

2017

## Exploring Mission Drift and Tension in a Nonprofit Work Integration Social Enterprise

Teresa M. Jeter  
*Walden University*

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# Walden University

College of Social and Behavioral Sciences

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Teresa Jeter

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2017

Abstract

Exploring Mission Drift and Tension in a Nonprofit Work Integration Social Enterprise

by

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MURP, Ball State University, 1995

BS, Indiana University-Purdue University, Indianapolis 1992

Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Philosophy

Public Policy and Administration

Walden University

May 2017

## Abstract

The nonprofit sector is increasingly engaged in social enterprise, which involves a combination and balancing of social mission and business goals which can cause mission drift or mission tension. A work integrated social enterprise (WISE) is a specific type of social enterprise that focuses on integrating hard-to-employ individuals, such as ex-offenders, back into the workforce, usually through producing goods or offering services. Little is known about how WISE organizations manage mission drift, particularly given the unique characteristics of this type of organization. Using institutional values theory and resource dependence theory as the foundation, the purpose of this case study was to explore how a WISE in Indiana experience and manage mission drift and mission tension. Data were collected from semistructured interviews with 4 board members and 4 staff persons, and from organizational documents. All data were inductively coded and subjected to a constant, comparative analysis between empirical and predictive themes. The study revealed the organization has not experienced mission drift or mission tension because, (a) there was a strong mission and a commitment by the board and staff to the mission, (b) there was a constant balancing act between mission and income, (c) business goals aligned with mission, and (d) operating systems were in place for mission sustainability. The positive social change implications stemming from this study include providing beneficial information about best practices and strategies to other organizations seeking to develop WISE programs that provide opportunities and training for difficult to employ populations.

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## Dedication

There are several important people in my life without whom I would have never completed my doctoral journey. First, I want to thank my daughter, Talia Jeter, who always encouraged me whenever I saw her deep dimpled smile and her big brown eyes. She never complained about my time away from her while conducting research and attending residencies. I also want to thank my sister, Paula Crumes, who prayed for me and always assured me that she was available whenever I needed her. I want to thank my parents, Q.L. and Willa Mae Stevens, who passed away while I was pursuing my doctoral degree. They were the epitome of love and support. I miss you and I love you both. Last, I want to thank my Heavenly Father from whom all blessings flow.

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I have always had a passion to earn a doctorate degree. I did not know how I would accomplish that goal if I had to attend a brick and mortar institution. Therefore, I want to acknowledge Walden University for making it possible for a busy working mom and a nontraditional student to attend graduate school and earn her Ph.D.

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## Chapter 1: Introduction to the Study

In this case study, I explored how an embedded nonprofit work integration social enterprise (WISE) experiences mission drift and mission tension because of focusing on business goals. Social enterprise involves organizations using commercial business strategies to support and maintain the organization in its socially oriented, socially beneficial mission (Garrow & Hasenfeld, 2014). A WISE is a specific type of social enterprise that focuses on integrating hard-to-employ individuals, such as ex-offenders, back into the workforce, usually through producing goods or offering services (Ebrahim, Battilana, & Mair, 2014; Garrow & Hasenfeld, 2014). They can be structured so that social programs and business activities are one in the same (embedded), so that social programs are structured as part of a parent organization (integrated), or so that social programs exist and operate outside of the parent organization (external; Grassl, 2012).

In their efforts to generate revenue, social enterprises risk losing focus on their social mission(s), known as *mission drift* (Cornforth, 2014), or they experience strain between their social missions and business endeavors, known as *mission tension* (Connolly & Kelly, 2011). Avoiding mission drift and minimizing mission tension are major challenges for social enterprises of all types (Cornforth, 2014; Ebrahim et al., 2014; Jager & Schroer, 2014). However, researchers have paid little attention to issues of mission drift and mission tension in embedded, nonprofit, WISEs because of these organizations focusing on business goals. Mission drift and tension are important to study in embedded social enterprises because the differing foci of social programs and business

activities within one organizational structure tend to strain social missions, which can lead to an organization losing sight of its mission (Ebrahim et al., 2014).

This chapter covers the following topics: (a) background to the problem, (b) problem statement, (c) purpose of the study, (d) research questions, (e) description of the nature of the study, (f) constructs and key terms, (g) assumptions, scope and delimitations, (h) limitations of the study, (i) significance of the study.

### **Background**

During the past 35 years, a growing development has occurred in nonprofit organizations delivering social services while engaging in business activities (Cornforth, 2014; Ebrahim et al., 2014; Smith, Cronley, & Barr, 2012). Typically, the term *social enterprise* has referred to for-profit organizations with clearly identified social missions in areas such as work integration, poverty alleviation, community development, microfinancing, and social and economic development of disenfranchised or challenged populations (Jager & Schroer, 2014; Ly, 2012). Researchers often referred to nonprofit organizations employing market or commercial strategies as social businesses, social entrepreneurs, or enterprising nonprofits (Jager & Schroer, 2014). The definition of social enterprise is still evolving (Katz & Page, 2010; Teasdale, 2010) and contested (Reiser, 2013). However, because of the increasingly hybridized nature, structure, and missions of organizations, social enterprise often refers simply to organizations that use market mechanisms to achieve their identified social missions (Chang, Hu, & Wong, 2012; Cornforth, 2014; Ebrahim et al., 2014; Garrow & Hasenfeld, 2014; Grassl, 2012).

Social enterprises are hybrid organizations that may be legally structured as for-profit or nonprofit (Ebrahim et al., 2014) and organizationally structured generally in three different ways (Grassl, 2012). They can be structured where social programs and business activities are one in the same (embedded), for social programs to be structured as part of a parent organization (integrated), or for social programs to exist and operate outside of the parent organization (external; Grassl, 2012).

Partly because of the government's decentralized responsibility for the creation and delivery of services for some social programs, and the increased demand for nonprofits to deliver services that satisfy the needs of some vulnerable populations left unfulfilled by the government known as the government failure theory; (Lecy & Van Slyke, 2012), the need for generating income for services and products is not a new phenomenon within the nonprofit sector (Cornforth, 2014; Ebrahim et al., 2014; Jager & Schroer, 2014; Lecy & Van Slyke, 2012). In addition, nonprofits often have few revenue streams and rely heavily on donor contributions, which can be unpredictable as donors are often influenced by market forces (Wicker, Feiler, & Breuer, 2013). Donors, for example, might contribute less money or less frequently, or both, in economically uncertain or troubled times (Wicker et al., 2013).

Furthermore, the increase in the use of market strategies by nonprofits results primarily from the decline in government funding, upon which half of all U.S. social service nonprofit organizations rely as their primary financial source (Dey & Teasdale, 2013; Urban Institute, 2010). As government funding continues to decline, nonprofits

provide more social programs because of the increased demand for services, and as donor support fluctuates, many nonprofit organizations have difficulty delivering services to program recipients, sustaining their programs over time, and covering administrative costs (Lecy & Van Slyke, 2012). Consequently, more nonprofit organizations are structuring themselves as social enterprise organizations, incorporating both social missions and business-driven financial support (Jager & Schroer, 2014; Pache & Insead, 2013). Although social enterprises can be established as legal profit-making entities, a major challenge for those structured as nonprofit organizations engaging in business activities involves managing and balancing social and business objectives in ways that keep the organization financially supported while retaining focus on its social mission (Cornforth, 2014; Ebrahim et al., 2014; Kirkman, 2012; Massetti, 2013).

