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IT TAKES THREE TO TANGO: THE THREE-BODY PROBLEM IN SOCIAL INNOVATION

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Foreword

The *Critical Perspectives in Social Innovation* series of working papers is designed to provide rigorous and challenging analyses. The purpose of the series is to critically examine prevailing assumptions, practices, and narratives within social innovation. By bringing together academic research and practitioner insights, the series seeks to bridge the gap between theory and practice, encourage reflection, and support the development of a critically informed social innovation for a more equitable, inclusive, and sustainable world.

In this essay, *It Takes Three to Tango: The Three-Body Problem in Social Innovation*, George Gigauri examines the three logics of hybrid organisations and how to align them, drawing on the Three Body Problem from astrophysics.

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It Takes Three to Tango: The Three-Body Problem in Social Innovation

Organisations that aim to do three things at once, namely make money, protect the environment, and improve people's lives, have become central to how global challenges, *wicked problems*, are approached.¹ These *hybrid* ventures are often presented as a breakthrough: instead of choosing between profit and purpose, they claim to deliver both, alongside measurable climate impact.² It is an appealing idea, but it does not describe how most of these enterprises actually operate. In practice, they are rarely balanced.³ Their priorities shift, their strategies evolve unevenly, and the tension between their goals never fully dissipates.⁴ The real issue is not whether these companies can align competing objectives, but how they function when alignment is incomplete.

This paper argues that the challenge is not simply one of balancing social and commercial goals, as much of the literature suggests.⁵ Instead, many contemporary hybrids are navigating three distinct and competing logics: market, social, and environmental. Introducing a third objective fundamentally changes the system. Drawing on the analogy of the *three-body problem* in astrophysics, I suggest that these organisations do not settle into equilibrium. Rather, they behave as dynamic and interdependent systems, where small shifts can produce disproportionate and often unpredictable effects.

To explore this, the paper first conceptualises hybrids as configurations of competing *logics*. It then examines how these dynamics play out in practice through a case study of an agricultural enterprise operating across commercial, social, and environmental domains. The analysis shows that hybrids tend to develop *structural asymmetry*, with one dominant logic

¹ Hysa, X., Zerba, E., Calabrese, M. and Bassano, C. (2018). Social business as a sustainable business model: Making capitalism antifragile. *Sustainable Science*, (13), 1345-1356.

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

³ The Economist. (2009). The rise of the hybrid company. *Business*, (3 Dec).

⁴ Boyd B., Henning, N., Reyna, E., Wang, D., Welch, M. and Hoffman, A. J. (2017). *Hybrid organizations: New business models for environmental leadership*. Routledge, London

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

shaping the conditions under which others operate, while internal and external pressures continuously reshape organisational trajectories. The paper concludes by reflecting on what this means for how social innovation is understood and practised, suggesting that progress emerges not from alignment, but from the ongoing management of tensions.

Three logics, one organisation

Every organisation runs on a set of underlying priorities: what matters most, what gets measured, and what ultimately drives decisions. I refer to these as *logics*.⁶ In simple terms, a logic is the lens through which an organisation sees the world and decides what counts as success.⁷ In many emerging hybrids, three such logics are often in play. The first is a market logic: generate revenue, attract investment, grow. The second is a social logic: improve livelihoods, support communities, address inequality. The third is an environmental logic: reduce emissions, restore ecosystems, and operate sustainably over the long term. Each of these is coherent on its own, but when combined they create friction.⁸ They pull the enterprise in different directions, often at the same time.⁹ They operate on different timelines, and they define success in different ways. Much of the discussion around hybrids assumes these tensions can be managed, that different logics can be balanced or integrated.¹⁰ I suggest that this assumption is misleading, but this is not necessarily bad news.

⁶ Friedland, R. and Alford, R. R. (1991). Bringing society back in: Symbols, practices, and institutional contradictions. ResearchGate.

⁷ Thornton, P. H. and Ocasio, W. (2008). Institutional logics, in Greenwood, R., Oliver, C., Sahlin-Andersson, K. and Suddaby, R. (eds). Handbook of organizational institutionalism, 99-129. Sage Publications.

⁸ Reay, T. and Hinings, C. R. (2009). Managing the rivalry of competing institutional logics. Organization Studies, 30(6), 629-652.

⁹ Thornton, P. H., Ocasio, W. and Lounsbury, M. (2012). The institutional logics perspective: A new approach to culture, structure, and process. Oxford University Press.

¹⁰ Hestad, et al. (2021).

