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# THE NONPROFIT SECTOR

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## A Research Handbook

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## Nonprofit Mission: Constancy, Responsiveness, or Deflection?

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### INTRODUCTION: WHY MISSION LOOMS LARGE

In a simple, elemental fashion, a mission is a clarion call for nonprofit organizations. The goals or agendas attached to a mission serve to rally, engage, and enroll workers, volunteers, and donors. They also serve as guidelines for how to go about the business of contributing to the public good, arguably the primary principle that motivates the nonprofit enterprise. In this sense, nonprofit mission operates as an inducement and, as a long tradition of organization theory stresses, inducements are essential for motivating participants to contribute to organizations (Barnard 1938; Simon 1947).

Nonprofit organizations have both instrumental and expressive dimensions (Frumkin 2002). Thus a core feature of nonprofit activity is affording individuals the opportunity to express their beliefs through work and donations. As Frumkin (2002:23) observes, “the very act of attempting to address a need or fight for a cause can be a satisfying end in itself, regardless of the outcome.” Nonprofit mission looms large in the context of such expressive activity because an organization’s goals provide workers and donors with the satisfaction that their values are being put into action. Organizational mission also drives founders to start an organization, and it provides a sense of purpose that energizes and justifies organizational existence. In an important sense, mission serves to signal what a nonprofit organization regards as good and important, and through that signal induces supporters to invest their time, energy, and resources.

Oster (1995) contends that mission plays a much larger role in nonprofits than in proprietary enterprises. She argues that a distinctive advantage of nonprofits is their ability to motivate staff on the basis of an organization’s fidelity to a cause. That engagement hinges on issues of trust, commitment, and reputation. Many nonprofits, whether religious or

secular, are ideological organizations, and their passion or faith is their rationale for existence. A clear mandate or calling creates allegiance and trust among employees, clients, and donors. For ideologically oriented nonprofits, mission both attracts and compels staff and supporters.

The mechanisms of trust and assurance underline the major theoretical accounts of nonprofit activity, including contract failure (Hansmann 1980), median voter or government failure (Weisbrod 1988), and worker control (Pauly and Redisch 1973; Glaeser 2003). These literatures are discussed extensively elsewhere in this volume, so we need not review them at length here. We simply want to note how mission functions in each approach. Contract failure arguments rest on the idea that in circumstances where there are strong informational asymmetries between the provider of a service and a good, and thus abundant opportunities for the former to exploit the latter, nonprofit status is an assurance that such incentives are mitigated. Devotion to a mission wraps the consumer in a blanket of trust, so to speak.

Government provision of goods and services is typically targeted to the mainstream, to a stylized median voter. Nonprofits, in response, cater to more specialized, distinctive, or passionate niches. Oster (1995) argues that nonprofits specialize in the more controversial ends of the public goods spectrum. And it is in precisely these areas where participants have a strong allegiance to an activity or a constant need for a service; hence the signal of a nonprofit’s adherence or commitment to a mission is critical.

A third view of nonprofit activity stresses that the form is well suited for the realization of professional goals. Nonprofit mission dovetails nicely with a professional calling or purpose and helps foster professional sovereignty as well. Pauly and Redisch (1973) suggested that hospitals may, at one time, have functioned as doctors’ cooperatives. Glaeser (2003) extends this idea to art museums, private universi-

ties, and other settings where elite, well-educated workers control the governance of nonprofits. In such settings, staff dominance works to ensure that nonprofits focus on missions that are closely aligned with professional mandates.

The centrality of mission is apparent, then, in each of the major theoretical accounts of nonprofit activity. But while mission serves as organizational purpose or compass, nonprofits are also buffeted by environmental contingencies and challenged by external mandates. Our goal in this chapter is to enhance understanding of the interplay of mission, mandates, and external constraints and opportunities. Our approach is informed by neoinstitutional theories of organizational behavior (Powell and DiMaggio 1991), which emphasize the need for organizations to conform with externally determined normative, cognitive, and regulatory expectations regarding their structure and functioning. Pressures toward conformity are especially strong for nonprofits that are highly dependent on external sources for both legitimacy and support. The decisions and choices that members of organizations make are thus constrained by considerations of appropriateness that are widely shared among members of the institutional field. Further, given our conceptualization of mission as tied to both individual and collective inducements, we focus on nonprofit organizations that are more reliant on solidaristic or cause-related incentives, in contrast with more utilitarian calculations, to attract and reward participants (Clark and Wilson 1961). This somewhat broad category includes voluntary associations, human service agencies, social movement organizations, religious organizations, and cultural or lifestyle groups, while excluding nonprofits such as universities, foundations, and hospitals that load higher on the dimension of instrumental inducements. While mission shift can—and often does—occur in all types of nonprofits, our interest here is in those organizations that we expect to experience the most acute disruption when the group's original mission no longer aligns with the expectations of members, outside supporters, or political decision makers. This set of organizations is presumed to be more subject to internal and external scrutiny and to the need for acceptance by powerful participants. Many of these organizations also articulate ideological or political agendas that are difficult to achieve, and this struggle exacerbates the problem of providing inducements and maintaining commitment over the long haul (W. R. Scott 2003:176–77).

We begin with a general discussion of key forces that might trigger or compel mission deflection or adherence. We then provide detailed capsule summaries of a set of rich organizational case studies that focus on nonprofit mission or goals. These cases, which cover a wide terrain that includes voluntary social service agencies, local and national feminist groups, community-based AIDS organizations, cultural and religious organizations, and public-interest science organizations, among others, form the empirical core of our chapter. We conclude with reflections on the challenges of responsiveness in the nonprofit sector.

## EXPLAINING CHANGES IN NONPROFIT MISSION

In the first edition of this handbook, this chapter was entitled “Organizational Change in Nonprofit Organizations.” Our goal in revising and expanding the chapter is not merely to update the research, which has grown considerably, but also to tackle the interesting question about the saliency of nonprofit mission more directly. We consider nonprofit mission as both a charter and a constraint. Mission motivates activity and also limits the menu of possible actions. But mission interacts, in powerful ways, with external contingencies. Rangan (2004) captures the twin pulls of fidelity to mission and the need for survival with the labels “mission stickiness” and “market stretchiness.” “Mission creep” and “mission drift” are other phrases that reflect the process through which organizational goals can be deflected or sacrificed in the interests of organizational survival, or as the result of a loss of focus. Mission stretch or drift reflects the core challenges of maintaining solvency and purpose.

In a series of interviews with the executive directors of San Francisco Bay Area nonprofits, we asked about the difficulties of juggling fidelity to a mission with achieving fiscal stability. Several responses were quite relevant to the analytical aims of this chapter. The director of a human services organization for developmentally challenged children and adults commented:

You get a nonprofit in a financial situation like we are, and you tell yourselves it's okay to change our mission somewhat to include the possibility of operating a for-profit grocery store to generate some revenues. So then the mission changes and the reason the agency was originally started has gotten watered down. You learn that you've changed the whole nature of the organization without really knowing it, and the mission has become much more diffuse. It happens a lot, it's very seductive.

The director of a large arts organization is struggling with his board of directors over issues of mission, values, and vision. He observed that

Whenever there is a financial problem, the board's first response is, “The problem is with all this new, weird work that nobody wants to see. So if we do less of it, we'll do better, right?” The board says to me, “We love your commitment to the arts, but right now you have to be more commercially focused.” So I say, “Okay, take dance, we've been losing all this money on dance, so we're going to do less dance.” But if we do less dance, then we have even less people coming to see it, and then that means we do even less. And the next thing you know, it's gone.

These comments reflect a core question: what factors push nonprofits, poised at a critical juncture, in one direction or another? To tackle this vexing question, we need to consider external influences as well as the internal dynamics of nonprofit organizations. We hope to provide an analytically nuanced portrait of the internal organizational dilemmas that

different kinds of nonprofit organizations face. Our goal is a richer understanding of how internal organizational processes interact with both the interpretation of and the responses to external circumstances. As a starting point, we highlight four critical influences and describe what we think are the central challenges that nonprofits face in negotiating pressures for change.

### Critical Influences

#### Organizational Life Cycle

The size and age of a nonprofit organization may strongly influence the extent to which it maintains its fidelity to a mission. Several factors, however, are at play in considerations of the influence of organizational demography. Very small organizations, which DiMaggio (this volume) characterizes as minimalist, are often highly fluid and flexible. In contrast, larger, established organizations are much more formal and procedural. The attachment to organizational policies may supplant passion for a mission in hierarchical organizations, while the participatory nature of small organizations may promote zeal for a mission. Similarly, Glaeser (2003) argues that donor control over established, well-to-do nonprofits is weak, and thus donors who want their funds spent in specific ways may opt to start their own foundations or engage with a limited number of smaller nonprofits whose behavior they can strongly influence. Such a calculus seems to motivate many of the practices of the so-called new venture philanthropy.

In contrast, however, smaller, younger nonprofits are often in vulnerable financial positions, while larger, established nonprofits have a more secure and diversified funding base. Thus cash-starved small nonprofits typically have to chase after funds, and such money is frequently tied more closely to a donor's interests than to a nonprofit's mission. Rangan (2004) argues that this kind of struggle for support can be "addictive," as the funds obtained usually cover only direct costs and do not contribute to overhead or infrastructure. Hence the organization must search again for other funds, and in so doing the mission becomes ever more diluted.

One further life-cycle factor that may influence adherence to or deflection from an organization's mission is the departure of the founder or early charismatic leader. To the extent that a group's original mission is not widely institutionalized in organizational practices or that participation and external support is mainly a function of a single individual's standing both inside and outside of the group, the loss of a key leader is likely to make mission constancy much more difficult to achieve. In more general terms, generational or demographic turnover in leaders and members has the potential to introduce new ideas and challenges regarding an organization's structure and objectives. Turnover seems to be particularly disruptive for social movement groups that gain visibility and new members who then are

accommodated (or ignored). Gitlin (1980), for example, documents such a life-cycle effect for the Students for a Democratic Society, as does Polletta's (2002) research on the Student Nonviolent Coordinating Committee, although we expect that this dilemma confronts all nonprofits that operate along less (or non-) bureaucratized lines.