Researchers have found avoiding mission drift and tension associated with emphasis on business goals to be crucial challenges for nonprofit social enterprises (Cornforth, 2014; Ebrahim et al., 2014; Jager & Schroer, 2014; Kimberlin, Schwartz, & Austin, 2011; Kirkman, 2012). Embedded, nonprofit, WISEs, however, face the twofold task of accomplishing mission-related goals while maintaining a healthy financial state through market strategies within one organizational structure. Consequently, because of their embedded organizational structure, issues of mission drift and mission tension tend to be particularly challenging for embedded, social enterprises (Ebrahim et al., 2014).

Although researchers have found mission drift and mission tension to be a problem for social enterprises (Cornforth, 2014; Ebrahim et al., 2014; Jager & Schroer,

2014), especially for microfinancing social enterprises (Ly, 2012), little is known regarding how and why an embedded, nonprofit, WISE might experience and seek to avoid mission drift and mission tension because of business activities. A WISE typically takes an integrated or external organizational structure because in addition to providing job training to beneficiaries by producing goods or offering services to customers, a WISE also contains an integrated or external social services component focused on personal counseling, character development, or social training (Ebrahim et al., 2014). The embedded, nonprofit, WISE that was the focus of this study, RecycleForce, carries out its social mission and commercial endeavor within a single organizational structure.

RecycleForce characterizes this combination of mission, social services and job training, within one organizational structure as a *wrap-around* approach meant to encompass the whole of beneficiaries' needs (i.e., job training and counseling services) while providing recycling services (i.e., salvaging and reusing aluminum, steel, copper, plastics, and paper) for consumers (RecycleForce, 2011).

Little information exists concerning how an embedded, nonprofit, WISE experiences and avoids mission drift and mission tension because of engaging in a business (Ebrahim et al., 2014). This exploratory case study was designed to investigate how these organizations experience, and avoid mission drift and mission tension because mission drift and tension can create an undue strain on an organization's values, benefits, and beneficiaries. Information collected from this study may lead to better understanding how embedded, nonprofit, WISEs experience and manage the challenges of mission drift

and mission tension. Such information may lead to social change because in an era where vulnerable populations need assistance, organizations can be nonprofit, embedded, WISEs and not experience mission drift or mission tension when serving these frail populations.

### **Problem Statement**

Although nonprofit social enterprises use strategies typically associated with for-profit businesses to sustain themselves economically, a nonprofit social enterprise's focus on making profit has the potential to shift focus away from its social mission (Cornforth, 2014; Ebrahim et al., 2014; Jager & Schroer, 2014). This phenomenon is a problem because it represents a type of mission drift that researchers have identified as a continuing problem for nonprofit social enterprises that rely on market strategies to provide revenue (Cornforth, 2014; Ebrahim et al., 2014; Jager & Schroer, 2014). In addition, this shift in focus may lead to mission tension as social and business components vie for organizational resources and support (Kimberlin et al., 2011; Pache & Santos, 2013). Maintaining mission focus in the face of such challenges is paramount to the cohesion of a nonprofit social enterprise's social mission because the mission may experience tension or an undue strain on values, benefits, and beneficiaries because of business goals (Cornforth, 2014; Ebrahim et al., 2014; Jager & Schroer, 2014; Kimberlin et al., 2011). In addition, some argue missions may be altered and grow ambiguous overtime (Eikenberry, 2009), and civil society will be at risk because the focus to make money may compromise these organizations' ability to stay true to their missions

(Eikenberry & Kluver, 2004). Although researchers have studied mission drift and mission tension in social enterprises in general, more information is needed pertaining to mission drift and tension in embedded, nonprofit, WISEs (Ebrahim et al., 2014).

### **Purpose of the Study**

The purpose of this qualitative exploratory case study was to explore how an embedded, nonprofit, WISE experiences and avoid mission drift and mission tension because of engaging in a business. While these dual performance objectives are well-known challenges for social enterprises (Cornforth, 2014; Ebrahim et al., 2014; Jager & Schroer, 2014), it is not known how an embedded, nonprofit, WISE experiences or avoids them. Such a study was warranted because the social mission of an embedded, nonprofit, WISE could be weakened and thereby have a negative impact on its values and beneficiaries (Cornforth, 2014; Ebrahim et al., 2014; Jager & Schroer, 2014; Kimberlin et al., 2011). Over time, this type of organization could experience mission ambiguity (Eikenberry, 2009).

### **Research Questions**

This study was designed to explore the following questions:

RQ.1: How does an embedded, nonprofit, WISE experience mission drift and mission tension because of an emphasis on business goals?

RQ.2: Why does an embedded, nonprofit, WISE experience mission drift and mission tension because of an emphasis on business goals?

## **Theoretical Framework**

The theoretical framework for the study included Pfeffer and Salancik's resource dependence theory (1978) and institutional theory (DiMaggio & Powell, 1991). I briefly outline the theories in the following sections and discuss how each related to the present study.

### **Resource Dependence Theory**

Researchers often use resource dependence theory (Pfeffer & Salancik, 1978) as an explanation for organizational behavior when organizations acquire critical resources from their environments to sustain programs and services. A major tenet of resource dependence theory is that organizations are dependent to some degree on their environments, implying organizational actions are not just functions of internal decisions, processes, or mission goals, but are also influenced by their resource environments consisting of capital, labor, equipment, and raw materials (Pfeffer & Salancik, 1978). Because they rely on donor resources or a restricted number of revenue streams, social enterprises, especially nonprofit social enterprises, are particularly subject to resource dependency (Carroll & Stater, 2010).

Social enterprises with restricted channels of revenue intake are also vulnerable to market turbulence and fluctuations (Carroll & Stater, 2010). Consequently, leaders of social enterprises may be tempted to allocate more resources to commercial endeavors to stay afloat, thereby diverting resources from the support of their social missions and potentially creating mission tension (Carroll & Stater, 2010). Scholars contend that

missions can be compromised by a lopsided focus on business values, and market pressures can force nonprofits to lose focus on their target populations when incorporating business and mission goals within the nonprofit embedded structure (Carroll & Stater, 2010; Young, Jung, & Aranson, 2010). Cornforth (2014) stated that the boards of smaller and voluntary organizations might not have the capability to deal with the demands and risks of commercial environments, making their organizations resource dependent.

RecycleForce is an embedded, nonprofit, WISE that obtains its revenue primarily from donations, grants, and its commercial endeavor of salvaging and recycling discarded material. RecycleForce's resource environment, which includes donor unpredictability, cost and availability of equipment, changes in customer base, and the fluctuating price of salvage material, may affect the organization's financial stability and, consequently, decisions that influence its social mission.