Why three changes everything

Much of the research on hybrids focuses on the interaction between two competing goals, usually social and commercial.¹¹ But many organisations today are dealing with three, which changes the system. With two competing forces, trade-offs are difficult but manageable. With three, the situation becomes significantly more complex.¹² Each objective interacts with the others, directly and indirectly.¹³ Small shifts in one area can trigger larger changes elsewhere. A useful way to think about this comes from astrophysics: the *three-body problem*.¹⁴ Two-body planetary systems are relatively stable and predictable. Add a third body, and the predictability begins to break down. The configuration becomes sensitive to small changes and difficult to model over time, given the intractability of all possible trajectories. I argue that hybrids behave in a similar way. With three competing logics, they do not settle into balance but remain in dynamic and interdependent motion.

What actually happens inside these enterprises

To understand how this plays out in practice, consider an agricultural company in Latin America (intentionally anonymised) that combines commercial production with environmental restoration and social development. It is exactly the kind of business often held up as a model for replication. Yet, what emerges in reality is not balance; it is asymmetrical structure, internal and external pressure, and constant adjustment.

¹¹ Battilana, J., Besharov, M. and Mitzineck, B. (2017). On hybrids and hybrid organizing: A review and roadmap for future research, in Greenwood, R., Oliver, C., Lawrence, T. B. and Meyer, R. E. (eds). *The Sage handbook of organizational institutionalism*, 128-162. Sage Publications.

¹² Greenwood, et al. (2011).

¹³ Raynard, M. and Greenwood, R. (2014). Deconstructing complexity: How organizations cope with multiple institutional logics. *Academy of Management Proceedings*.

¹⁴ Musielak, Z. E. and Quarles, B. (2014). The three-body problem. *Reports on Progress in Physics*, 77(6), 065901.

There is always a centre of gravity

Despite their multiple goals, these organisations are not neutral systems. One logic tends to dominate. In the case examined here, it's market logic. This is not counter-intuitive: without revenue, investment, and financial viability, the venture simply cannot survive. That makes the market logic foundational; it sets the terms under which everything else operates. Climate and social goals remain present, but they function within constraints defined by financial parameters. I find it useful to think of this as a system with a *centre of gravity*; in other words, one priority that tends to dominate decision-making.

The commercial logic anchors the organisation, while others orbit it in gravitational allegiance. They matter because they influence decisions, but they do not do so on equal terms. Environmental commitments can shape production methods. Social goals can affect how the firm engages with communities or manages its workforce. Over time, these influences accumulate and can incrementally shift how the enterprise behaves. But they rarely displace the centre. What becomes particularly important here is how translation happens; how social and climate priorities are reframed in business terms. These objectives are not simply added to the business; they are reframed in ways that align with the dominant logic. Environmental restoration becomes investable through carbon markets. Social programmes are justified in terms of risk reduction, workforce stability, or long-term value creation. This process allows multiple logics to coexist, but not on equal footing. It also explains why hybrids can appear congruent from the outside, while internally operating through a series of negotiated compromises. The result is not balance, but *structured asymmetry*; meaning, the different goals do not carry equal weight.

Pressure never goes away

Even within this structure, the system is not stable. Different logics continue to push against each other, exerting gravitational pull, both from inside and outside the organisation. Internally, each logic brings its own priorities. Financial performance demands short- to medium-term results. Conservation targets require long-term investment. Social commitments often demand immediate action. These goals collide in day-to-day decisions, about where to invest, how to grow, and which project to give precedence to. There is no

evident solution and trade-offs are constant. What is striking is that these compromises are rarely framed as explicit choices between competing aims. Instead, they are embedded in routine management decisions. A change in production technique, a shift in sourcing strategy, or a decision about expansion can inaudibly privilege one logic over others. Over time, these incremental decisions accumulate. They shape the organisation's trajectory in ways that are not always visible in the moment.

Externally, the pressure also intensifies. Regulators, investors, and markets all shape what is possible. In many cases, climate standards tied to carbon markets impose strict requirements. Failing to meet them can mean losing access to revenue. At the same time, investors increasingly expect measurable eco-friendly and social performance. Local communities introduce another layer of expectation. Their acceptance can determine whether projects proceed, particularly in sectors like agriculture or resource management. Social legitimacy, in this sense, becomes a practical constraint rather than a purely normative goal. These external forces do not simply constrain organisations; they reorient them. They can elevate environmental or social priorities; not only by choice, but by necessity. The system is continuously being reshaped and redirected.

