (assets are highly specific). This implies that according to TCE, when idiosyncrasy is medium, partial-ownership will suffice. However, as described below, it appears that Farazmand (2012) notes that full ownership may not be ideal when SOEs require huge investment in assets (not necessarily specialised assets, but assets requiring substantial investment) and are so big, which may affect their efficiency and effectiveness. This has to do with the reasoning that wholly-owned SOEs may underutilise such assets, when they only focus on delivering public goods and services.

Secondly, in addition to TCE, in further answering the question, the role or rationale behind the establishment of SOEs, their current status, as well as the size of SOEs assets are also key to determining whether SOEs should remain nationalised (wholly state-owned), be privatised (wholly privately-owned) or corporatised (co-owned by state and private role-players, subjected to private sector laws and regulations, and listed on stock exchanges, which is instrumental in privatisation (McDonald, 2014)).

Where SOEs are created to correct a market failure, or for industrialisation purposes, they are better when initiated by the state through SOEs (wholly-owned). However, their owning states may consider relinquishing ownership (through partial-ownership or privatisation) once this has been achieved. Depending on the situation, when market failure has been partly mitigated or medium industrialisation has been achieved, a SOE may be partly-owned, but if market failure is low and industrialisation is high, SOEs may be privatised. However, a SOE operating at an optimal level and ensuring that revenues cover expenses, but without worrying about profits—where profitability is not the aim for establishment—may be unable to operate optimally due to the presence of competitive private sector role players and funding, enabling them to more effectively, efficiently and economically deliver public goods and services. This may be compounded due to the inefficiency and ineffectiveness of the SOE. In such a case, the owning state may decide to fully privatise or corporatise (partial ownership) the SOE, with corporatisation often seen as instrumental to privatisation (Bognetti, 2020). On the other hand, where SOEs are still able to operate optimally, and where they should continue to provide the public goods and services for which they were originally established, these SOEs should remain wholly state-owned to fulfil their mandates. Also, in terms of asset size, consideration should be given to corporatising SOEs that are too large. In this regard, Farazmand (2012, p. 492) observes that transaction costs (TCs) provide an economic stance along the idea that “big is beautiful”, when big government is efficient and able to limit TCs. If TCs are low, owning states can focus their efforts on other matters, leaving the SOEs to provide public goods and services on its behalf. However, SOEs should recognise that TCs may only be economised to the extent that a particular SOE is not too big (and asset-heavy), as transactions may become too large, making it difficult to contain costs. As in the private sector, there are boundaries at which the cost of transactions would be similar to what it would be, if carried out in the open market. In this case, bureaucratic costs will rise, when compared to situations with a smaller number of transactions (Williamson, 1981, 1991).

It is acknowledged that under certain circumstances, the attributes/characteristics illustrated in Fig. 1 may overlap in practice, requiring consideration of different

alternatives. When this occurs, consideration is usually given to the medium attribute, resulting in partial-ownership. For example, where the attributes of high uncertainty and high idiosyncrasy occur simultaneously, this may result in privatisation and full ownership respectively. The decision should then factor in, which has greater strategic importance related to the respective mandates of the SOEs. Although it may be argued that idiosyncrasy is more important, favouring full ownership, a more prudent approach may be between private and full ownership, resulting in partial ownership. While this may not be the best option under all circumstances, partial ownership has clear benefits when compared to full private ownership given that all the attributes and characteristics are semi-strong. When the attributes/characteristics appear to overlap, the best approach should consider the pros and cons of the respective ownership models, in relation to other key organisational, environmental, socio-economic and national circumstances.

3.3 Hybridity in public sector entrepreneurship

The concept of hybridity in the contemporary literature is perceived differently in organisations. It could be perceived in the context of governance forms displaying characteristics of market, or government, or in-between (Speklé, 2001; Johanson & Vakkuri, 2020). Hybridity may therefore be seen as the preference of one organisational form over another—for example (for the purposes of this study) the preference of a SOE over and above purely market governance (Kamminga & Van der Meer-Kooistra, 2007; Rubens Fontes-Filho & Cristina Carris de Almeida, 2020; van Helden & Reichard, 2016). While the former is sustained by structural differences in organisational forms highlighted by TCE described above, since different characteristics may be considered when choosing one organisational form over another, the latter rests on structure as well as other functional elements. Van Helden and Reichard (2016) have shown that apart from ownership (which is the main element in the former category of hybrid), the other elements considered when selecting an organisational form include goals, funding and control (organisational role-players). Johanson and Vakkuri (2017) introduced goal incongruence, competing institutional logics, multiplicity of funding arrangements and public–private forms of financial and social control, as additional factors. Collectively, as described in the discussion of hybridity below, the latter form of hybridity mirrors the type of hybridity theorised for SOEs in this study – thus providing the missing link in theorising hybridity in SOEs.