### **Institutional Theory**

Researchers have used institutional theory in studies on nonprofit social enterprises to understand how certain institutional practices, beliefs, and approaches take hold and become normalized in particular sectors (Carmen, 2011; Cornforth, 2014). The basic premise behind the theory is that organizational behavior responds in part to established principles and practices within an institutional environment; as practices and ideas within a sector gain legitimacy and become accepted as the norm, they become institutionalized and take on rule-like status (Cornforth, 2014). These practices and

beliefs become standard operating procedure in particular institutional environments, and, consequently, individual organizations feel pressure to adopt these norms to gain legitimacy (Cornforth, 2014). The institutional environments of organizations influence individual organizations to embrace certain procedures and processes to be seen as legitimate or successful (Carmen, 2011).

With its focus on institutional contexts, institutional theory offered insight into how embedded social enterprises address the influence of two different institutional environments (i.e., those stressing mission-centric and social values, and those stressing business values and market endeavors) within one organizational structure (Pache & Santos, 2013; Smith, Gonin, & Besharov, 2013). Institutional theory offered an appropriate theoretical view to understand how the factors of market-oriented institutional environments and the factors of mission-centric, socially oriented institutional environments influence mission drift and tension in embedded, nonprofit, WISEs, such as RecycleForce.

I have thematically aligned the research questions and theories with the aforementioned theoretical framework. I provide a more detailed description of the theoretical framework in Chapter 2.

### **Nature of the Study**

I undertook a qualitative, single case study (Babbie, 2007; Yin, 2012) to answer the research questions. Qualitative research methods allowed for an in-depth, exploratory approach for this study because of the limited amount of research pertaining to

embedded, nonprofit, WISEs and their experience with mission drift and mission tension. The guiding questions were developed and aligned with the qualitative case study approach. The qualitative case study methodology was appropriate for this research because it allowed for patterns, relationships, and unexpected relationships to surface that would not be evident in a quantitative study (Babbie, 2007).

I sought to collect data from five board directors and five staff members assuring equal representation from each group in the embedded, nonprofit WISE, RecycleForce. Braun and Clarke (2013) stated that for a small research study, the ideal number of participants is between 6 and 10. Because this study involved eight total participants, four board members and four staff members, this sample size demonstrated that the research study could yield sufficient data to answer the research questions. Semistructured interviews were conducted over the telephone for all participants. This was an alternate method to collecting information as requested by participants. I collected secondary data from the organization's annual reports, board meeting agenda, and strategic planning documents generated between 2006 and 2014, the period of the existence of RecycleForce (RecycleForce, 2014). Additional data, such as press releases and upcoming events, were derived from the organization's website. I categorized and analyzed data using NVivo 11 software. I describe the research methodology in detail in Chapter 3.

### **Definition of Terms**

The following constructs and key terms pertained to this case study.

*Embedded social enterprise:* This is a type of social enterprise organization in which the social services and the business functions of the organization are housed and are carried out within one organizational structure (Grassl, 2012). Because the twofold tasks of accomplishing mission-related goals while sustaining a strong financial condition are contained within a single organizational structure, mission drift and mission tension tend to be major challenges for embedded social enterprises (Cornforth, 2014; Ebrahim et al., 2014; Jager & Schroer, 2014; Kirkman, 2012).

*Institutional theory:* This is a theory about certain practices, norms, rules, and approaches that take hold and become dominant within organizational contexts (Carmen, 2011; Cornforth, 2014).

*Mission:* The purpose and aim of an organization identified by the values, benefits, and beneficiaries of its social-oriented services and programs (Wolf, 1999).

*Mission drift:* This is a rerouting of time, energy, and money away from an organization's values, benefits, and beneficiaries (i.e., its social mission); in social enterprises, this usually means that business concerns take on increased emphasis as opposed to an organization's social mission, diverting attention, resources, and focus away from the social mission (Cornforth, 2014).

*Mission tension:* This refers to the strain on an organization's social mission caused by mission drift or a lopsided emphasis on the business endeavors of a social enterprise instead of its social mission (Young et al., 2010).

*Nonprofit:* Nonprofit designates the legal status of an organization that uses surplus revenue to forward its charitable, social, or educational mission or purpose instead of distributing profit to trustees or shareholders (Cooney, 2013). Nonprofit organizations may also be legally structured to be tax exempt (Cooney, 2013).

*Resource dependence theory:* This is a theory about understanding how power functions within organizations in relation to their inter-organizational contexts and resource environments. Widely used aspects of resource dependence theory involve the study of financial resources, and the theory provides insight into how a board's power and influence can bias resource distribution (Nienhuser, 2008). A central tenet of resource dependency theory is that organizations do not function in isolation and that they depend on various resource sources (e.g., those involving equipment, raw materials, labor, and capital) to function and survive (Pfeffer & Salancik, 1978).

*Social enterprise:* A social enterprise is a nonprofit or for-profit organization that has a clearly identified charitable, social, or educational mission and uses market strategies to achieve that mission. The missions of social enterprises usually involve a social-oriented purpose to mitigate or reduce a social problem while generating social value and sustaining capital through a business approach (Ebrahim et al., 2014).

### **Assumptions**

Several assumptions underlined this qualitative case study. It was assumed that:

- (a) the resource dependence theory and institutional theory would serve as an adequate theoretical framework for understanding how missions are affected in embedded WISEs;
- (b) examining a single case study of an embedded nonprofit WISE would help provide insight into how this type of organization experiences mission drift and mission tension;
- (c) over time the social mission of an embedded, nonprofit, WISE could be weakened and thereby have a negative impact on its values and beneficiaries;
- (d) interviews were the appropriate method for gathering information for the qualitative case study and reviewing organizational documents was suitable for verifying participant information and documenting participant responses;
- (e) interviews representing equal number of board members and staff persons to achieve representation of the sample were the appropriate method for gathering information for the qualitative case study;
- (f) participants would answer questions in open, honest, and forthright manners;
- (g) participants meeting the inclusion criteria would have sufficient experience with, and knowledge of, the organization to offer informed responses to the interview questions (Cornforth, 2014; Ebrahim et al., 2014; Jager & Schroer, 2014; Kimberlin et al., 2011).

### **Scope and Delimitations**

This research involved a single case study of an embedded, nonprofit, WISE, RecycleForce, located in Indianapolis, Indiana. RecycleForce's social mission is to provide job training, employment opportunities, and counselling for ex-offenders, and its

business activity involves recycling and selling electronic scrap material (RecycleForce, 2014). The study explored how and why mission drift and mission tension was experienced. Institutional theory and resource dependence theory were useful in framing the study. Because this WISE works with ex-offenders, the findings of this study may not generalize to WISEs that work with other populations.

### **Limitations**

Several limitations of this qualitative case study existed: (a) the case study design did not allow the generalization of the findings to all embedded, nonprofit WISEs; (b) RecycleForce may not be representative of all similarly structured organizations; (c) the study was limited to participants who were willing and available to participate; (d) the case study was dependent on the analysis of the researcher; (e) the researcher designed the interview questions which could have led to bias in collecting and analyzing data and interpreting findings.