Small changes, big effects

When structural asymmetry combines with constant pressure, the result is a system that behaves in *non-linear* ways.¹⁵ Small changes can have large consequences. In the case examined here, ecological practices introduced for commercial reasons improved the venture's credibility. This attracted new investors, who then pushed for even stronger environmental performance. What began as a tactical adjustment became a strategic shift. This kind of *feedback loop* is central to how hybrids evolve. Actions taken for one reason can produce effects that reinforce entirely different priorities further down the road. Early decisions also mattered more than expected. Choices about business models or how goals are framed shaped what became possible later. Once a path was established, it was difficult to reverse. For example, structuring climate impact around carbon markets created a

¹⁵ Lucking, R. (1991). Chaos: The origins and relevance of a new discipline. *Project Appraisal*, 6(1), 23–32.

dependence on specific regulatory frameworks and pricing mechanisms. This enabled growth but also locked the organisation into a particular way of pursuing sustainability. Likewise, some outcomes could not be traced to any single priority. For instance, social initiatives like education schemes, introduced for practical reasons of personnel retainment, reshaped relationships with indigenous communities. Over time, these relationships became central to how the company operated, influencing everything from labour practices to long-term planning. Environmental practices followed a similar pattern. What began as compliance or opportunity-driven activity evolved into a defining feature of the organisation's identity and strategy. These enterprises do not follow a straight path. Their trajectories emerge over time, shaped by dynamic interaction rather than rigid design.

Rethinking hybrids

This perspective challenges how hybrids are typically understood. The idea that they can achieve balance across rival aspirations is attractive, but unrealistic. I argue instead that they operate through structured tension. One logic prevails, while others influence. Internal and external stressors continuously reshape the system. Outcomes emerge over time and are often difficult to predict. This shift in perspective also changes how social innovation is understood more broadly. Hybrids are often seen as inherently progressive; as vehicles for solving social and ecological problems more effectively than traditional institutions. The reality appears more complex. Social and climate priorities are often pursued within the constraints imposed by economic logic. This can enable action by making initiatives financially viable. But it can also limit their scope, shaping what kinds of interventions are possible and how they are implemented. At the same time, the dynamic nature of these configurations creates space for creative change. As pressures shift and feedback loops take hold, sustainability and development considerations can become more central than initially intended. Social innovation, in this sense, does not result from perfect alignment, but emerges from the tension and interaction of co-existing ambitions over time.

What this means in practice

For practitioners, this perspective suggests a different approach. Not all objectives can be pursued equally at all times. Understanding which logic dominates, and why, is essential. This is not simply a strategic question; it is a structural one. Sources of funding, regulatory environments, and revenue models all shape which logic takes precedence, and at which point in time. Tension is not a problem to eliminate; it is a condition to manage. This requires recognising where trade-offs are being made, even when they are not explicit. It also requires being deliberate about when, and how, to allow subordinate logics to shape management decisions. Strategy cannot be rigid. In systems where small changes can have large effects, adaptability is critical. This includes the ability to respond to external shocks, regulatory changes, market fluctuations, or shifts in stakeholder expectations, as well as internal dynamics. Organisations that perform well in this space are not those that eliminate friction, but those that learn how to harness it.

Conclusion: it takes three to tango

Hybrids are often presented as socially innovative solutions capable of reconciling profit, people, and planet.¹⁶ In practice, they operate in a more complex and less stable way. They are enterprises with a centre of gravity, shaped by competing pressures and evolving over time. Like a three-body system in cosmology, they do not settle into equilibrium. I have argued that this instability is not necessarily a weakness. It is what allows these ventures to adapt, evolve, and, at times, innovate in ways more rigid organisations cannot. But it also means their outcomes are contingent; progress is uneven and strains are persistent. This way of understanding hybrids also raises a broader question about how success is defined. If these businesses operate through shifting priorities and structured friction, then performance cannot be assessed through a single metric, or even a stable set of metrics. Financial returns, environmental impact, and social outcomes do not move seamlessly in parallel. At times, progress in one area may come at the expense of another. At other times, gains may reinforce each other synergistically in unexpected ways. This makes evaluation inherently more

¹⁶ Logue, D. (2019). Theories of social innovation. Edward Elgar Publishing.

complex. It requires moving beyond static indicators toward a more dynamic understanding of organisational performance; one that recognises trajectories, trade-offs, and inflection points rather than fixed outcomes.

In this sense, success is not simply about achieving predefined targets, but about how effectively a company navigates competing demands over time. It also suggests that instability should not automatically be read as a failure. Periods of tension, adjustment, or apparent inconsistency may reflect the system responding to shifting pressures rather than mission drift. What matters is not the absence of friction, but the capacity to respond to it productively. Seen this way, hybrids are not remedies that eliminate complexity and inherent uncertainty; they are mechanisms for engaging with it. Social innovation, in this sense, does not emerge from complete convergence. Rather, it arises from the ability to operate within flux and to course-correct, as the balance of three interacting forces shifts. In the end, ostensibly, it takes three to tango.

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