#### Volunteerism versus Professionalism

Nonprofits that are volunteer-based are built from the grass roots on the basis of strong commitment. Such organizations are often highly purposive, with specific goals as the abiding passion of the participants. Fidelity to mission is critical in order to sustain participation. Nonprofits with more professionalized staff may also be motivated by a sense of purpose, but that calling is tempered by concerns with public accountability, the dictates of professional responsibility, and an awareness of the requirements that professional service providers must follow. Increased professionalism may inevitably lead such nonprofits to "bend more with the wind" because professionals are more cognizant of external contingencies that influence work practices and organizational goals.

#### Mission versus Mandate

A mission is concerned with creating social value or contributing to the public good, although opinions certainly differ on the definition of what is "good" or "valuable" (Mansbridge 1998). Promoting a more equitable or open society, reviving traditional family values, eradicating disease, preserving the remaining pristine places on the planet, or working to reduce the scope of government are aspirations, not requirements. Mandates, in contrast, are imposed by external bodies, be they funders, governments, or standard-setting or accreditation agencies. Such organizations frequently dictate the "musts" a nonprofit is required to observe or practice in order to receive funding, approval, or certification. The tension between mission and mandate underscores how divergent internal and external influences can be. External demands can be viewed internally as, at worst, attempts at control or co-optation designed to thwart an organization's desires and aims. In contrast, funders or standards bodies may see their efforts as reasonable attempts to influence or cajole nonprofits to specify what constitutes success and to set measurable standards for its attainment.

#### Changing Relations with Government

In many industrial democracies, a fundamental change in social welfare provision is under way. Whether this shift is ascribed to neoliberalism, to the legacies of Margaret Thatcher and Ronald Reagan, or to the rise of new public management, governments are rethinking the provision of social services and turning to private entities—nonprofits and commercial firms—and relying on market mechanisms for service provision. The United States has a long history of

this relationship, dubbed third-party government (Salamon 1987), but such tendencies have been amplified over the past two decades, so much so that some have decried the devolution of government and the rise of nonprofit services as a form of codependence or vendorism (Frumkin 2002:71–78). These changes have made nonprofit organizations more noted as social service providers than as policy innovators or social critics (Salamon 1995). Indeed, in our interviews with executive directors of San Francisco Bay Area nonprofits, managers reported that government grants were both the most procedural and the most demanding funding sources to account for, but were also highly unreliable year in and year out. Such trends toward privatization can be highly corrosive of nonprofit mission and programmatic values. Consequently, some ideological nonprofits do not accept state funding precisely because it restricts their autonomy and fidelity to mission.

### Critical Challenges

Viewed broadly, purposive nonprofit organizations are influenced by a number of internal and external circumstances that often pressure them into pursuing more conservative activities and adopting more conventional organizational structures. As posited by neoinstitutional theory, the need for external legitimacy and survival tends to provide incentives for groups to compromise the missions that may have originally motivated them. Advocacy and community-based organizations, for example, may retreat from their distinctive commitment to the public good, opting for a more legitimate and comfortable service role as they become more invested in organizational survival, pursuing individual-level solutions to social problems such as providing services to the elderly, disabled, welfare recipients, or people with AIDS. Thus, at various points in their life cycles, nonprofits face a choice between taking a more cautious or conservative interpretation of their mission versus pursuing a more flexible or innovative orientation.

Faced with this characterization, nonprofit agency staff are likely to throw up their hands and cry foul. How are they expected to do any “good deeds” if they can’t stay in business? How are they supposed to obtain funding for critical programs and services if they try to innovate or engage in controversial advocacy? Staff who view themselves as trained professionals not only need to follow established standards of client treatment; they have also made significant investments in specific programs and technologies that are not easily altered. Can’t we see how risky it would be to undertake any kind of fundamental change in what an organization does when there is so much competition for funding clients? Isn’t it obvious that legitimacy can be compromised if an organization strays from the presumption that nonprofits should be motivated solely by service or charitable agendas? By the same token, staff in social movement and cultural organizations are likely to take offense at the characterization of themselves as unable to maintain their original commitments in the face of increasing competition for

resources and legitimacy, or they may balk at the suggestion that altering their mix of activities is tantamount to compromise or co-optation.

In one sense, these complaints are certainly justified. Political and resource conditions clearly raise the stakes of increased advocacy. All organizations, not just nonprofit service agencies, are more or less constrained by the need to conform to acceptable modes of doing business. And any kind of organizational change is disruptive and exposes organizations to higher risks of failure, especially when the resulting change places the organization in a new relationship with the state and other critical sources of support (Hannan and Freeman 1984; Minkoff 1999). Shifting from advocacy toward more individual-oriented service provision confers survival advantages as organizations conform more closely with institutional rules and expectations about appropriate methods of organization (DiMaggio and Powell 1983) and with dominant views of the moral worth of the constituency served (Hasenfeld 2000). In contrast, when service organizations try to adopt an advocacy agenda, they move closer to the terrain of political activism, possibly jeopardizing their survival chances. Such a change may signal an objection to or questioning of public policy, with the potential consequence that the group will sacrifice some degree of institutional support and face a greater risk of failure.

Clearly, then, one of the most fundamental challenges that nonprofit organizations face is to be responsive to environmental shifts—in the availability of funding from private and public sources, in support and resistance from key stakeholders and political elites, and in issue salience—while remaining consistent with their original organizational missions and accountable to their internal bases of support. In this sense, nonprofits are constrained by their commitment to a mission that defines appropriate forms of organization, the degree of autonomy from the state, and the extent of accountability to the constituencies they serve or represent. At the same time, in a number of circumstances, a nonprofit organization may need to redefine the mission itself in a way that enables an interpretation of organizational change as continuous with the group’s avowed goals and identity. This is no small task, however, as a variety of factors—including mission, ideology, and collective identities—establish an outer boundary for what models of organization and types of activities are tenable.

### PATHWAYS TO ORGANIZATIONAL CHANGE

Our characterization of nonprofit organizations suggests both a heightened vulnerability and a need to be flexible in the face of changes in the political and social context. There are any number of external and internal organizational barriers to adaptation and an increased risk of failure when movement groups alter their core organizational missions or identities, regardless of whether such changes move the group in more or less conventional directions.

The important point, from our perspective, is that there is no single trajectory that organizations follow in response to



environmental pressures. Rather, as we seek to demonstrate in this section, changes in nonprofit mission can take one of a variety of forms: (a) conservative transformation or accommodation; (b) proactive change, in particular turning from a more conventional mission to a more challenging role despite pressures to conform; (c) resistance to change, that is, holding fast to the group's mission even when it includes more challenging goals; (d) shifting priorities as a response to changing external circumstances, while renewing or reorienting the mission to focus on or enhance a core animating belief; or (e) mission displacement, largely as a result of pursuing new funding sources in hopes that they may allow some vestige of an original identity to persist and enable organizational survival in perilous times. Despite a great deal of diversity within and across the nonprofit sector, the cases we discuss demonstrate that organizational responsiveness, as well as how much internal conflict is generated as a result, are both constrained and enabled by mission.

### Accommodation

There is a long tradition of research on organizational change in voluntary associations and nonprofit agencies that, building on Michels's ([1915] 1962) discussion of the "iron law of oligarchy," posits that nonprofit agencies tend over time to become more conservative and to shy away from controversy for the sake of organizational survival. Although Michels's thesis has been critiqued (e.g., Zald and Ash 1966; Clemens and Minkoff 2004), it has become almost a truism that, to the extent to which nonprofits undergo change, it is in the direction of political or institutional accommodation. As the cases we review here demonstrate, organizations as varied as mass-based social movements, neighborhood groups, feminist service agencies, and community-based AIDS organizations have a tendency to succumb to external pressures for accommodation—although not without a fair amount of reluctance or resistance to alterations in organizational structure and mission.

Messinger's analysis (1955) of the transformation of the Townsend movement is often held up as the archetypal story of accommodation or mission deflection, a case in which the organizational apparatus remained intact long after the social movement lost its original impetus. The Townsend movement was founded as a network of membership clubs in the 1930s to advocate national pensions for the elderly as a mechanism for economic recovery. One might even think of it as a precursor to the American Association of Retired Persons. Following the Depression and later World War II, the Townsend clubs remained firmly committed to a specific program of pensions and economic reconstruction. But their failure to respond to changing social conditions led to a steep decline in membership, even as pension issues gained political visibility in the 1950s. From a national membership of 2,250,000 in 1936, the movement shrank to 56,656 by 1951. The decreasing political relevance of the Townsend plan halted recruitment of new members, and the advanced ages of existing members rapidly depleted the membership

base. Moreover, other organizations, which did a more effective job of mobilizing political support for economic aid to the elderly, attracted many Townsend members to their ranks.

A key consequence of the sharp drop in Townsend club membership was financial difficulty. In what Messinger refers to as a "tendency to salesmanship," the movement began lending its name to consumer products (candy bars and soaps) in order to raise new funds. The purchase of these items—unlike those in previous sales efforts, such as bumper stickers with political slogans—implied no commitment to the movement. These activities focused organizational efforts on the business of raising money rather than on the pursuit of political goals. Potential new members ceased to be regarded as converts and came to be seen as customers. The leaders of the Townsend movement shifted their goals from a political agenda to a concern with organizational maintenance, even to the point that this change entailed the death of the original mission. Membership involvement was altered, turning "what were once the incidental rewards of participation into its only meaning." A politically active, value-oriented social movement was transformed into a recreation network, offering dances and card games for its remaining elderly members. The demise of the Townsend movement serves as a clear warning for contemporary nonprofits that turn to aggressive revenue generation with little consideration of how such activities may engage members.