Reasonable measures were undertaken to eliminate researcher bias; (a) I utilized published annual reports, a board agenda, and a strategic plan to compare and contrast participant responses in order to minimize bias; (b) I put aside any preconceived notions or personal feelings that could bias and influence research outcomes; (c) I wrote notes throughout the data collection and analysis processes and continually reflected upon my engagement with the data; (d) I was self-critical and reflective about potential biases so as not to threaten the research validity, particularly because this study was qualitative research.

### **Significance of the Study**

Researchers have identified mission drift and mission tension as challenges for social enterprises (Cornforth, 2014; Ebrahim et al., 2014), however more research is needed regarding how embedded, nonprofit WISEs experience and address challenges to mission drift and mission tension. Information from this study has theoretical and practical implications, as well as implications for social change. On a theoretical level, information from this study can add to the research on social enterprises by helping to fill the gap in the literature regarding mission drift and mission tension resulting from emphasis on business goals in embedded, nonprofit WISEs.

Information from this study can offer insight into practices to proactively prevent mission drift and mission tension related to emphasis on business goals in social enterprises in general, and embedded, nonprofit WISEs in particular. Therefore, on a practical level, managers and leaders of these organizations can use this information to understand how and why missions can drift and experience tension, and to develop strategies to address and counter mission drift and tension.

This study has implications for social change. Mission tension and mission drift may reduce or create strain on organizational values, benefits, and beneficiaries because of a focus on business goals. As embedded, nonprofit WISEs provide socially-oriented, mission-driven endeavors provide services to challenged populations (Jager & Schroer, 2014; Ly, 2012), the study findings can provide information to help these organizations carry out and stay true to their mission goals.

## Summary

This research involved a case study approach to explore how an embedded, nonprofit WISE experiences mission drift and mission tension because of emphasis on business goals. Researchers have identified mission drift and mission tension as challenges for social enterprises of all sorts. A particular type of mission drift and tension results from social enterprises losing focus on their missions in their efforts to generate business revenue. Mission drift and mission tension represent serious threats to the social missions of social enterprises because these phenomena can create undue strain on the values, benefits, and beneficiaries because of focusing on business goals. However, embedded, nonprofit WISEs, which contain their mission-oriented components and their business-driven components in one organizational structure, are especially at risk of mission compromise. Little research exists on issues of mission drift and mission tension in embedded social enterprises in general; consequently, it is not known how embedded, nonprofit WISEs experience mission tension and mission drift resulting from emphasis on business goals.

Outlined in this chapter was the qualitative approach in the form of a single case study, explored to examine mission drift and tension in an embedded, nonprofit WISE. I selected RecycleForce, a small embedded, nonprofit WISE, for the study because it has a mission-centric business operated within the nonprofit social enterprise organization. This chapter presented the theoretical framework for this study that is comprised of the resource dependency theory and the institutional theory. The theoretical framework for

understanding how social enterprises are dependent upon their resource environments and influenced by their institutional contexts.

Chapter 2 consists of literature on nonprofit values and vulnerabilities, business sector values, social enterprise types and mission, and theories addressing resource dependence and institutional legitimacy. Chapter 3 provides the case study methodology. Chapter 4 presents the results from the study's qualitative analyses used to determine the findings. Chapter 5 presents the research conclusions, implications for social change, and recommendations for future study.

## Chapter 2: Literature Review

### **Introduction**

The nonprofit sector is comprised of mission driven organizations whose core objectives are to bring about social change by serving some public good. There is a growing development where nonprofit organizations are engaging more in social enterprise endeavors that involve a combination of social mission and business activities (Cornforth, 2014; Ebrahim et al., 2014; Smith, Cronley, & Barr, 2012). Some nonprofit organizations are structuring themselves as embedded, nonprofit, WISEs where the social mission and the business component coexist within the social enterprise structure (Pache & Santos, 2010; Smith et al., 2013). The concern is how can two competing logics, such as social values and business values, operate within one organizational structure without negatively affecting the mission. The objective of this study, therefore, was to explore and discover how an embedded, nonprofit, WISE experiences and avoids mission drift and mission tension because of engaging in a business. Such a study was warranted because the social mission of an embedded, nonprofit WISE could be weakened and thereby have a negative impact on its values and beneficiaries (Cornforth, 2014; Ebrahim et al., 2014; Jager & Schroer, 2014; Kimberlin et al., 2011).

### **Literature Search Strategy**

To provide a background and theoretical framework for the study, I sought to review literature from researchers and scholars about embedded WISEs, in general, and embedded, nonprofit WISEs, specifically. I found little information on mission drift and mission tension in these type of organizations. Furthermore, the literature contained evolving definitions of social enterprises and ongoing scholarly debates regarding how a social enterprise should be defined (Masseti, 2013; Reiser, 2013; Teasdale, 2010). Some scholars offer support for nonprofit social enterprises and how their businesses benefit their missions (Teasdale, 2010). Others back the notion that missions are not advanced in this type of organization (Garrow & Hasenfeld, 2014), and some contend that these organizations are highly complex and that tension exists between mission and business activities (Mozier & Tracey, 2010). As scholars continue to examine and debate what happens to missions in nonprofit social enterprises, the literature documenting research on nonprofit missions linked to mission-centric business activities in a nonprofit embedded WISEs is scarce.

This literature reviewed is divided into four sections. Section 1 covers the nonprofit sector and why it developed. I describe nonprofit sector values and vulnerabilities, and I compare and contrast them to business or for-profit values. In Section 2 I cover the onset and progress of the nonprofit social enterprise, nonprofit social enterprise types, and the business models associated in each. Section 2 also contains a discussion about the contradictions and challenges linked to the nonprofit

social enterprise organizations. Section 3 covers the nonprofit social enterprise mission and research associated with this sector. Section 4 covers resource dependence theory (Pfeiffer & Salancik, 1978), institutional theory (Carmen, 2011; Cornforth, 2014), and offers how these theories provided the theoretical framework for understanding mission drift and mission tension in an embedded, nonprofit, WISE.

I used a number of resources to conduct the literature review that allowed me to read more than 260 articles and books, of which 99% were from peer-reviewed journals and publications and 1% from online documents, such as government reports and nonprofit surveys. I used Walden University Online Library and Ball State University Library to search databases for peer reviewed publications current within five years pertaining to this subject. In addition, ProQuest and EBSCO assisted when searching for key terms: *nonprofit*, *nonprofit mission*, and *nonprofit and business ventures*, *mission impact*, *mission drift*, *mission tension*, *mission balance*, *mission-centric business*, *nonprofit commercialism*, *human services*, *nonprofit embedded work integration social enterprise*, and *social entrepreneurship*. I also sought current scholarly information regarding nonprofit social enterprises using Google Scholar and Internet sites, such as ARNOVA. Although I focused primarily on peer-reviewed studies current within five years, some references 10 years and older appear in the literature review because of their historical significance, as well as the value they added to this research. The reference list includes 120 scholarly, peer-reviewed sources.

## **The Nonprofit Sector**

To understand the differences between the nonprofit and for-profit sectors, I describe how and why the nonprofit sector evolved. I highlight nonprofit values and vulnerabilities along with the sector's role in social services delivery.