The convergence of the literature on privatisation and nationalisation within a wider public entrepreneurship and public ownership context, appears to have contributed to the prolonged underdevelopment of the field of hybridity in public entrepreneurship. After reviewing the top 45 list of Financial Times' journals (FT 45) from 2000 to 2014, and finding that no article published in the journals reviewed, explored SOEs as hybrid organisations, prompted Bruton et al., (2015) to call for more research into SOEs, particularly on theorising hybridity in SOEs. Bruton et al. (2015) helpfully introduced the concept of hybridity in SOEs, by following the documentation of hybridity in the public arena by Thynne

(2013); and on hybridity in social enterprises by Ebrahim et al. (2014). Contemporaneously with Bruton *et al.*'s (2015) introduction of hybridity in SOEs, other authors (such as Denis et al. (2015) and Skelcher and Smith (2015)), commented on hybridity in public organisations. However, Bruton et al.'s (2015) introduction of hybridity in SOEs failed to explicitly document what their concept of hybridity constitutes. As a result, most research into hybridity of SOEs appear to have treated SOE hybridity in terms of ownership, without considering other forms of hybridity, thus favouring ownership arrangements between public and private enterprises, as well as in terms of corporate governance, whereby SOE boards often comprise both public and private sector role-players. Commentators may therefore have conceived hybridity as a condition pertaining to what constitutes an organisation, without considering what an organisation does. Even though this may appear logical, it may not have covered every aspect of SOE hybridity. In this regard, theorising SOEs only in terms of ownership/structure becomes problematic, especially where SOEs are wholly state-owned—as is the case with most SOEs in many parts of the world—in terms of which SOEs are organised using a decentralised model. Hence, in this instance, function in terms of objective/activity becomes important in theorising SOEs (Johanson & Vakkuri, 2020), as discussed further below.

The strands of research theorising SOEs only in terms of ownership/structure have concluded that SOEs possess the characteristics of both public and private ownership and may therefore be categorised as hybrid organisations. However, within the context of hybridity in SOEs, it appears hybridity may be better explained by combining theorising in terms of ownership/structure with theorising in terms of objective, social and commercial, and/or in terms of the work public sector managers perform due to their involvement in SOEs, rather than in terms of the characteristics of SOE ownership (whether private or public). While this does not mean that theorising SOEs only in terms of ownership is not logical, as indicated above, combining structure/ownership and function based on objectives seems more encompassing and caters for all categories of SOEs, including those that are wholly state-owned. Theorising only in terms of ownership is partly attributed to vacillating arguments in the literature, excessively focusing on privatisation and nationalisation on the one hand, and capitalism and socialism on the other (Peng et al., 2016; Sadiki, 2015; Zhao & Zhang, 2015). At first, the arguments were in favour of nationalising enterprises, because of the strong Keynesian state-interventionist approach at that time (Farazmand, 2012). At the time, these SOEs were thriving, before the onset of privatisation in the wake of the various economic crises of the 1980s, which were arguably caused by excessive public indebtedness, inefficient SOEs and inflation (among other things), compounded by public subsidies (Ashworth et al., 2013; Pollitt & Bouckaert, 2011; Williamson, 1989). Hence, the literature in the field appears to have concluded that the complex field of state ownership could be better explained, and that the problems of SOEs may be better solved, in terms of a binary ownership model, as either wholly privately owned (privatisation), or wholly publicly owned (nationalisation) enterprises.