In a more recent example, various local feminist organizations offer a lesson in how even those groups that are keenly attentive to the risks of seeking external funding find it difficult to resist external mandates. The contemporary feminist movement has encompassed a number of ideological positions and has supported diverse organizational forms, addressing such issues as economic equality, reproductive rights, domestic violence, and rape through both national and community-level organizations and activism. Efforts at the local level have tended to be concentrated in smaller, collectively structured groups committed to a more progressive ideology grounded in an analysis of the structural sources of women's oppression and focused as much on collective empowerment as policy change. Nancy Matthews's (1994, 1995) analyses of rape crisis centers in Los Angeles illustrate many of the central tensions faced by feminist "social movement agencies" that have "an ideational duality that encompasses both social movement and human service orientations" (Hyde 1992:122). In the 1980s the increasing reliance of rape crisis centers on state funding had the twin effect of enabling organizational survival and compromising the pursuit of feminist goals. Comparing the trajectories of six centers, Matthews documents the "transformation from grassroots activism to professionalized social service provision" that had taken place in the movement by 1990.

A particularly telling example of this transformation is the Los Angeles Commission on Assaults against Women (LACA AW), the first rape crisis hotline in the area. LACA AW was created in 1973 by feminists from two local women's centers that were already involved in conscious-

ness-raising activities and antirape work (providing informal counseling and engaging in marches, demonstrations, and direct confrontations with known perpetrators). The founding members of LACAAW were primarily white leftist activists committed to collectivist organizational ideals and autonomy from the state, both hallmarks of radical feminism. We discuss this case in some depth, since it vividly illustrates a path from partial to full accommodation.

From the start, LACAAW confronted the question of whether to pursue federal financial support, in this case from the Law Enforcement Assistance Administration. Although very much in need of the funding, LACAAW members ultimately decided that the compromises involved would be too great, even though the decision generated significant internal conflict. In 1976, however, LACAAW accepted a two-year grant from the National Institutes for Mental Health (NIMH) for community-based rape prevention education. This funding enabled the center to increase its staff, but it also came with various requirements for program and product development. The formalization entailed by such programs, however, conflicted with the center's founding ideology. LACAAW's resolution was to continue to operate by consensus with respect to major policies, while decisions regarding the day-to-day operation of the hotline were made by key staff. Such "apparent accommodation" (Matthews 1995) was carried out with reluctance by the founding members, who remained committed to egalitarian ideals; nonetheless, they moved the center toward greater formalization.

The most dramatic change in organizational structure and operations took place in 1979, soon after the NIMH grant ran out and LACAAW was barely able to secure additional funding. At this juncture, when the hotline was close to folding and the center was besieged by internal conflicts and the resignation of key leaders, the decision was made to adopt a more conventional bureaucratic structure in order to attract external funding. On the initiative of a new director—a longtime volunteer who undertook the task of reviving LACAAW on an unpaid basis—the most significant restructuring involved establishing an independent working board of directors. Since most of the new board members were women with traditional volunteer backgrounds and little or no experience in antirape or feminist activism, the new director pursued training and consciousness-raising with board members, while also constituting an informal "council of elders" that debated policies using consensus procedures prior to their submission to the board for approval. Thus the organization made a concerted effort to retain some elements of the shelter's original principles, while at the same time moving toward greater formalization.

The second critical restructuring event was receipt of an emergency grant and subsequent funding from the California Office of Criminal Justice Planning (OCJP) in 1980. This was a significant departure for LACAAW, given its early rejection of support from the criminal justice/law enforcement system. An OCJP mandate to collect detailed information on the calls received (such as information on the race and ethnicity of victims) obliged staff to supervise vol-

unteers in order to produce the required paperwork and took valuable time away from pursuing movement-related objectives. OCJP-funded rape crisis centers were monitored for compliance through regular site visits by auditors who checked organizational bylaws, operations, and records. Reporting and accountability structures also consolidated a broader trend in the rape crisis movement toward a service-oriented therapeutic perspective, which treated rape as a problem of individual mental health. At every step of the way, activist members resisted the imposition of conventional structures and ideas, and they attempted to devise mechanisms to protect their original commitment to feminist ideals and practice. Ultimately, however, organizational survival hinged on conformity to institutional conventions.

The overall pattern of organizational development within the AIDS activist movement has followed a similar trajectory of organizational growth, bureaucratization, and depoliticization (Cain 1993, 1995; Rosenthal 1996). Community-based AIDS service organizations (ASOs) in North America developed initially from the gay and lesbian community's outrage at the lack of government response to the epidemic. The first initiatives were mainly small volunteer efforts to develop support services such as hotlines, buddy programs, prevention brochures, and education campaigns, combined with political advocacy aimed at improving medical research, treatment, and services for people infected with HIV. The Gay Men's Health Crisis (GMHC), founded in New York City in 1981, was the first such organization and served as a model for community-based AIDS response (Chambré 1997; Kayal 1991). More generally, early ASOs were characterized by informal, nonhierarchical structures that were thought to be more responsive to, and representative of, the concerns of people living with HIV/AIDS. These organizations also operated with a broader social-change agenda that sought to situate HIV infection within the context of homophobia and heterosexism, sexism, and racism and to empower people living with HIV/AIDS through volunteer participation and involvement in ASO program development (Cain 1995).

Given the immediacy of the AIDS crisis, supportive service provision necessarily took precedence over grassroots advocacy, and ASOs were quick to professionalize, hiring paid staff and successfully seeking external funding. For example, although only a few of the sixteen New York City-based ASOs studied by Chambré (1997) followed the "classic pattern" of volunteer to paid labor and private to public funding, formalization was still the dominant route. Rosenthal (1996) also documents that the bulk of community service projects sponsored by New York State's AIDS Institute shifted from more participatory structures to a more hierarchical client services model, a transition also evident in the Ontario-based AIDS Network (Cain 1993). As Cain (1993, 1995) argues, this move toward formalization effectively depoliticized these organizations—a charge leveled early on at GMHC, leading to the formation of the direct-action group AIDS Coalition to Unleash Power (ACT UP) in 1987 (Wolfe 1994).

Although the development of community-based AIDS organizations appears to mirror the trajectory of feminist groups toward formalization and professionalization, most studies provide little evidence of the same level of internal organizational conflict or serious risk to organizational survival. In fact, it appears that the impetus for professionalization reflected self-conscious “impression management” and the desire for external legitimacy (Elsbach and Sutton 1992; Cain 1994). Specifically, ASOs explicitly sought to distance themselves from their origins in the gay and lesbian community by presenting themselves as professional service agencies serving the general public. In the AIDS Network, for example, efforts to appear “respectable” took the form of establishing a board of directors composed of nongay professional and community leaders, favoring staff hires based on technical and administrative experience rather than political commitment, and appropriating the language of professional agencies (Cain 1993:675).

These examples of accommodation by community-based feminist and AIDS organizations have strong parallels to the dilemmas that faced more politicized nonprofits in the 1960s. Helfgot's (1974) study of Mobilization for Youth (MFY) documents a case where resource availability and a commitment to social change first promoted the group's transformation from a service agency to a radical community action program. As funding became more restrictive and a culture-of-poverty perspective became dominant, MFY returned to a manpower development agency that stressed personal adjustment via vocational training. Hasenfeld's (1974) analysis of the failure of Community Action Centers points in a similar direction: despite a strong ideological commitment to the urban poor and some success in employing members of the community and giving their clients a voice in decision making, each center studied “experienced organizational difficulties that seriously jeopardized its mission and led it to assume the same characteristics as those of the agencies it wished to modify” (Hasenfeld 1974:697).

As a final example of what we have referred to as accommodation, Cooper (1980) analyzed the development and subsequent bureaucratic transformation of a community organization in the Pico-Union neighborhood of Los Angeles. The Pico-Union Neighborhood Council (PUNC) was founded in 1966. The product of organizing efforts of a small group of community residents, PUNC enjoyed some early, visible successes such as improved street lighting and cleaning, but it was unable to make progress in the area it had targeted for action: housing. When both a private developer and the Los Angeles Community Redevelopment Agency (CRA) expressed interest in Pico-Union as a redevelopment site, PUNC entered its second phase. It sought assistance in developing expertise in housing and redevelopment and greatly expanded its membership. During the height of community participation, PUNC had a small paid staff and about five hundred members. The group effectively mobilized community residents, involved them in decision making, and established itself as a legitimate representative of community interests. Subsequently, however, active com-

munity involvement dwindled, replaced by passive and often tacit support for a professional, bureaucratic organization.

The Pico-Union Neighborhood Council is fairly unusual among our case studies because financial pressures appear to have been an insignificant factor in its development. A local foundation was the sole funder of PUNC, but it attached few strings to its money. Cooper argues that it was not financial dependence but the necessity of interacting with external organizations whose perspectives were different from those of a grassroots community organization, as well as the technical and legal nature of the projects that PUNC undertook, that ultimately drove PUNC's transformation. In a similar fashion, Swidler's (1979) study of a “free” school in Berkeley, California, founded with the mission of alternative educational programs, chronicles increasing bureaucratization not because of fiscal concerns, but out of the necessity of interacting with key external authorities such as school boards and accreditation agencies.

The two organizations with which PUNC established ongoing relationships were the CRA and the University of California at Los Angeles (UCLA). Although the nature of these relationships was initially different—the CRA and PUNC battled over control of the redevelopment process, whereas UCLA assumed more of an advocacy role—both organizations contributed to PUNC's professionalization and bureaucratization. Faculty members at UCLA were instrumental in helping PUNC obtain funding, develop a base of technical expertise, and solicit and articulate community preferences. Independent funding required PUNC's incorporation as a nonprofit organization and the hiring of staff, thus introducing bureaucratic and legal elements into its structure and facilitating its interaction with other organizations. Although these steps were necessary for PUNC to have influence in the redevelopment process, they also contributed to its formalization and professionalization. Similarly, the CRA's official control of the redevelopment process necessitated that, if PUNC was to remain substantively involved, the two organizations would interact within a framework largely defined by the CRA.