As early as the early 19th century, the nonprofit sector has played a significant role in the United States (Díaz-Foncela & Marcuello, 2012). This sector is made up of mission driven organizations whose core objectives are to bring about social change by serving some public good. Nonprofits, or not-for-profits, are tax-exempt groups organized for religious, educational, or charitable purposes. These entities are structured under state law and hold a 501(c)(3) designation when approved as a nonprofit. Unlike for-profit entities, nonprofit organizations cannot distribute income to members, directors, or officers. However, although a nonprofit can generate profit (Katz & Page, 2010), there cannot be private inurement.

From a legal perspective, the nonprofit board and individual members are obligated for three important responsibilities. According to the foundational work of Carver (1997), they are duty of care, duty of loyalty, and duty of obedience. The first is duty of care, which involves making careful decisions and exercising judgment when acting on behalf of the organization. The law recognizes board members may not always make the best decisions for the organization, but members are held accountable for being dutiful and thoughtful when making decisions.

The second duty of the board and its members is duty of loyalty. This responsibility involves acting in good faith when promoting the welfare of the organization even if it means being constrained as a member when a conflict of interest exists (Carver, 1997). The third responsibility is duty of obedience, which requires board members to be committed to the organization's mission, and all other aspects of governance obligations. Board members are obligated to uphold these standards when making decisions and taking action on behalf of the organization. Those who do not can be subject to civil and criminal sanctions.

The nonprofit sector evolved in the United States to help address gaps regarding a variety of societal issues concerning social services, education, the environment, and health care that the business sector could not profit from or the government could not deliver adequately according to the unique needs of the population (Lecy & Van Slyke, 2012). Some have called this the government failure theory (Young, 2011), which portrays nonprofit activities as alternate or adversarial to state programs, accounting for the restrictions and missteps of government-provided services and more thoughtful of the variety of the demand for services (Lecy & Van Slyke, 2012). Although this theory has come under attack as an appropriate means of grasping nonprofit growth and density (London School of Economics, 2000; Salamon, 1987), nonprofits have been in partnership with government since the 1930s, delivering human and social services (Guo, 2006; Twombly, 2003).

Nonprofit organizations in the human services field are essential as they move many people out of public assistance to economic self-sufficiency. Findings from an Urban Institute (2010) study indicated the nonprofit sector dominates 80% as human service providers, and 70% in providing job-related opportunities. This sector also accounts for more than half of all residential care facilities. Not only has this movement continued through the 21st century, but evidence of growing commercialism within the field also exist (Garrow & Hasenfeld, 2014; Kirkman, 2012).

Nonprofit human service organizations experienced significant challenges because of the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act in 1996 (Reisch & Sommerfeld, 2003). Also called The Welfare Reform Act of 1996, this legislation created a higher demand for human services and presented challenges for nonprofit providers. The Act encouraged competition and privatization in the human services field to increase speed, integration of services, capacity for large scale operations, quick access to capital, and complex information technology systems, all of which were lacking in nonprofit human services delivery (Reisch & Sommerfeld, 2003). Nonprofit organizations were unable to respond to all the changes and therefore not able to keep up with for-profits that were able to meet the demand. Because of these challenges presented by the Welfare Act, the majority of human service nonprofits had to cut back on staff, salaries, benefits, and programs. These and other outcomes direct consequence of why more nonprofit human service organizations are engaging in nontraditional ways of generating income such as fees for

services (Ko & Kong, 2012). However, nonprofit fees and service charges are not new in the human services field even though they are recognized as a growing importance in the industry (Gronbjerg, 2001; Young et al., 2010).

The federal government has spent billions on nonprofits (Lecy & Van Slyke, 2012). This in part is because of the notion that the nonprofit sector is seen as having a better understanding of special underserved populations (Ebrahim et al., 2014), and that these organizations satisfy the needs left unfulfilled by government. For these reasons, the government oftentimes prefers to work with nonprofits for delivery of social services (Boris, de Leon, Roeger, & Nikolova, 2010).

### **Sector Values and Vulnerabilities**

Nonprofit practitioners and scholars identify traditional nonprofit values as placing priority on the mission, minimizing risk through fiduciary responsibility, and making client needs a priority (Cornforth, 2014; Ebrahim et al., 2014; Grassl, 2012). Although each nonprofit organization has its distinct purpose and work, these three areas are basic nonprofit values that help to provide assurances to the public and to the organization itself that it will operate based on its mission, the purpose for which it was formed. I discuss these values in the following sections in detail beginning with mission.

#### **Mission**

Whether describing a mission as desirable ends (Carver, 1997), or a broad statement of goals and objectives (Wolf, 1999), the mission is the reason why any nonprofit organization exists. It conveys the organization's intent and it is designed to

help board leadership concentrate on the scope of activities and the effect it hopes to achieve. Motivating volunteers and staff, a mission delineates organizational functions.

A mission is the vehicle for generating finances as well as developing programs and services. In addition, it is useful for determining policies and guiding organizations, and it is the reason why individuals volunteer their time and why employees work for nonprofit organizations. When the public sees the nonprofit is adhering to its mission, people trust the organization. In converse, when a nonprofit organization does not adhere to its mission, the public's trust is harmed.

The nonprofit sector has mission values that are distinct from business values. In business, for example, the focus is to make profit to satisfy stockholders and owners (Cornforth, 2014). Businesses are primarily market driven and they concentrate on efficiency and reducing costs. Although a nonprofit organization is responsible for being careful with limited resources, it is not always efficient with those resources.

In contrast to business, the nonprofit mission involves the careful and responsible governance of limited, scarce resources. Following this mission is one of the top priorities of the nonprofit organization. In addition, according to the law, board directors are constrained to act within the limits of the mission scope (Wolf, 1999). Although nonprofit boards are charged with maintaining their missions, they are also responsible for keeping their organizations financially stable.

## **Financial Oversight**

Nonprofit leadership is responsible for sustaining the organization with fiscally sound measures that allow for survivability (Carroll & Stater, 2010). In conventional nonprofit efforts to survive, the majority of nonprofit organizations obtain revenue from donor contributions and grants (Kirkman, 2012). However, in addition to traditional ways of obtaining finances, more nonprofits are seeking nontraditional funds through contracts for services and sale of products (Austin, Stevenson, & Wei-Skillern, 2006; Cooney, 2006). No matter how nonprofit organizations acquire their finances, it is the responsibility of the nonprofit board and staff to handle revenue in a prudent and legal manner.

Fiduciary responsibility involves nonprofit boards setting up adequate controls and reporting systems, and reviewing financial reports. Board members are responsible for treating the organization's resources and possessions in the manner in which they were intended (Katz & Page, 2010). This obligation is necessary for legal and ownership functions. Anything less would mean not operating in a responsible, fiscal manner.

Donors consider nonprofit organizations trustworthy because they understand nonprofits are not motivated by profit. Some nonprofit scholars suggest donors do not contribute to nonprofit organizations that appear to have wealth accumulation (Calabrese, 2011). As a result, the nondistribution restraint, or not giving profits to board members, gives the nonprofit organization an advantage over for-profit firms. Despite alleged fraud and mismanagement of funds by some nonprofits, most nonprofit organizations operate

ethically and are considered more trustworthy than for-profit organizations (Jager & Schroer, 2014).