3.4 Theorising hybridity in state-owned enterprises

It has been established above, that literature on SOEs has under-theorised the concept of hybridity. In this regard, the central argument in this paper is that hybridity in SOEs also arises from a plurality of objective/activity, which may be termed the organisational mandate. Thus, in addition to hybridity by ownership, observers and commentators should consider hybridity in SOEs in terms of objective/activity. This paper, following Skelcher and Smith (2015), argues that hybridisation is a process in which plural mandates and several actor identities are in play within an organisation, leading to several possible organisational outcomes. In confirming the relevance of objectives in public entrepreneurship reasoning, Klein et al. (2010) submit that public and private entrepreneurship share essential features, but differ critically regarding the definition and measurement of objectives, the nature of the selection environment, and the opportunities for rent seeking. Thus, objective/function is a key tenet in describing hybridity in public entrepreneurship, viz-a-viz SOEs. SOEs can therefore be categorised as hybrid organisational forms, which combine the core objectives of both private and public enterprises as a basis for their existence, alongside ownership/structure.

Pache and Santos (2013) note that hybridity assumes different forms depending on the context in which it is being considered. In this regard, Johanson and Vakkuri (2017) noted that hybridity could be conceived in terms of mixed ownership, goal incongruence and competing institutional logics, multiplicity of funding arrangements and public–private forms of financial and social control. Similarly, van Helden and Reichard (2016) have shown that hybridity may be conceived in terms of goals, funding and control. Argento et al. (2019) have also voiced some of these factors. The different forms of hybridity result from governing societal activities that often combine features of both public and private management and action (Vakkuri and Johanson, 2020). Rubens Fontes-Filho and Cristina Carris de Almeida (2020) concur that SOEs display hybrid characteristics, suggesting that involvement by private sector role-players in SOEs ensures that SOEs observe two institutional logics—political and commercial. They note this duality is one of the characteristics of hybrid organisations—an argument with which Butzbach, Fuller, Schnyder and Svy-stunova (2021) agree by noting that SOEs managers are institutional actors within the constraints of institutional logics.

Anheier and Krlev (2016) acknowledge the complexity of hybridity, postulating that hybridity emerged during the late 1960s to use hybrid organisations to challenge or adjust to new environmental conditions, resulting in hybridity being compatible with organisations incorporating two different organisational sectors or forms. Since this type of hybridity involves two different organisations, it may be positioned better as structural/substance hybrids. Hybridity which takes different forms, has also been utilised in expounding various organisational goals, differing stakeholders, and diverse organisational activities (Mair et al., 2015; Schmitz & Glänzel, 2016); although structural hybridity remains the most researched hybridity form. Along this line, for example, the convergence of for-profit and non-profit organisations is seen to represent hybrid organisations (Gottesman, 2007). This tension regarding varying forms of hybridity prompted Borys and Jemison (1989) to postulate that hybridity

represents organisations formed as a result of acquisitions and supplier arrangements, merger, license agreements and joint ventures. Similarly, albeit in a different context, Evers (2005) contends that the separation of service systems and units can be said to result in, or be a form of hybridity. Along these lines, Borys and Jemison (1989), Gottesman (2007), Mair et al. (2015) and Skelcher and Smith (2015), point to the existence of distinct forms of hybridity in the private, public and social sectors. In this regard, Mair et al. (2015) and Skelcher and Smith (2015), referring to hybridity in the public and non-profit sectors, concur with Borys and Jemison (1989), and Gottesman (2007), conceding possible differences in hybridity from sector to sector. With the exception of Evers (2005), the types of hybrids described by these authors constitute structural/substance hybridity.

Schmitz and Glänzel (2016) note that hybridity in partly-public and partly-private organisations, markets and hierarchies, partnerships, and organisations combining economic and social characteristics, have been extensively examined and debated, with structural/substance hybrids converging. However, different arguments on hybridity have also emerged, which has led to diverse debates on various sectors and topics. These diverse insights on hybridity, have resulted in hybridity perceived as a composition of components previously and formally considered as distinct, single and separate (Anheier & Krlev, 2016).

Based on the discussion above, hybridity can intuitively be broadly categorised into substance/structural and functional hybridity, each entailing diverse hybridity types, with organisational, sectoral and structural hybridity, constituting the primary convergence on hybridity. Structural hybridity refers to hybridity sustained by the composition of organisations and organisational sectors, together with different ownership organisational structures (Schmitz & Glänzel, 2016). The popularity of this form of hybridity has resulted in little attention being paid to other aspects of hybridity, apart from organisational and sectoral hybridity. Skelcher and Smith (2015) have therefore concluded that fewer literature exists on theorising hybridity, which is aligned with the findings of Bruton et al., (2015).