The nature of the tasks undertaken by PUNC was also responsible for the organization's transformation. The group became increasingly involved in projects requiring high levels of technical expertise and legal accountability. PUNC's initial housing success was a detailed plan for community redevelopment. Although the council required considerable technical assistance on this project, its distinctive area of expertise was its coherent presentation of informed community opinion. The development and construction of low-income housing, PUNC's next major project, required far more technical, legal, and bureaucratic knowledge; consequently, active community participation declined considerably, while expert involvement became paramount.

The cases reviewed in this section suggest that there is no uniform path to accommodation and, by extension, to organizational survival. The Townsend movement is a classic case of goal displacement caused by the group's unwilling-



ness to adapt to changing social conditions. In order to compensate for membership decline, the Townsend clubs substituted purposive incentives with selective inducements, trading off the political goals that originally defined their coalition. In contrast, the trajectories of LACAAW, community-based AIDS organizations, and PUNC illustrate the difficulties that politically oriented service providers and neighborhood advocacy groups encounter in maintaining their commitment to member involvement and less formalized structures. The extended discussion of LACAAW shows an intermediate step of “apparent accommodation” on the road to formalization and acceptance of client-based service delivery that was driven by resource dependence on the federal government. Facing similar funding constraints, AIDS organizations seemed more willing to accommodate preemptively, which may have been less internally disruptive given the immediacy of the health crisis and the fact that moves toward professionalization took place shortly after the groups were established. In the case of the Pico-Union Neighborhood Council, the replacement of membership mobilization by professional staff reflects a different set of causal influences, namely interactions with key authorities and the need to develop new technical competencies that required expertise as opposed to member enthusiasm.

### Proactive Change

While Michels has argued that organizational change is typically inherently conservative, in some cases control of an organization by its staff does lead to greater militancy or more intense commitment to espoused goals. One example of a radical transformation of organizational mission is provided by Jenkins’s study (1977) of the National Council of Churches (NCC). He analyzed the history of the NCC, focusing on its increasing involvement in broad social-change movements in the 1960s. His detailed analysis of the Migrant Ministry, an agency of the NCC, shows that it was so completely transformed that it essentially merged with the California farm workers’ movement.

The NCC was founded as a federation of about thirty Protestant denominations, which contributed to the council proportionate to their congregational membership. The council provided member services, such as educational programs and literature, and sponsored agencies concerned with specific programs, including giving aid to migrant farm workers (the initial goal of the Migrant Ministry). The NCC’s social involvement had traditionally been limited to charitable social work and teaching—a social gospel approach. In the late 1950s some agencies, including the Migrant Ministry, began to take a more activist approach to serving their clientele. By the early 1960s the mission of the NCC had evolved toward fundamental social change, particularly racial equality, in spite of the more conservative attitudes held by most congregation members—the nominal constituency of the NCC. Such activities as lobbying, community organizing, and political advocacy became important NCC undertakings.

As these activist programs became publicly visible, the NCC came under attack from its conservative laity. As a result, automatic contributions to NCC agencies were discontinued and denominations were allowed to select those activities to which they would contribute. Lay opposition did not result in pulling back from the activist mission, however, although expansion was curbed and some existing programs were consolidated. Jenkins notes that the NCC continued to provide valuable services to the denominations and that denominational leaders, for prestige and career reasons, favored continued association with the NCC, thus helping to keep the council together. The general radicalization of the NCC continued despite the criticism. In fact, the withdrawal of automatic contributions to the Migrant Ministry seemed to hasten its radicalization by lessening the ministry’s dependence on “hostile” funding sources and thus increasing its autonomy. Although budgetary reductions were required, the Migrant Ministry invested all its effort in the Farm Workers’ Union; as a result, the Migrant Ministry and the farm workers’ movement soon became inseparable.

Several factors help explain the NCC’s transformation. The growth of Protestant churches in the 1950s was important in several respects. Increasing membership meant more funds available for the NCC and its agencies. A surge in professional training for the clergy and the development of liberation theology contributed to the growth of a radical definition of the clergy’s mission. A combination of self-selection and church personnel policies aimed at avoiding open conflict within the church channeled activist clergy into the NCC, which became a relatively insulated arena in which radicalism could flourish. In addition, the NCC’s reward structure emphasized mission over money, encouraging staff members to develop programs in which they believed strongly.

The growth of the NCC required a larger administrative staff and increasing reliance on trained professionals, which gave the staff considerable control over decision making. Jenkins identifies several mechanisms through which this transfer of power occurred. For example, the volunteer status of members of the board of directors and the professional training of staff and executives encouraged an expert-client relationship between the NCC staff and its board. In addition, NCC executives held voting rights on the board, giving them ample opportunity to push their arguments at board meetings. Several reorganizations were intended to increase the accountability of the NCC to its board and the constituent denominations by centralizing budgetary control and increasing communications. In fact, executive control over the agencies and influence over volunteer board members increased, and NCC executives could push virtually any program through the board as long as the program did not entail any decrease in services available to the denominations. In addition, the dependence of NCC agencies on denominational funds declined as monies became available from foundations, investments, individual donors, and non-denominational agencies. As a result, the NCC found itself relatively affluent. The combination of ample resources, or-

ganizational control by the staff, and a secure domain were the principal factors that enabled the NCC to pursue radical goals that were divergent from the interests of its conservative lay constituency.

Another brief example of a nonprofit that was able to redefine its mission in a more institutionally challenging direction is the National Urban League (NUL). When it was established in 1910, the NUL characterized itself as a direct-service agency operating with the express goal of improving the status of African Americans through the provision of educational, economic, and social welfare services. By the early 1960s, as the civil rights movement gathered momentum at the national level, the NUL began to take a more activist stance. Despite initial reservations among its executive committee, the league became both a sponsor of and participant in the 1963 March on Washington. This step marked the “transformation of the league from a social service agency to a civil rights organization without abandoning any of its historic commitments to the promotion of the economic and social welfare of black Americans” (Weiss 1989:124). Here was an instance of an executive staff responding to new political circumstances that made it difficult to remain nonpolitical at a time when its constituency, broadly construed, became more committed to activism and social change.

Spalter-Roth and Schreiber’s (1995) analysis of how national women’s organizations survived the hostile Reagan-Bush years demonstrates an alternative scenario: proactive responsiveness when a politically oriented mission becomes increasingly risky. Although many of these groups opted to employ more professionalized “insider tactics” such as legislative lobbying, litigation, and media campaigns, adopting the tools and language of mainstream politics did not necessarily result in decreased commitment to feminist objectives. In some instances, feminist organizations even became willing to take on more controversial issues. For example, when members and staff pressured the American Association of University Women (AAUW) and the Women’s Equity Action League (WEAL), both organizations became active in the abortion rights lobby despite their earlier resistance. Organizations also sometimes withdrew from formal coalitions because they were unwilling to accept legislative compromises. The National Organization for Women (NOW), for example, quit a coalition formed by the Leadership Conference on Civil Rights when it was willing to accept a cap on damages in sex discrimination suits; the AAUW initiated an independent child-care coalition when the Children’s Defense Fund accepted a provision that would have enabled government funding for day-care centers operated by religious groups. In another example, in 1985 the National Coalition against Domestic Violence (NCADV) received a grant from the U.S. Department of Justice; when the agency refused to allow the words “lesbian” and “woman abuse” in the organization’s publications, NCADV rejected the federal contract for its second year.

This limited sample of cases suggests the importance of executive control in reorienting nonprofits toward more pro-

active social-change agendas. In the case of the NCC, the combination of ample resources, a secure operating domain, and a set of changes that centralized power among the administrative staff enabled the organization to pursue a more radical mission in spite of opposition on the part of member churches—many of which remained in the council because they continued to receive valuable services. The willingness to tolerate budget reductions when faced with the loss of member contributions enabled the NCC to decrease its dependence on supporters who objected to the organization’s new direction. In the case of the NUL and national women’s organizations, executive responsiveness to member and staff demands for more radical action (both in response to more favorable and hostile political conditions) was critical.

### Resistance to Change

The sort of successful, proactive adaptation demonstrated by organizations such as the National Council of Churches, the National Urban League, and national feminist groups is somewhat surprising, given that organizations with strong ideological commitments are often expected to be less flexible than professional nonprofits with more instrumental orientations or pragmatic objectives (Hasenfeld and English 1974). The very process of considering changes in mission is also likely to engender more conflict in ideologically motivated organizations, heightening the risks associated with change (Zald and Ash 1966). As the cases reviewed in this section demonstrate, however, it is not simply a matter of political or ideological commitment, but how narrowly organizations define themselves and their missions, which in turn places sharp limits on their ability and willingness to adapt to changed external conditions.

Gusfield’s analysis (1955, 1963) of the Women’s Christian Temperance Union (WCTU) portrays an organization in decline because its original goals and strategies were adhered to even in the face of significant social change. After the repeal of Prohibition, the WCTU faced an increasingly hostile environment but continued to strongly oppose drinking. Gusfield’s explanation for this inability to adapt focuses on the WCTU leadership. During its heyday, the WCTU occupied a prestigious position in middle-class society. The social status of its leadership provided some legitimation for its reformist posture, which was directed largely at the lower classes. With the end of Prohibition, however, these middle-class members left the organization and the social status of WCTU leadership declined. As the leadership came to be rooted in the lower and lower-middle strata, the WCTU could no longer maintain a “superior,” reformist posture. Instead there was a growing resentment of the middle-class Americans who had abandoned the movement, and WCTU rhetoric became increasingly marked by moral indignation.

A second important factor in the decline of the WCTU was the rate of leadership turnover. Presidential tenure was rather long, and the slow pipeline to top positions groomed future leaders in terms of present politics. Although some members were well aware of their organization’s waning

popularity and tried to recruit and develop younger members and to support new leaders, the continuing presence of the old guard negated their efforts.