### **Client Needs**

Putting client needs as a priority is another value of the nonprofit sector. Prioritizing client needs is a legal aspect of nonprofit leadership that involves prudent leadership and reasonable judgment involving its clients (Midwest Center for Nonprofit Leadership, 2010). Overall, nonprofit leadership must focus on clients and act in their best interest, which goes beyond what the law recognizes. For-profit or business entities focus on gaining profits and operating efficiently, which is the opposite of nonprofit organizations that oftentimes operate inefficiently to place client needs above profit revenue. State law requires charitable organizations have public service missions, be organized as charitable corporations, and have board members who disallow self-interest and financial gain (Carver, 1997). The nonprofit sector is identified and known by these values and characteristics, and is known by its vulnerabilities.

### **Sector Vulnerabilities**

The nonprofit sector is seen as vulnerable and susceptible in several areas. Nonprofits are vulnerable in the area of finance, which may involve primarily decreased or dwindling funding resources, a limited number of resource streams, environmental factors, and the inability of nonprofit leadership to successfully manage organizations fiscally (Carrroll & Stater, 2009; Cornforth, 2014; Ebrahim et al., 2014; Wicker et al., 2013). In addition to financial vulnerabilities, nonprofit organizations are susceptible to

competition from both for-profits and nonprofits, and from foundation and agency pressures to behave more business-like (Suárez, 2011), meaning adopting business values that are not nonprofit values. These areas contribute to challenges faced by nonprofit organizations that make them vulnerable as they look to sustain their missions over time. The following section provides further insight into these vulnerabilities.

### **Financial Vulnerabilities**

One of the most at-risk aspects of the nonprofit sector is that it experiences financial stress because of economic downturns, budget cuts, and the loss of major donors (Zietlow, 2010). Few nonprofits are totally supported by grassroots fundraising. These organizations are often tied to unreliable funding sources, have limited access to credit, operate within strict grant guidelines, and receive insufficient grant funds to fully operate programs and services (Burd, 2009). In addition, nonprofit organizations do not receive rate increases that would allow them to keep up with inflation and the cost of doing business (Leroux, 2005). To add further to financial vulnerability experienced by the sector are corporate and individual donor contributions that continue to fluctuate because of economic conditions and to the mishandling of funds by some nonprofit organizations. The fluctuations in donor contributions can ultimately affect the ability of nonprofit organizations to sustain their missions.

Some scholars contend nonprofits are in positions of financial vulnerability based on the type of revenue source they utilize (Carroll & Stater, 2010; Suárez, 2011; Wicker et al., 2013). Suárez (2011) maintained each funding source has its benefits as well as its

drawbacks, each with varying levels of dependence on external agencies. Carroll and Stater (2010) posited the combination of both earned income and gifts can weaken the justification for donor contribution. Further, Carroll and Stater observed private donations that are a primary source of income for most nonprofits can fluctuate significantly from year to year, creating uncertainty and placing the nonprofit organization in a financially vulnerable state that can negatively affect their missions.

Another financial resource for nonprofits is government grants. Nonprofit organizations often rely on government funding as a source of revenue. These funds are considered the most stable for nonprofits (Carroll & Stater, 2010). However, federal and state governments continue to cut funds (Boris et al., 2010; Eikenberry, 2009), and at the same time often request a match for a percentage of their funding before awards are made. In addition, Brooks et al. (2010) stated nonprofits that rely heavily on government funds can find themselves trapped, which is not uncommon with public funding. Suárez (2011) concurred nonprofit grantees often find themselves arranging their organizational programs and services according to the requirements of the grantor, which may or may not line up with their missions. Therefore, nonprofit organizations relying heavily on government funds can find themselves in a financially weak state that can ultimately bring about a negative effect on their missions.

The third type of income nonprofits receive is from commercial activities, such as fees for services and the sale of services and products (Pache & Santos, 2013). Although this type of income is considered more flexible and less restrictive than government and

foundation grants, it can place the organization in a vulnerable position because of perceptions of mission compromise and goal displacement (Carroll & Stater, 2010; Smith et al., 2012). Further, Helmig, Ingerfurth, and Pinz (2014) maintained nonprofit organizations engaging in commercial activity may eventually take on the characteristics and strategies of their for-profit equals, and nonprofit organizations that have the ability to sell their services and goods will try to increase those activities, which can lead to mission compromise.

**Competition.** A nonprofit is placed in a vulnerable position when it encounters competition from nonprofits and for-profits while acquiring funding and operating in the market (Suárez, 2011). With increasing numbers of charitable organizations in the United States, more nonprofits are competing for the same funding sources as more clients are in need of services (Hines, Ingerfurth, & Pinz, 2010). In addition, for-profit organizations are competing to implement traditional nonprofit services using the same user-fee structure as nonprofits while also claiming specific outcomes can be provided more efficiently, which force nonprofits to be more efficient and accountable in handling costs (Hines et al., 2010).

**Funder pressures.** Another challenge for nonprofit organizations is the pressure to be more business-like in their operations and attitudes (Cornforth, 2014; Eikenberry, 2009). Some argue nonprofits engage in commercial activities and business strategies to have an appearance of effectiveness with funders (Suárez, 2011). Further, foundations expect nonprofit organizations to utilize business principles and economize when it

comes to their operations (Ebrahim et al., 2014). In addition, governments are contracting and subcontracting programs and encouraging the notion that nonprofits engage in marketplace systems as well as collaborate with for-profit organizations, all of which are unfamiliar to most nonprofits. Given these expectations, nonprofit organizations feel the need to embrace business concepts to compete with corporations and for-profit organizations that are able to live up to these requirements. These conditions place the nonprofit organization in a vulnerable state if they lead to taking up for-profit values that could weaken the purpose of its mission.

I examined the nonprofit sector in this section along with how and why it evolved. I reviewed the sector's values, vulnerabilities, and its role in social service delivery. I compared and contrasted the nonprofit sector to the business sector to better understand the nonprofit social enterprise construct. In Section 2, I focus on the emergence of the nonprofit social enterprise, social enterprise types, the perceived challenges and contradictions of the nonprofit social enterprise, and the implications of the nonprofit becoming a social enterprise.

### **Social Enterprise**

Some researchers define social enterprise as a nonprofit, or a social venture, or a business venture, and the literature covers everything from not-for-profit organizations to for-profit social enterprises, from foundations and mutual charities (Connolly & Kelly, 2011), to enterprising nonprofits (Jager & Schroer, 2014), and social purpose enterprises (Spear et al., 2009). Overall, these organizations have social objectives, and their forms

can be nonprofit, for-profit, or hybrid (Battilana, Walker, & Dorsey, 2012; Cornforth, 2014). Although the definition of a social enterprise is still evolving, for the purpose of this study, I referenced and defined a nonprofit social enterprise as an entity associated with business strategies undertaken by a nonprofit organization that may entail a variety of social as well as financial objectives (Cornforth, 2014; Ebrahim et al., 2014).