Several reasons are advanced for this unsurprising observation. Firstly, many commentators converged on Williamson's (1981) TCE due to its powerful illustrative tendency of organisations, which proposes three models of governance structures. The first being market, the second being hierarchy, with the third being hybrids, which combine the first two structures (Skelcher & Smith, 2015). Secondly, regulatory restrictions (Stieg & Rutherford, 2017), organisational structure, financing (Kickert, 2001; Schmitz & Glänzel, 2016), markets, products (Kickert, 2001) and ownership, appear to be the main distinguishing factors for the identification of different types of organisations. Thirdly, since other types of hybridity are not as tangible as organisational sectors and organisations, theorising and elaborating on these hybrid forms tends to be more difficult (Anheier & Krlev, 2016), resulting in these other forms of hybrids being better theorised as functional hybrid forms. Collectively or individually, the above reasons assist to explain the excessive focus on structural hybridity. Thus, this disproportionate convergence on ownership and organisational structure, has prompted the call for greater convergence on inter-organisational hybrids (substance/tangible hybrids), without proper recourse to intra-organisational hybrids (functional hybrids). This implies that numerous

significant insights into hybridity are yet to be considered, debated and discussed. In this regard, SOEs appear to represent functional/intra-organisational hybrid organisational forms, in addition to structural/inter-organisational hybrid organisational forms, as theorised by many commentators on hybridity in SOEs (Bruton et al., 2015; Eldar, 2017; Gooneratne & Hoque, 2016; Pache & Santos, 2013). Hybridity in terms of ownership/structure is important due to factors such as accountability, production/service responsibility and funding, since it may be argued that the infrastructure supports the implementation of functionality. Thereby arguing that while functional cum activity/objective hybridity is primary to SOEs, the structural cum ownership hybridity plays a secondary support role.

It is accordingly postulated that commentators may not have considered this other form of hybridity, by theorising SOEs only as structural hybrid organisations. As previously indicated, this is attributed to the literature concentrating on ownership (Dumitrascu, Feleaga & Feleaga, 2015), and treating enterprises as being either public or private (Bhasa, 2015; Bruton et al., 2015; Florio, 2014; Plūmiņš & Ščeuļovs, 2016; Rainey & Bozeman, 2000). However, although a few studies have argued that SOEs were hybrid organisations (Alexius & Cisneros Örnberg, 2015; Christensen, 2015; He et al., 2016; Okhmatovskiy et al., 2021; Pache & Santos, 2013), even these studies based their hybridity argument on ownership. A further strand complicating this organisational field suggests that SOEs are a third sector between traditional government administrations and private enterprises (Putniņš, 2015), when in reality, most of these SOEs are usually wholly state-owned and not partly-owned, irrespective of the ownership model.

Even though the convergence on Williamson's TCE has ensured that hybridity has been theorised in terms of structure, Fig. 3 below indicates that the hybridity theorised in this paper, builds on structural hybridity, while adding the missing elements of functions/objectives. It may be argued that theorising hybridity in SOEs taking TCE into account is not ideal, especially since TCE was developed in the context of private-sector enterprises and not public sector organisations (Dagdeviren & Robertson, 2016; Ruiter, 2005). However, some commentators have opined that since SOE differ from core public service provision, analysis in SOEs may take TCE into account (Brown & Potoski, 2003). Thus, for the purposes of this paper (as seen in Figs. 2 and 3), hybridity is discussed taking the attributes/characteristics of TCE

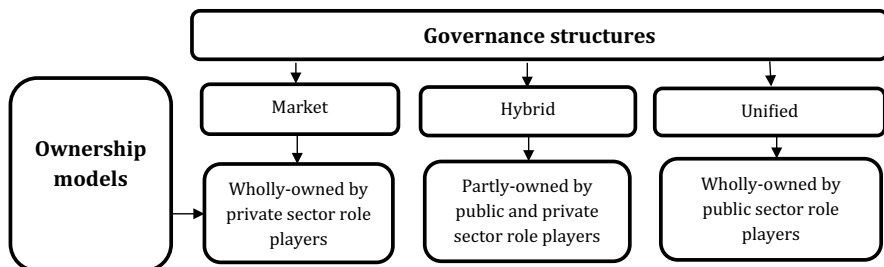


Fig. 2 Hybridity in transaction cost economics and ownership literatures *Source* Authors own elaboration.