Moore's (1993) research on public interest science organizations provides a more recent example of a movement organization constrained by its founding mission and unable to adapt to changing political conditions. Science for the People (SftP) was established at the annual meeting of the American Physical Society in 1969 to oppose the Vietnam War; SftP defined itself in radical opposition to other science groups and mainstream professional science practices. Its antiwar stance was embedded in a systemic critique of capitalism and the links between academic science and the military-industrial complex. SftP, like its companion New Left groups, was based on egalitarian principles, and its various local groups were linked through informal cooperation. The activities of the locals (represented in forty cities by 1972) included providing technical assistance to the Black Panthers, defusing bombs at bomb factories in Philadelphia, direct protest at Livermore Laboratories in California, and public education campaigns. Financial needs were minimal, and the group never received substantial external funding. The most labor- and resource-intensive activity was publication of the magazine *Science for the People*, which was largely self-sustaining through the efforts of the Boston chapter.

In 1972, after a period of fairly rapid growth, SftP confronted an identity crisis that took the form of conflict over the question of what role scientists should play in a radical movement. The egalitarian emphasis of SftP placed a premium on critical self-reflection, and the groups' energies became absorbed with the (apparently never-ending) process of deciding "how to go about deciding who they were, rather than focusing their discussions on who they were" (Moore 1993:193, emphasis in original). This inward-looking project came at the expense of developing strategies for responding to a changed political environment, particularly the end of the Vietnam War and with the emergence of feminist and third world movements that provided members with alternative venues for activism. In addition, SftP was never able to provide a means for activists to reconcile the demands of their dual identities as scientists and radical activists. According to Moore, SftP's narrow mission as a radical political organization left few avenues open to it and undermined its ability to respond quickly or effectively to changed circumstances. Although the organization tried a variety of strategies to revitalize itself during the 1970s and 1980s (including creating a national office), it was ultimately unable to incorporate new issues or innovative practices that might have enhanced the group's survival prospects, and SftP finally collapsed due to financial reasons in 1989. (Some members of the original SftP launched a listserv by the same name in 1998.)

Whereas adherence to ideological missions ultimately undermined efforts by the WCTU and SftP to revitalize, the brief existence of the San Fernando Valley Hotline illus-

trates a somewhat different organizational response, what Matthews (1994) refers to as "overt opposition." This hotline was founded as a radical feminist collective in 1980 in response to the mainstreaming of older rape crisis centers. Although initiated with a grant from the California Department of Social Services, the hotline embodied the conflict between feminist and official definitions of rape crisis work. When, shortly after the collective was founded, the administration of rape crisis funding was transferred to the state's Office of Criminal Justice Planning (OCJP), the Valley Hotline set itself apart from other centers such as the LACAAW by refusing to apply for funding. It also became a vocal critic of OCJP reporting mandates. Matthews argues that the Valley Hotline was more ideologically defined from the beginning because the group came together out of a common commitment to feminist activism and then adopted antirape work as the vehicle. The fact that the collective had a clear ideological mission lent coherence to the project, but it also meant that members were less flexible about the kinds of pragmatic issues to which other groups succumbed. By 1986 the Valley Hotline was defunct. In another example, the feminist-run Santa Cruz Women against Rape (SCWAR) accepted OCJP funding but actively protested the reporting requirements, filling in "unknown" where they felt questions on the forms were inappropriate. Within months the agency withdrew its funding, which sent a clear warning to other California centers.

The strong ideological commitments initially articulated in the missions of the WCTU, SftP, and the San Fernando Valley Hotline clearly led to significant resistance to change. Provisionally, we would also argue that it was the narrowness of each organization's mission—Prohibition, opposition to the Vietnam War, and radical antirape work, combined with the highly articulated collective identities of members and staff—that made it especially difficult to redefine these organizations' missions. In the case of the WCTU, this choice led to severe constraints on recruiting new members; in SftP, it created an internal group orientation that limited consideration of new options; and in the case of the Valley Hotline, it led to a rejection of critical funding to the detriment of carrying out the group's work. In each case, these organizations refused to change course and then were not able to sustain themselves, even when there was interest in remaining active.

### Reorientation

The three trajectories we have discussed so far—accommodation, proactive transformation, and adherence to mission at the expense of organizational survival—illustrate the fairly dramatic challenges that nonprofits can face as the conditions around them change and they get caught up in conflicting demands from stakeholders both within and outside the organization. These cases point to relatively extreme consequences, namely either a wholesale reconfiguration of mission and structure or organizational demise. In this sec-

tion, we explore an alternative set of responses that, although they may involve a reorientation in founding mission, do not fundamentally alter a nonprofit's identity.

Sills's classic study (1957) of the National Foundation for Infantile Paralysis is an account not of goal transformation but rather of the successful achievement of the foundation's major objective—the eradication of polio. Instead of subsequently closing up shop, however, the foundation used its effective organizational structure and volunteer corps to broaden its mission to include research on all birth defects. In 1958 the name was changed to the National Foundation, dropping “for Infantile Paralysis.” Two decades later, in 1979, the name was changed again to the March of Dimes Birth Defects Foundation.

Sills argues that the organizational structure of the foundation was essential in keeping its activities centered on its stated mission, and facilitated its subsequent decision to pursue related goals once polio was conquered. The foundation's structure was corporate in nature, with a national headquarters and local branches rather than a federation of semiautonomous affiliates. Thus ultimate control for foundation policy and the direction of its activities was retained by the national headquarters. This centralization was balanced, however, by a clear-cut division of responsibility. The foundation engaged in three distinct activities, each of which was the main purview of a separate part of the foundation: fund-raising, the disbursement of funds in communities to aid victims of infantile paralysis, and research to eliminate the disease. The research function was administered by the national headquarters.

The foundation is perhaps best known for its annual fund-raising drive, the March of Dimes. This massive effort is the responsibility of local March of Dimes organizations, which are temporary in nature, rather than of the local foundation chapters, although the chapters participate in the drive. The march is directed by the national headquarters, which appoints campaign directors for each community. The position of director does not entail year-round effort, and new directors are often appointed each year. A huge number of volunteers is mobilized and then dispersed upon completion of the drive. The local chapters of the foundation are primarily concerned with patient care. Half the money raised by the March of Dimes is returned to the chapters for disbursement in their communities, primarily to give financial assistance to victims of polio.

Although the foundation is a large organization, the size of local chapters is kept small, and members are kept actively involved through a system of assigning them specific tasks. The temporary nature of the March of Dimes organizations focuses volunteer involvement on the task at hand, namely fund-raising. In addition, the high turnover among March of Dimes volunteers seems to sustain enthusiasm. Responsibility for chapter affairs remains with volunteers, largely because chapters are prohibited from electing physicians or public health professionals as chairs. Professional guidance is available when needed from a medical advisory

committee and from the state representative, a national headquarters employee.

Sills contends that the foundation was successful largely because of its organizational structure, which allowed volunteers to become actively involved in the organization but not in such a way as to displace the mission, and which permitted headquarters staff to retain responsive control over the local chapters. The strong corporate structure was also important in the foundation's decision to broaden its purpose in the late 1950s. A record of success, local involvement combined with a lean and effective national leadership, and a clear delegation of functions made the search for a new organizational purpose much easier than would have been the case in many other voluntary organizations, where the group's continued existence might have been perceived as solely in the interest of the paid staff, not the larger public.

Zald's studies (1970; Zald and Denton 1963) of the Young Men's Christian Association (YMCA) in the United States offer a contrasting analysis of a successful organizational transformation. We regard this change as successful because, although the organization's activities and efforts were altered in important ways, the changes enabled it to reach a larger audience without sacrificing its basic mission. Zald analyzed the history of the YMCA from its founding in the mid-1800s to the mid-1960s and developed a case study of the large Chicago YMCA from 1961 to 1967.

Founded as an interdenominational Protestant organization to provide Christian fellowship for young men, the YMCA quickly took on a strong evangelical character as revivalism grew in the late 1850s. After the Civil War, there were disagreements within the federation over the appropriateness and visibility of evangelism in the YMCA. The New York association adopted a model of general service to young men, and by 1889 the International Committee (the national executives' committee for the federation) officially opposed evangelism as a YMCA goal. The New York model gradually spread throughout the country, changing the YMCA from an organization dedicated to the moral salvation of young Protestant men to a more secular, broad-based, fee-for-service organization that pursued general character development.

Four main factors underlay the transformation of the YMCA's mission from evangelism to general service. First, the group's economic base as a religious organization was unstable. Resembling a Protestant denomination in its activities and the incentives offered to its members, the YMCA competed with churches for members and contributions and was vulnerable to the ups and downs of both revivalism and business cycles. This financial insecurity made clear the need for alternative funding sources. Three programmatic innovations also helped change the character of the YMCA. Various fee-for-service programs, such as lecture series and vocational education programs, were easy to implement and could be discontinued if demand declined. The widespread construction of dormitory residences, beginning in the 1870s,



was a second innovation. These hostels provided income for the association and were widely perceived as a general public service. Finally, the development in 1885 of YMCA gymnasiums proved to be effective in recruiting members. These innovations moved the organization toward acquiring a diversified economic base, supported by fees for various services. The residences and gymnasiums represented large capital investments and, in turn, programmatic commitments, making the YMCA a building-centered organization. Perhaps more important for future changes in programs and goals, the developing enrollment economy linked YMCA programs to the demands of its clientele.

Changes in the availability of resources, then, were clearly a driving force in the transformation of the YMCA, but an exclusive focus on resources would miss elements of the organization's structure and political processes that also facilitated its ability to adapt. From the 1890s, the association pursued a rather broad mission. Providing for the welfare of the whole man—physical, intellectual, social, and spiritual—permitted various emphases and allowed considerable latitude in developing or rejecting programs. Although the organization's goals were originally religious in purpose, several factors prevented religious dominance of the YMCA. An interdenominational emphasis, the use of lay rather than clerical leadership, and the focus on association and fellowship rather than church activities alone minimized theological influence in the YMCA's early days, thus maintaining options for future development.