The social enterprise sector evolved more than 30 years ago (Helmig et al., 2013). Although the social enterprise is not new in providing a business source of income for addressing organizational sustainability and social issues, the United States and various regions around the world identify it with differing concepts based on government, civil society, the market, and international aid (Kerlin, 2010). Although the literature does not provide an explanation as to why differing notions about the social enterprise exist, the common theme for its emergence is that it attempts to address some market failure because of insufficient governments, states, and weak social programs (Katz & Page, 2010; Kerlin, 2010; Ko & Kong, 2012; Teasdale, 2012).

Nonprofit social enterprises continue to develop for several reasons, and increasing numbers of nonprofit organizations are turning to social enterprise activities for reasons of sustainability (Child, 2010; Smith et al., 2012). Some scholars contend one contributing factor for the trend is decreased funding from traditional resources, such as government, foundations, individuals, and corporate donors (Jager & Schroer, 2014). Smith, Knapp, Barr, Stevens, and Cannatelli (2010) maintained commercial income could help nonprofits become less dependent on traditional sources of financial support, shield

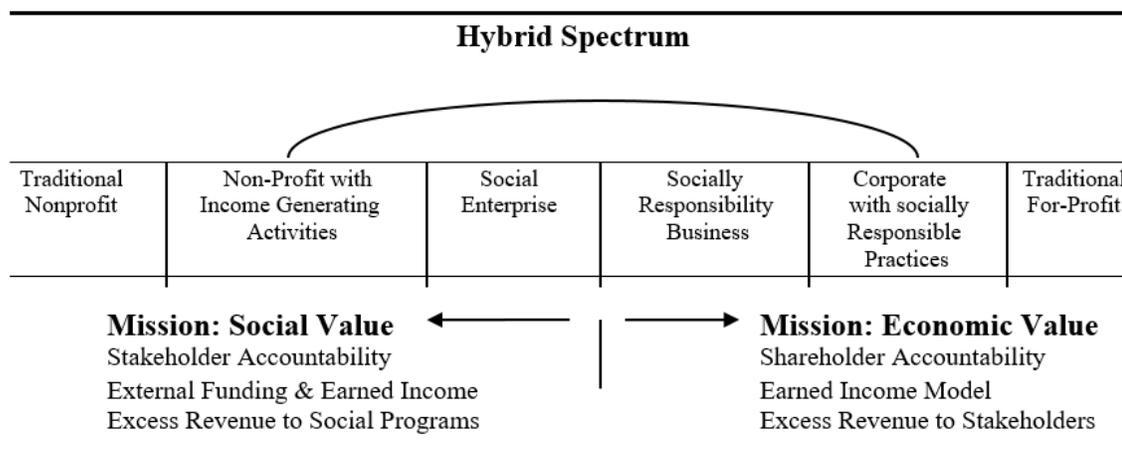
from economic instability, and provide increased flexibility regarding how those funds are spent.

Another reason for the increasing development of nonprofit social enterprises is that these organizations are willing to take on business activities in which they may not have any satisfaction in order to fund and sustain activities they regard as having higher significance (James, 2003). This too has driven social enterprise activities among nonprofits that find their programs and services cannot financially sustain their organizations. More nonprofits are engaging in social enterprise because it is becoming more acceptable to adopt business concepts that can lead to more efficient and innovative organizations (Jager & Schroer, 2014). This notion is fueled by foundations that have expectations for nonprofits to become more efficient and accountable (Ebrahim et al., 2014).

Another explanation for the growing development of social enterprises is the demographic and societal changes (Kerlin, 2009). With a growing elderly population, more people are becoming dependent on social services and programs. Further, nonprofit social enterprises help beneficiaries separate from social services by offering opportunities to acquire new skills and employment. The nonprofit social enterprise sector continues to develop because of decreased traditional funding, sustainability reasons, increased need for social services, and the need for unrestrictive spending opportunities. The next section presents the review of social enterprise types and how their business models align with their missions.

### **Social Enterprise Types**

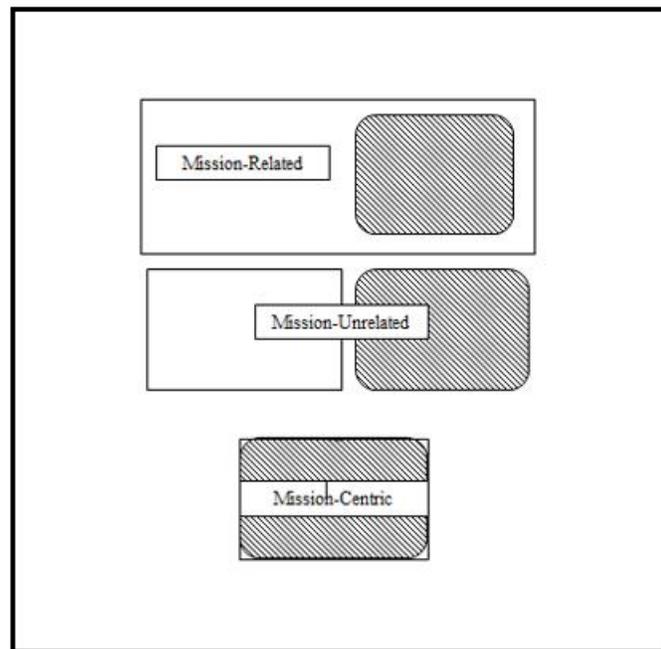
A social enterprise is set up to blend components of both nonprofit and for-profit values (Katz & Page, 2010), which is considered a hybrid structure (Battilana et al., 2012; Mullins, Czischeke, & Van Bortel, 2012). The organization operates between charitable and business activities, providing human services while generating business income (Ebrahim et al., 2014). In her work for Toolbelt, an open source resource for social entrepreneurs, Alter (2004) posited a social enterprise hybrid is characterized by its business activities and intention and types of social enterprises can be arranged along a continuum of purpose. Academic researchers (Cornforth, 2014; Grassl, 2012; Jager & Schroer, 2014) have cited Alter's (2004) work because of its usefulness in characterizing social enterprise typologies, and Alter also contributed to an edited collection on social enterprise. A charitable nonprofit social enterprise hybrid, for example, such as a food bank that serves a public interest and relies on donations and in-kind labor is on one end of the spectrum. The other end of the spectrum is occupied by solely profit-making, self-serving interests, through the offering of products, goods, and services to economic markets. Figure 1 presents the hybrid spectrum.



*Figure 1.* Range of organization types in the hybrid spectrum. Adapted from “Social Enterprise Typology [Working Paper],” by K. Alter, 2004, p. 15. Retrieved from <http://www.4lenses.org/setypology/classification>. Copyright 2007 by Virtue Ventures. Reprinted with permission.

Understanding the range of organization types is an important aspect of the social enterprise discussion because as some nonprofit scholars claim, few nonprofit organizations are either 100% nonprofit or 100% commercialized; they are hybrids to some degree (Garrow & Hasenfeld, 2014; Pache & Santos, 2013). Grassl (2012) supported this notion and further claimed while a continuum exists the extreme ends of the continuum have elements of both economic and social values. Cornforth (2014) further asserted nonprofit human services cannot be easily separated into commercial and mission components, and both objectives are combined. Discussion of blended value versus the concept of balance between mission and commercialism exists within nonprofit social enterprise hybrids; however, some practitioners and theorists in the field assert social enterprise is an active process requiring a “balancing act” (Bull & Crompton, 2006).