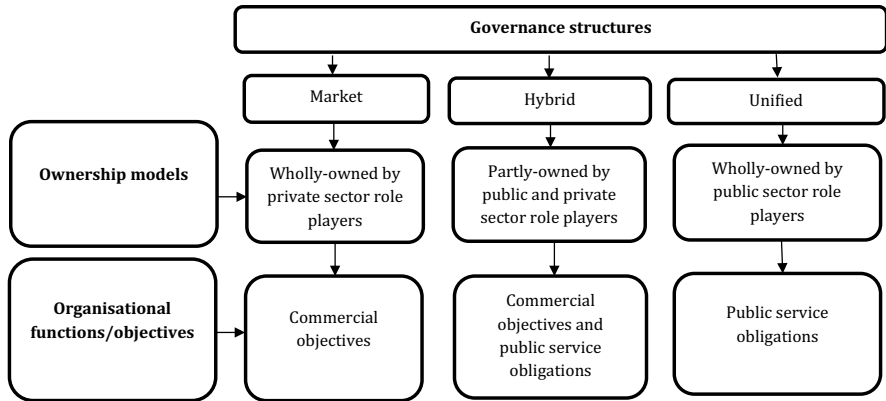


Fig. 3 Proposed hybridity applicable to SOEs *Source* Authors' own elaboration.

relevant to public ordering into account (Williamson, 2009), rather than from the perspective of seller-buyer relations prevalent in private ordering.

In most cases, SOEs combine the objectives and not the structure of these organisations, thus functional hybrids are as important as structural hybrids in theorising hybridity in SOEs. The complexity of SOE hybridity prompted Peng et al. (2016) to suggest that the concept of hybrids within a SOE context was not sufficiently understood. Although SOEs usually combine economic and social objectives, in most cases, they do not combine the governance characteristics of private and public entities. However, since these SOEs often consider the objectives of both private and the public sector organisations, they should truly be categorised as hybrid organisations that are distinct from core public and core private enterprises. It is therefore not surprising that Bruton et al. (2015), referred to SOEs as crucial organisational forms. A closer examination of a majority of the SOEs all over the world, appears to confirm that hybridity in terms of objective/function is ideal. SOEs are usually organised under decentralised, dual, centralised (advisory body) and holding company models. The decentralised, dual and centralised models are the more traditional models. In the decentralised model, SOEs are owned by their respective ministries (OECD, 2005). In the dual model, SOEs are owned by their line ministry and a secondary ministry, usually the Ministry of Finance/Treasury (OECD, 2005). In the centralised model, SOEs are organised under an advisory body—for example, the Department of Public Enterprises in South Africa. In the holding company model, which is fairly a new model, SOEs are owned by a state company usually established by the Ministry of Finance (OECD, 2005). The majority of SOEs all over the world are organised under the traditional models (dual, decentralised and centralised). Since these SOEs are wholly state-owned, theorising hybridity in terms of only ownership/structure does not apply, but functional hybridity, in terms of objective/activity, does. SOEs in countries such as Finland, France, New Zealand, South Africa and Switzerland to name a few, qualify as functional hybrids. There are many of these SOEs all over the world. However, SOEs that are organised under a holding company and are corporatised by making their shares distributable on stock exchanges, qualify as hybrid

SOEs in terms of structure/ownership. Not many of these SOEs exist around the world. Some of the SOEs owned by Temasek, the Singaporean holding company for SOEs, qualify as hybrids by ownership/structure. Taken together, these indicate that hybridity in SOEs is better theorised in terms of combining structure/ownership and activity/objective, and not only in terms of structure/ownership as observed in the literature.