In contrast with Sills's analysis of the National Foundation for Infantile Paralysis, Zald maintains that the YMCA's federated structure permitted flexibility and responsiveness to local needs. Zald (1970:64) argues that "it was the ability of local Associations to command the support of their own communities that accounted for the YMCA's staying power, not the limited power of the national association." The autonomy of the local associations is evidenced by the fact that they often ignored national directives with impunity. Their importance is indicated by the observation that some local policies, such as admitting women to membership, were originally opposed at the national level but later became the norm.

The final facilitating factor in the YMCA's successful evolution was its reliance on lay rather than professional control. The organization's history emphasized democratic lay control, and policymaking was traditionally deemed the responsibility of the board rather than the secretary (the top-level administrator). This ideology was reinforced by a committee structure developed to involve laypeople in specific program areas, as well as in overall policy direction. The historic importance of laypeople, however, did not necessarily ensure their continued dominance. Zald argues that several factors tended to reduce conflict between secretaries and their boards and to support board control of policy development. The secretaries did not belong to a professional association or ascribe to a professional ideology that might compete with the YMCA for their allegiance; hence, they

could not lay claim to a specialized skill or knowledge base from which to buttress their policy positions. As a result, the YMCA has been dominated not by its national professional staff but by local members.

Two public interest science organizations studied by Moore (1993)—the Union of Concerned Scientists (UCS) and Scientists' Institute for Public Information (SIPI)—represent cases where reliance on professional staff was itself key to mission reorientation and organizational maintenance. Formed in 1969 by MIT faculty and graduate students, the UCS remained relatively close to its original form and mission as a politically neutral lobbying group, funded by individual donations, that promoted the use of scientific information to address social and environmental problems. From the outset, UCS defined itself as a moderate group, and within its first few years it began a process of formalization by hiring a paid staff person. In the early 1980s, as the nuclear energy agenda that had motivated the group in the 1970s waned, UCS shifted its attention to the arms race and by the middle of the 1980s it had established itself as a respected watchdog group and political insider. UCS also built a solid financial base, maintained largely through individual contributions but with some outside grants. UCS was never confronted with internal conflicts of the sort that beset the more radical Science for the People, and it continued to run smoothly even as it grew to include a full-time financial manager, researchers, legal staff, and a Washington-based lobbying office. Over time, the operation of the UCS remained substantially the same, with separate research groups producing reports on specific issues of concern. UCS's original structure as a public interest lobbying group with no partisan agenda enabled it to orient itself externally and successfully take advantage of new opportunities for activism. UCS was thus able to change its substantive focus without undermining the group's core mission. Significantly, the activities of UCS remained consistent with the routines of scientific practice, thereby reinforcing rather than challenging its members' identities as scientists.

SIPI, created in 1963 by Barry Commoner, took a somewhat rockier path, with a more dramatic change from its original structure as a coalition of twenty-three local science information groups, run by two charismatic leaders (Commoner and Margaret Mead), to a \$2.5 million organization with no local affiliates, administered by a staff of fifteen and governed by a board of directors that nonetheless continued to follow its original mission: to provide the public with unbiased scientific information. In its first few years of operation, SIPI remained "committed to the principle of avoiding centralization and professionalization as threats to local initiative and volunteer participation" (Moore 1993:209) and employed only two paid staff in the national office. The first significant organizational change took place in early 1964, when SIPI changed its emphasis from the genetic and environmental effects of radiation to environmental issues more generally. The transition occurred smoothly, largely because it was framed as consistent with the group's founding mis-

sion and was broad enough to accommodate the interests of its board and volunteer members.

In 1971, after an internal crisis that revolved around the relationship between the national office and local chapters and the respective roles of scientists and nonscientists in the organization, SIPI undertook other significant organizational changes: the group reconstituted its board to include nonscientist community members; created a new field organizer staff position; hired a new director who had a science background but was by trade a professional administrator; appointed a committee to outline the group's new goals; and voted to open the organization to nonscientists as dues-paying members. The organization also considered adopting a federated structure but opted to continue with less formal ties between local chapters and the national office. Again, these changes were explicitly framed as consistent with the group's original intention; that is, they were conceptualized as the best means of enhancing the organization's mission to find the most innovative and relevant means of providing scientific information on issues of public concern.

After this point, the national office became more strongly involved in its own projects, departing from its early role of facilitating the activities and information dissemination of local chapters. Another critical moment came in the late 1970s, when Mead died and the executive director orchestrated the departure of Commoner, who was beginning to be considered a political and financial liability because of his political outspokenness. The shifting of power from these two charismatic leaders to a professional administrator guaranteed that organizational survival would become a central concern. Finally, the elimination of local chapters and nonscientist members, which could have undermined organizational stability since they did, in fact, contradict SIPI's founding identity, was accomplished through "benign neglect"—absent strong national leadership, the local groups simply disappeared or transformed themselves into independent organizations. Moore attributes SIPI's ability to be both adaptive and organizationally stable to its early formalization efforts, which included incorporating as a nonprofit and hiring a full-time director who was a professional administrator. These features contributed to SIPI's ability to capitalize on the public's interest in environmental issues in an ongoing manner, as well as to make changes in the organization's structure, without undermining the group's core mission.

In contrast to a focus on the consequences of external mandates or changes in the political environment, Barman's (2002) analysis of the Chicago-based United Way/Crusade of Mercy (UW/CM) draws attention to the role of increased interorganizational competition in provoking strategic change. In this particular case, the UW/CM consciously pursued a strategy of differentiation vis-à-vis its new competitors, whereas it had previously been oriented to defining itself with respect to the dual standards of efficiency/effectiveness and external accountability.

The UW/CM was formed in 1934 and, like other United

Ways, it had a widely representative board and employed both staff and volunteers. Its mission was "to increase the capacity of organized community health and human-service needs of people in the Greater Chicago area" (quoted in Barman 2002:1204) by assisting local agencies through volunteer-based planning and workplace fund-raising. Donated funds were distributed to the local agencies that were deemed to be the most worthy recipients dealing with the most pressing community issues.

Throughout the first fifty-plus years of its existence, the UW/CM was effectively the only game in town. UW/MC's operating environment became increasingly competitive in the late 1980s, however. After a series of legal challenges to the monopoly status of the United Way fund-raising campaigns in government workplaces, in 1987 the federal government opened the door to participation of other nonprofits in its Combined Federal Campaign (see also Brilliant 1990). Subsequent legal decisions at the state and local levels led to the proliferation of federated workplace giving programs or alternative funds, many of which have missions organized around shared identities or interests. Compounding the challenges associated with the entry of rivals into the field, local United Ways sustained a blow to their credibility in 1992, when the media reported that the CEO of United Way of America was involved in fraudulent activities (he was later sentenced to seven years in prison for charges ranging from tax fraud to conspiracy).

UW/MC responded to this competitive new environment with a strategy of differentiation, which entailed both a programmatic shift and rhetorical claims regarding the organization's uniqueness and greater worth compared with others in the field. In 1994, after a period of initial reluctance among key individuals within the organization, the agency formally adopted a policy of donor choice that gave contributors the ability to designate whether they wanted their donations to go to the United Way for distribution according to traditional practice, to a constituency of the donor's choice, or to a specific agency in the community. This shift to donor choice represented a fundamental challenge to the traditional mission of the UW/MC, and one senior volunteer referred to it as "a threat . . . of the highest order and beyond" (quoted in Barman 2002:1207). Specifically, donor choice reduces the organization's central role as a coordinating agency (and therefore fund-raiser) for member charities; it privileges donor preferences over the systematic community needs assessment that has long served as a key dimension of the agency's legitimacy; and it "weakens the institutionalized role of the UW/CM as an accountability mechanism for the nonprofit field, one that guarantees the quality of recipient charities through the bestowal of a 'Good Housekeeping' seal of approval . . . [which] turns the United Way into a mere processor and pass-through point for donors' contributions to any and all recipient organizations" (Barman 2002:1207).

In effect, UW/MC chose to prioritize donor needs and demands over community or member charity needs. This

fundamental shift, however, was accompanied by a conscious strategy of positioning the agency as both unique and superior to other workplace fund-raising drives. Rather than redefining its original mission, UW/MC linked the new policy to its historic role by stressing the benefits of its traditional methods of allocating resources, which it renamed the Community Fund and reframed with an analogy to mutual funds that are able to generate a higher “return” and broader impact than targeted alternative funds. Drawing on its long experience with needs assessment and monitoring of local charities, the agency effectively offered its services as a credible financial advisor. Thus, in addition to giving donors the ability to direct their giving to specific groups or charities, the UW/MC gave them a stronger rationale and inducement for giving in the traditional way, based on the assurance that their donation would get the most bang for the buck.

According to Barman, the strategy worked: the proportion of donor-designated dollars, which had increased from 3 percent in 1993 to 18 percent in 1998, seems to be holding and possibly even declining (Barman 2002, 2004). Significantly, the UW/MC’s choice of how to adapt was delimited both by its organizational structure and by the nature of its competitors. Given the identity- and interest-based missions of most of the newer alternative funds, UW/MC was able to credibly emphasize its traditionally broad and community-based focus. And, given its dependence on support from member charities, it had little choice but to find a way to maintain its role as a coordinating agency and shore up its traditional allocation methods in order to ensure that member groups continued to receive funding and remained within the fold. UW/MC’s ability to differentiate itself from its competitors effectively enabled it to diversify without losing its traditional base of legitimacy and support.