It is clear from the above discussion on the contemporary organisation of SOEs, that decentralised and dual SOEs, which are usually wholly-owned by their owning states are often mandated to carry out public service functions relating to the delivery of public goods and services. Once SOEs are organised under an advisory body (specialised department), their focus tends to shift to both public service and commercial functions, albeit skewed more towards public service functions. When these SOEs are organised under a holding company, the goal is usually to expose SOEs to private sector practices such as corporatisation. The main focus here is on commercially oriented operations, with SOEs being expected to pay their shareholding state dividends, which may then be channelled to the provision of public goods and services. These SOEs may still be wholly-owned. However, in this type of organising model, there are different forms of arrangement, including state-invested enterprises (SIEs). As illustrated in Fig. 3, wholly-owned SOEs are better suited to carrying out public service obligations. This is because managers (who more often than not, are public servants) tend to concentrate more on the SOEs goals and are usually not as conflicted between commercial and public objectives, as when they are managed by private sector role players. Where the mandate of SOEs is to carry out commercial and public functions, Fig. 1 indicates that they should be modelled according to the hybrid form. If the goal is for SOEs to be involved in commercial functions only, with the owning state expecting compensation in the form of dividends, SOEs are better privatised. This will ensure that public servants (even though they may be on the boards of SOEs) are not a drain on the resources and activities of the SOEs.

4 Conclusion

Addressing the dearth of research into public sector entrepreneurship, this paper provides important insights into the discourse on public sector entrepreneurship, especially in relation to the challenges faced by public enterprises, and by SOEs in particular. The objective being to synthesise the literature on public entrepreneurship, viz-a-viz SOEs, to improve our understanding of the key areas of tension in this complex organisation form, towards developing and deploying more appropriate governance models for SOEs. In this context, our review and analysis indicate that hybridity constitutes one of the main, if not the main, tension in SOEs, and has thus been extensively discussed. This paper commences by briefly establishing what is already known and what is not known in the organisational field, thereby establishing the rationale for this study. In presenting a general overview of entrepreneurship in the public sector, this paper identified core studies on state ownership, as well as the different strands of literature on public sector entrepreneurship. The adoption of the systematic literature review methodological approach utilised in this study,

ensured that the observations in this paper were different from previous literature reviews, such as by Daiser et al. (2017) and Bruton et al. (2015), while also providing the platform to discuss the phenomena of reforms in SOEs and the hybridity of SOEs in depth (two of the five tensions identified in the literature review).

Moreover, the systematic literature review approach differs from other systematic reviews, in that despite describing the process followed in detail to allow for replicability, and specifying the number of articles from each stage, snowball referencing was also employed to contribute to the rigour of the review. While also focusing on the importance of representativity, by ensuring that the studies consulted are representative of the relevant discourse on public entrepreneurship, viz-a-viz SOEs, and touching on other important discourses, such as hybrids and corporate governance in SOEs. This paper has therefore ensured that the literature review is broadly representative of the diverse topics, themes and debates in public sector entrepreneurship, covering both early and contemporary studies.

As described above, our review and analysis indicates that hybridity constitutes one of the main, if not the main tension in SOEs, and was thus extensively discussed. It should be noted that hybridity in its entirety, is a complex phenomenon, representing different things in different settings, which explains why interested commentators have been trying to further theorise hybridity in SOEs, with their efforts largely being documented in this study. Hence, this study has significantly drawn on several important studies in theorising hybridity. In particular, Johanson and Vakkuri (2017, 2020), Vakkuri and Johanson (2020) and van Helden and Reichard (2016), have listed different forms of hybrids as noted in Sect. 3.4 Also, authors, including Argento et al. (2019), Butzbach et al. (2021), Ruben Fontes-Filho and Cristina Carris de Almeida (2020), among others, have touched on hybridity in SOEs, while studying other aspects of SOEs. The theorising of hybridity in this study, even though it builds on the discussion of hybrids by these authors—differs from these authors in a number of ways. The main distinction is that in the context of SOEs, the hybridity discussed here, classified the different forms of hybridity according to two categories, i.e. either falling under structure/ownership, or function. This aspect has not been clearly demarcated by other studies focusing on SOEs. Our study makes this categorisation explicit and asserts that although it may be easier to theorise hybridity in SOEs in terms of structure/ownership, thinking of hybrids in SOEs in terms of function, may be more appropriate and should be considered in developing working governance models for SOEs. In this context, the goal incongruence and competing institutional logics in Johanson and Vakkuri's (2017) classifications of hybrids, mirror the kind of hybridity that is ideal for SOEs. In discussing governing hybrid organisations, they note that organisations falling under this category, aim to balance the profit motive with societal effectiveness. The argument presented in this study, is that this category appears to be more relevant to theorising hybridity in SOEs when compared with another category, i.e. mixed ownership, which focuses on the structural aspect of hybridity.

Also, the theorising of hybridity in this study has explained the reason for much of the convergence on the latter category of hybridity in SOEs. This discussion is key in ensuring that the basis of hybridity theorised in this paper, rests on a foundation and is not discussed in isolation. Thus, our study recognises that the work of

earlier commentators, has built a basis for other commentators to converge in further theorising hybridity in the complex organisational field of SOEs.

Further, (as discussed in Sect. 3.4) we have also shown that the view of hybridity in TCE, as well as ownership literature, though helpful, may not be readily applicable to theorising SOEs as hybrids, without modification. We have attempted this modification in this paper. Figures 1, 2 and 3 gave insights into this. In this regard, it should be noted that the unified structure (as illustrated in Figs. 2 and 3) is synonymous with hierarchical organising model as discussed by Williamson (1981, 2005 & 1979).

Following from the above, this paper has implications for theory and practice. It identifies tensions in the organisational field of SOEs and, in conjunction with hybrids by ownership, further theorises SOEs as hybrids by objectives, which is important in mitigating problems that prevent them from achieving their mandates. This paper further shows that hybridity is more than just sectoral characteristics as widely believed, which has resulted in SOEs being regarded as hybrids, only by ownership. This paper improves on this conventional view, by demonstrating that a hybrid organisation in terms of SOEs, also arises from the existence of mandates as well as their respective participants (Skelcher & Smith, 2015). Considering the hybridity concept from this different angle, adds significantly to the capacity of observers to understand, explain and adapt to changing forms of governance, organisation and behaviour, while increasing capacity to generate policy and managerial advice.

Three propositions guided the hybridity approach advocated by this paper. The first, which relates to the mandates of SOEs, argues that SOEs may be better governed, organised and responsive to problems when their characteristics in terms of their objectives/activities are considered in conjunction with ownership, as their source of hybridity, rather than only their ownership. The second, which deals with organisational participants, argues that as with pluralistic objectives, multiple participants with different identities (especially public) are active in the organisational fields of SOEs. The third, asserts that SOEs are also functional/intra-organisational hybrid organisational forms, and not only structural/inter-organisational hybrid organisational forms, as theorised by many commentators on hybridity in SOEs.

Thus, the discourse in this paper has direct benefits for those working in public enterprises, or advising public organisations. Understanding the complexity of SOE hybridity will allow for the provision of appropriate mechanisms to resolve the numerous problems faced by public enterprises and to develop robust working corporate governance frameworks for these enterprises. It will also assist role-players to manage multiple, often conflicting institutional opportunities and constraints, and develop the strategies to achieve organisational sustainability. Further, the paper offers insights on public sector entrepreneurship generally. While this paper has focused on SOEs, the ideas presented should ultimately contribute to enhancing the effectiveness of those governing, working in, or engaging with public enterprises, as well as equipping the public in general with appropriate tools to hold public enterprise role-players to account.

In conclusion, although this paper has discussed some of the identified gaps at length, it is a precursor for future research. In this regard, it has identified the

areas covered by research into public ownership, entrepreneurship and SOEs and the extent of coverage, thereby enabling further convergence. Further research into the phenomenon could focus on linking the role of government to the mandates of SOEs, to develop a framework which would allow SOEs, their owners and managers, to not only understand what the SOEs were meant to do, but also how they should go about achieving their state-provided mandates. In line with the hybridity discussion advanced in this paper, further research could investigate how SOEs could be structured. Such research may assist to ensure that both the structure and corporate governance practices of SOEs are geared towards achieving optimal effectiveness and efficiency. Additional research could examine the effects of ownership and organising models of SOEs on the corporate governance practices of SOEs. To undertake a meaningful analysis, researchers should work through the literature on entrepreneurship, ownership and SOEs, but should however, endeavour to move on from the outdated debate about whether governments should own SOEs or not, by directing attention to and focusing on research areas that are better able to ensure that these SOEs utilise taxpayers' resources in an effective, efficient and accountable manner.

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* indicates that the reference was used in the literature review

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