Some common themes are discernible across the diverse set of cases discussed in this section. One commonality that the March of Dimes, the YMCA, the United Way, UCS, and SIPI share is a broad mission that has lent itself to active redefinition by a responsive staff. Although Sills and Zald differ in their interpretations of the benefits of relying on centralized structures and professional staff, we would argue that the key in each of these cases was some degree of centralization that promoted flexibility and accountability to the membership base. The federated structure of the YMCA and the reliance on small local chapters in the March of Dimes also provided members with avenues for active involvement and, by extension, for their considerable investment in organizational continuity. One notable feature of UCS’s ability to adapt was its political neutrality and reliance on professional staff, which offset the ideological narrowness that undermined more radical groups such as SftP. SIPI was different in this regard, in that its activist founders initially articulated their political commitments in their choice of organizational structure, but it was still able to implement changes in issue focus and operating procedures by framing such adaptations as consistent with the group’s mission—a

process not unlike UW/MC’s realignment of its emphasis from member agencies to donors, which it backed up with tangible benefits for both constituencies. Significantly, all these organizations reoriented their priorities in ways that were broad enough to encompass the interests of both insiders and outsiders and to extend the organization’s base of support. Diversification and differentiation—of issues, activities, and resources—were central to successful adaptation, survival, and growth.

### Mission Displacement

One final pathway to change, which we refer to as mission displacement, represents perhaps an even more dramatic form of organizational change than either accommodation or the kind of reorientations described in the last section. In an effort to secure their survival chances, the service and cultural organizations we describe in this section were almost immediately confronted with—and gave in to—the need to move away from their founding principles.

In his analysis of social service organizations for the blind, R. A. Scott (1967) found that, although the stated agency goals were to enhance the welfare of the blind, factors other than client need often strongly influenced service delivery, distorting the stated mission of these agencies. Organizational persistence and the interests of key benefactors were the primary forces that Scott identified as responsible for mission deflection. Although most blind people are female, elderly, and only partially blind, the majority of services have been directed at children and employable adults. When services for the blind were first provided over a hundred years ago, children and otherwise healthy adults composed the needy population, and organizations for the blind thus addressed the problems of education and employability. That these emphases have endured is partly attributable to the institutionalization of early programs.

Fund-raising considerations, however, also explain the lack of attention paid to the majority of the blind population. Blind children evoke more sympathy from funders than do the elderly blind, and programs to employ younger blind adults appeal to widely shared values of personal independence. Agency administrators perceive, whether accurately or not, that programs for the young, educable, and employable will enjoy better funding than those for the elderly.

This focus on service delivery to a small segment of the blind population has obviously been detrimental to the majority of the blind people whom these agencies are ostensibly intended to serve. Programs that are targeted to the young and employable force the agencies to compete for those who can take advantage of these services. These “marketable” blind persons assist the organizations in their fund-raising efforts. The process of mission displacement is completed when, rather than fostering independence, the agencies guard their “desirable” blind and increase their clients’ dependence by providing housing, employment, and recreation.

A second example of mission displacement is the California Institute of the Arts (CalArts), founded as an avant-garde, utopian community in which artists of all media could experiment and create, and intended to be unhindered by market pressures or lay opinion (Adler 1979). From its inception, however, CalArts labored under twin pressures: ideological and financial. Within two years of its establishment, CalArts was largely transformed into a more conventional and conservative private art school. Within five years, public statements of philosophy espoused a new, more professional direction, and utopian proclamations were increasingly out of favor. Numerous adherents of the original institute agreed that the dream had died.

Ideologically, two major conflicts contributed to the demise of the initial mission. From the start there was a divergence of opinion between the trustees and artists. The former were concerned that they fulfill the dreams of Walt Disney, the institute's primary benefactor, who died shortly before final plans were approved. The Disney legacy was typified by elaborate public events. The artists' conception of the institute was also grand, but in the service of artists, with little concern for public consumption. In CalArts's early days its participants reveled in the "joke" they had pulled on conservative funders, who had committed apparently unlimited monies for a spectacularly equipped artists' playground. It soon became apparent, however, that the joke was on the artists, as the trustees began to exercise their considerable control. The extent of this control became clear when the board refused to approve leftist philosopher Herbert Marcuse for a position in the School of Critical Studies.

There was also a fundamental contradiction in the premise on which the institute was founded. CalArts's planners were advocates of the 1960s' avant-garde culture, which was inherently anarchistic and called for the destruction of institutionalization. Artists were lured to a utopian community based on total freedom from constraints of any kind, a promise that proved impossible to fulfill. For example, the initial philosophy stressed collegial relations between faculty and students and opposed a formal curriculum. Pressures soon mounted for a more traditional curriculum, however, as faculty members found it difficult to limit student access to their time, as students failed to meet the faculty's inflated expectations, and as the distinctions between professional and amateur were increasingly blurred. Similarly, many artists were attracted to CalArts in part by the opportunity to work closely with artists of other media in a community of art professionals. In practice, however, many faculty members expected to have easy access to other artists but not to have to provide support in return. Although CalArts survived as a school, its avant-garde characteristics soon disappeared.

Financial difficulties also plagued CalArts even before the campus was built; hence, from the outset, many activities were evaluated in terms of their impact on the school's economy. Owing to lavish plans and cost overruns, the entire fund allotted by Disney for CalArts was used up well before construction was completed. This shortfall increased

the school's already strong dependence on the Disney family and created a perpetual atmosphere of insecurity and crisis. Board members were selected on the basis of personal and financial ties to the Disney family rather than for their abilities to raise and maintain a sufficient endowment. High-level artistic administrators exacerbated the financial problems by nominating board members who were sympathetic to their academic disciplines, while paying little, if any, attention to their fund-raising ability.

As the extent of the financial crisis became evident, faculty members who had purchased expensive homes with steep mortgages or who had given up secure tenured positions at other schools became less willing to experiment artistically or to rock the boat. Control of the purse strings soon translated into control over educational policy, as those arts most useful in fund-raising, such as classical music and dance and conventional theater, grew in favor with the trustees, while less marketable arts were severely cut back or eliminated. The lay staff also facilitated the work of artists of whom they approved (those whose work required discipline, scheduling, and coordination and whose products they appreciated) through their control of access to technical facilities and their selection of artists to appear in public events or display. As financial pressures increased, the utopian character of the institute dissipated and values originally scorned became the keys to survival. Professionalism, originally dismissed in favor of vanguardism, was now perceived by the artists to be their only source of power vis-à-vis the trustees. Similarly, market success, which was to have been discarded in favor of recognition by colleagues, became legitimate currency at CalArts.

On the surface, service agencies for the blind and avant-garde cultural institutes could not seem more distinct, especially in terms of their missions, structures, and stakeholders. What links these two types of organizations, however, is the way that financial insecurity in the face of high costs of service delivery (broadly defined) led almost directly to takeover and control by key benefactors and trustees. Other needy beneficiaries, in the case of service agencies, and avant-garde artistic and educational ideals, in the case of CalArts, were displaced by the search for stable sources of support. Both the "marketable blind" and "marketable art" were privileged at the expense of the more expansive missions that initially animated these organizations.

## LESSONS FROM THE CASES

Across a range of nonprofit organizations—social movements, community-based organizations, nonprofit service agencies, and traditional voluntary associations—we observe the dual role of mission as both charter and constraint. As charter, mission serves to direct an organization toward specific combinations of ideology, organizational structure, and relations with members and sponsors. Mission also operates as a constraint with respect to how an organization responds to changed circumstances.



A common element across the cases we have presented is that identity and mission are “provoked” when nonprofits become involved with various funding sources that have divergent interests. This interaction impinges upon organizational autonomy and, in turn, triggers an array of responses. This provocation is especially salient for social movement organizations that become increasingly involved with the very government agencies and officials they intend to challenge. Adding to the complexity is the need for such organizations to present themselves as both credible advocates and serious service providers.

Interaction with government is not the only contested relationship fraught with tension around organizational mission, however. Relations between local and national offices, between volunteer and professional staff, and with key funding sources all trigger considerations of goals and strategies. Indeed, many of the cases illustrate a familiar pattern of internal versus external expectations, and the accommodations that are reached as organizations evolve from volunteer to paid labor, private to public funding, and informal, minimalist organizations to more formal, hierarchical entities.

In the social movements arena, a dominant trajectory toward greater formalization and professionalization at the expense of initial ideological commitments has been often identified. The cases we have reviewed, however, stress the need to consider the *content* of organizational formalization on a continuum of reactive to preemptive responses. At one extreme, movement organizations such as the Los Angeles Commission on Assaults against Women formalized reactively as early activists struggled to remain faithful to feminist ideology and practice. Despite their best (and often creative) efforts to resist the imposition of a conventional social service model, they ultimately ceded to pressures for institutional conformity. In contrast, AIDS service organizations have apparently attempted to consciously leverage the service agency model in order to preempt the perceived reluctance of public and private sponsors to support activism on behalf of stigmatized social groups.

A critical factor in terms of the constancy, responsiveness, or deflection of organizational mission is the nature of the coupling between organizational structure and ideology. Those organizations that are committed to an alternative vision of the social order—whether in the political, creative, or lifestyle realms—are typically concerned with how their internal organization reflects the kind of world they are striving for. For such organizations, making accommodations or instrumental changes in the organization of work sullies the vision of the kind of society they want to create. Such a close auditing of internal processes may make these organizations correspondingly less effective or less willing to monitor and respond to external events. Organizations with a mission that is less radical or broader (in the sense that a range of goals can fit comfortably within its purview) experience much less difficulty juggling the fit between internal practices and external contingencies. Indeed, we see in the

cases of the YWCA and the March of Dimes that general-purpose missions greatly facilitated organizational adaptability.

Nonprofits with a strong ideological purpose often face tensions from attempting to involve and integrate staff, volunteers, and board members. These disparate groups often do not share the same commitments or identities that motivated the founding of the organization. Again, less ideologically charged organizations with broader identities are better able to juggle diverse interests, and indeed can use them to attend to a differentiated environment; the strategy of the Union of Concerned Scientists offers a good illustration. An alternative approach for more ideologically grounded nonprofits is to consciously work to diversify their base of support, while holding to their original identities. The ability to simultaneously continue a connection with original stakeholders and enroll new supporters who understand the continued commitment to a strong mission may enable a nonprofit to resist pressures for formalization and to mitigate the many efforts of funders to channel the organization into more mainstream pursuits (Jenkins 1998).

The reality of nonprofit life, however, is that many organizations operate within a context of constant financial pressures. The need to diversify the funding base is a continuing challenge for many nonprofits. Such efforts are fraught with the danger of mission dilution, as funders bring their own set of agendas. In some cases it may be possible to balance competing demands by essentially playing funders off against one another, though such an approach may be short-lived. In an analysis of the 1976 public television series *Dance in America*, Powell and Friedkin (1986) show how program staff and dance professionals managed to juggle the divergent demands for a classic repertoire from corporate funders with a diverse, inclusive agenda from government endowments and avant-garde aspirations on the part of choreographers and arts funders. This balancing act led to a highly successful and innovative public television series that eventually met a premature end as the various constituencies broke apart. The performance and broadcast of dance was greatly helped by this series and soon flourished on commercial cable television, but public broadcasting lost one of its signature programs.

An open question is what the implications of such diversifying processes are for the representation of more activist voices and practices in the realm of public ideas. Groups such as Science for the People, advocating a critical analysis of the relationship between science and politics, appear more likely to face internal conflict and eventually to become defunct in response to the efforts to expand their base of support. The San Fernando Valley Hotline, which rejected state funding in order to maintain its identity as a radical feminist collective, met a similar fate within a much shorter time. More generally, national women’s and civil rights organizations that espouse radical social change have a higher likelihood of failure than reform-oriented associations (Minkoff 1999). In addition, moving toward the domi-

nant service model appears to decrease the direct advocacy component of community-based organizations.

The challenge, then, is how nonprofits can broaden inclusiveness inside their existing organizations. Expanding and consolidating an existing base of support is clearly a less daunting task than convincing political authorities and influential external sponsors to moderate their demands for ideological and structural accommodations. The task of responding to shifting external conditions while retaining the enthusiasm of core constituents depends on the ability to convince members and supporters that changes will remain broadly congruent with the mission. In several of the cases presented here, nonprofits were able both to give existing supporters an important role as new activities were being pursued and to educate new constituencies about the organization's original identity.

## IMPLICATIONS

The detailed cases we have reviewed suggest several broad patterns of organizational change. Most notably, there is a common life cycle for nonprofits as they move from advocacy to service. This pathway entails not only surrendering political objectives in favor of a less confrontational service role, but also attention to the hard work of formalization—that is, developing procedures and structures that will enable tasks to be performed regularly and that will afford continuity even in the face of leadership change (Staggenborg 1988). Professionalization goes hand in hand with formalization, as paid staff replace volunteers, and these employees not only make a career out of work in the sector (McCarthy and Zald 1977) but also are committed to maintaining the long-term presence of the organization. For many types of service provision, this commitment is essential for patients, clients, and the needy and dispossessed.

But we also find examples of organizations that have taken on more activist objectives, even in the face of pressures for accommodation. Thus, the core implication from our survey is that nonprofit organizations evince a good bit of flexibility in response to changes in internal and external circumstances. The cases suggest that nonprofits, far from being lumbering, inert entities, have considerable capacities for change. But the direction and efficacy of change remain open questions. There is good reason to expect that core changes in organizational mission are likely to be disruptive indeed.

For example, research on a population of Toronto-based voluntary social service organizations found that service area shifts, such as from providing legal services to sociorehabilitative or education services, were associated with a higher risk of organizational failure (Singh, Tucker, and Meinhard 1991). Research on shifts between protest, advocacy, and service provision by national women's and racial minority organizations also documents a higher rate of failure associated with organizational change (Minkoff 1999). Such studies confirm that recently redefined groups face a "liability

of newness" that is characteristic of newly formed organizations: namely the need to reconstruct both internal routines and relationships with the environment (Stinchcombe 1965). The negative consequences of undertaking change may, however, be mitigated by the characteristics of the organizations undertaking them. For example, more established organizations—those that are larger and more professionalized, that have survived longer, or that adopt more conventional and familiar operating structures—may be better able to withstand the potential disruptions associated with organizational change.

Several key factors help account for the capacity of some nonprofit organizations to make changes in their strategy while retaining fidelity to their mission. In our view, organizational mission serves as a barometer to test alternative strategies. An organization's mission is based on what its participants regard as valuable and important. Organizational strategies speak to the instrumentality of survival. In many organizations, strategies for survival evolve into the mission, and this evolution can drain the organization of a sense of purpose. The challenge, then, is how to adapt to changing circumstances without robbing a nonprofit of its compass and values.

Much contemporary organizational research emphasizes the extent to which organizations become ossified with age and as they grow larger. Whether stressing accountability and inertia (Hannan and Freeman 1984), concerns with legitimacy (DiMaggio and Powell 1983), or learning traps and technological lock-in (Christensen 1997), the general view in the literature is that organizations become more conservative as they age and grow. We wonder, however, if these arguments are primarily suited for production-driven organizations with well-established routines intended to facilitate both reproducibility and accountability. Perhaps ideologically driven organizations operate differently. We raise this conjecture because there is suggestive evidence that nonprofits may be better able to experiment with change if they are older and equipped with the necessary resources.

Consider a standard array of organizational attributes—age, size, administrative structure, identity, and resource environment. Older organizations are regarded as less responsive to pressures for change because they must be attentive to the expectations of current stakeholders. But an early study of program change over five years in sixteen social welfare organizations did not find any evidence of a significant association between age and change or lack of change, although the authors had expected older organizations to be less flexible (Hage and Aiken 1974). More recent studies of changes in the populations of voluntary social service organizations and day-care centers report that nonprofit organizations are in fact more likely to experiment with change as they age (cited in Kelly and Amburgey 1991). Anecdotal evidence that social service organizations may become more flexible as they grow older was provided earlier: the National Urban League had been active for over fifty

years when it added civil rights advocacy to its original mission. Minkoff (1999) demonstrates, in research on national women's and racial minority organizations, that older organizations are more likely to make changes in strategy. Moreover, there is also no evidence that older organizations are more likely to make conservative changes, defined as shifts from protest or advocacy to service provision. Although core change reexposes organizations to the kinds of liabilities that confront newly established groups as they seek out resources and legitimacy, the disruptive effects diminish somewhat over time. Older nonprofit organizations may be, in general, more stable and less likely to fail.

Other standard organizational hypotheses are that increasing size means more centralization and formalization, and that such features are associated with organizational inertia. Again, the bulk of the supporting evidence is drawn from for-profits, while research on nonprofits offers a possible alternative view. Hage and Aiken's (1974) study of social welfare organizations revealed a positive correlation between the size of the organization (measured in terms of number of employees) and higher rates of program change. Minkoff (1999) found that organizational formalization, indexed by the number of paid staff, was correlated with flexibility. Organizations with larger paid staff were more likely to make changes in strategy, particularly to and from advocacy and service. Staff size was also positively correlated with survival. This finding has been corroborated by research on voluntary social service organizations in Toronto, which showed that social service agencies with larger boards at the time of founding were more likely to engage in service area and goal changes, and that such organizations were also less likely to fail (Singh, Tucker, and Meinhard 1991).

Many of the standard accounts of the development of the social work field emphasize its evolution from a commitment to social reform to a focus on professionalization and case work (Cloward and Epstein 1965; Lubove [1965] 1980). This tendency for human-service professionals to invest in identities as experts is well established and clearly has been a key factor in the distancing of service-delivery organizations from advocacy on behalf of the poor. But that historical development impinges much less on contemporary organizations than on agencies that developed early in the twentieth century. Given that their identities as expert service providers are secure, members and staff of contemporary nonprofits are much more buffered from perceived losses in status that might follow from changes in organizational practice. Again, such protection is likely to be most efficacious in established nonprofits.

We have stressed that many nonprofit organizations exist in environments that impose contradictory demands. Such multiple pulls can generate internal conflicts or external contention between supporters and representatives and officials to whom an organization is accountable. Location in competing spheres can impede consideration of thoughtful responses to multiple pressures. Nevertheless,

larger, more established nonprofits may find it easier to prioritize competing demands. In particular, one response available to mature organizations is to pursue hybrid strategies that permit varied responses to divergent institutional pressures.

In a study of mental health centers that diversified to provide drug abuse treatment centers, D'Aunno, Sutton, and Price (1991) focus on how organizational units responded to new external demands that conflicted with their traditional practices. The need to operate in both traditional and new institutional environments led hybrid agencies to rank their new practices in terms of a hierarchy of institutional demands; they effectively adopted or combined practices on the basis of their visibility to external groups. This emphasis on visibility represents an adaptive strategy for addressing conflicting external expectations. Similarly, service agencies that integrate advocacy are likely to find themselves in a contradictory relationship with their institutional environment. By virtue of their political nature, advocacy/service organizations may be as vulnerable as advocacy organizations to changes, especially restrictions, in the political climate. From the perspective of authorities and sponsors, however, the combination of forms may be seen as an acceptable compromise between the traditional form of service and the more overt political advocacy form (Minkoff 2002b).

We close, then, with a conjecture that prospects for organizational adaptation operate differently in the nonprofit world than in the proprietary sector. Small, minimalist nonprofits, especially those that are volunteer supported, may fly below the radar screen of external influences, and they are so deeply engaged in day-to-day survival that they are possibly shielded from or unaware of many external pressures. Larger, more established nonprofits that are more professionalized are most likely to be able to undertake significant modifications in strategy and activities *and* to withstand the disruptive effects of organizational change. Medium-sized nonprofits appear to be the most vulnerable to external pressures and most likely to chase after new funding sources. In our study of San Francisco Bay Area nonprofits, we found that it was precisely these mid-sized organizations that were engaging most often in earned-income activities, juggling multiple demands, and tailoring their missions to meet funders' demands. The encouraging news is that it is precisely those organizations that many scholars consider most likely to be complacent that are most capable of considered, thoughtful, and responsive change. The discouraging news is that these established nonprofits are a minority of the nonprofit field.

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