Alter (2004) created a social enterprise typology and categorized each social enterprise according to whether the business is mission-related, mission-unrelated, or mission-centric. Figure 2 depicts these social enterprise models.



*Figure 2.* Three social enterprise types. Adapted from “Social Enterprise Typology [Working Paper],” by K. Alter, 2004, p. 52. Retrieved from <http://www.4lenses.org/setypology/classification>. Copyright 2007 by Virtue Ventures. Reprinted with permission.

Mission-related social enterprises are considered integrated models because their social programs and services coincide with business activities. Program beneficiaries receive earned income from the enterprise by way of social program funding. In addition, clients may work in the enterprise as employees or customers.

Mission-unrelated social enterprises have social programs separate from business activities. This organizational form may be a profit center within a parent organization, or

it can be separate as a nonprofit or for-profit entity. Business activities and social programs support each other because the commercial activities promote the social mission by providing economic funding. The target population is a direct recipient of financial surplus, but is infrequently involved in enterprise operations.

Last is the nonprofit social enterprise mission-centric hybrid model, in which the social programs and business activities occur within the same organization structure. The nonprofit social enterprise mission-centric hybrid targets those who are a direct recipient of their services. In addition, the target population may be employees and owners of the enterprise.

The nonprofit social enterprise mission-centric hybrid is considered by some to be the most complicated in terms of how finances are distributed and how mission and business activities are closely connected (Moizer & Tracy, 2010). Limited research supports the following claims; Alter (2004) posited these social enterprise hybrid types are most often structured as nonprofit social enterprise hybrids to protect against mission drift. Further, Alter maintained both social and business components in this type of organization require equal consideration from the organization's leadership for the organization not to lose focus and make decisions that could threaten the organization's survival.

### **Nonprofit Social Enterprise and Mission**

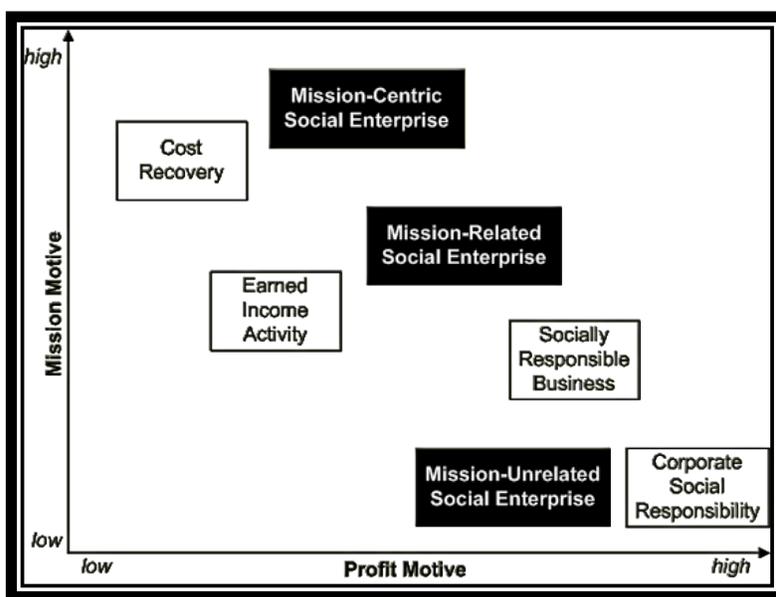
Scholars and practitioners identify several risks regarding missions and how they might be affected in this type of organization. Nonprofit scholars claim the main risk for

nonprofit social enterprises is mission drift or mission tension in which focus and dependence is more on increasing fees and commercial income and less on purpose and clients (Cornforth, 2014; Ebrahim et al., 2014; Eikenberry, 2009; Young et al., 2010). Others support this claim and further argue that nonprofit social service enterprises would have the inclination to decrease their services to the poor as well as serve less poor clients if it means raising fewer funds to finance their programs (Cornforth, 2014). Moreover, scholars agree that nonprofit values would move toward for-profit values, which would create a conflict between the values (Garrow & Hasenfeld, 2014).

In examining mission orientation and motives in a nonprofit social enterprise hybrid, Alter (2004) claimed money and mission tend to mix and that financial and mission objectives are often in direct opposition to each other. Others support Alter's assertions, stating that the mission may experience tension or an undue strain on the values, benefits, and beneficiaries because of business goals (Cornforth, 2014, Ebrahim et al., 2014; Young et al., 2010). Batillana et al. (2012) asserted the social and business components can support and weaken each other when a social enterprise integrates social value creation with earning commercial revenue. Figure 3 depicts the relationship of high mission motivated social enterprise hybrids versus profit-motivated social enterprise hybrids.

As more nonprofits engage in commercial activities as social enterprise hybrids, growing debate exists among nonprofit scholars regarding how these activities affect traditional governance responsibilities. Some researchers assert missions of nonprofits

will grow “ambiguous” overtime requiring staffs to balance both nonprofit mission goals and business goals (Eikenberry, 2009). Eikenberry (2009) further maintained missions will be altered, and that civil society will be at risk because the focus to make money may compromise these organizations’ ability to stay true to their missions. Although these arguments raise important concerns regarding mission in nonprofit social service enterprise hybrids, equal and opposing perspectives exist. Figure 3 displays mission motives and profit motives of social enterprise hybrid organizations.



*Figure 3.* Mission motive and profit motive in social enterprise hybrid organizations. Adapted from “Social Enterprise Typology [Working Paper],” by K. Alter, 2004, p. 22. Retrieved from <http://www.4lenses.org/setypology/classification>. Copyright 2007 by Virtue Ventures. Reprinted with permission.

Mair, Mayer, and Lutz (2015) stated social enterprises are worthwhile pursuits and the risk of negative effects on a nonprofit social enterprise’s mission can be managed through appropriate governance. Chang et al. (2012) support this argument and stated that

if business activity is in line with the mission and if operating systems for both values are developed, little negative effects on mission goals should occur. Some nonprofit scholars contend nonprofit governance does not have to be jeopardized if missions are clarified further and nonprofit structures are adjusted into a hybrid form to accommodate both nonprofit and for-profit values (Young, 2010).

Analyzing the literature uncovered varied opinions among nonprofit scholars regarding social enterprises and the tensions experienced within this type of organization. Further, social enterprise research is limited that would support scholars' claims about how missions might be affected in organizations that are embedded, nonprofit, WISEs. Scholars recognize that inherent within these type of organizations are competing social and business values. Smith et al. (2013) suggested quantifiable, clear, and short-term business objectives tend to dominate instead of social values and success in one competing value means failure in the other value. While research pertaining to social enterprise organizations continues to grow, what is missing in the literature is systematic analysis that fully depicts how mission and business components of an embedded, nonprofit, WISE affect an organization's focus on its social mission (Smith et al., 2013). In the next section, I outline the theoretical framework for the study, which incorporates resource dependence theory (Pfeffer & Salanick, 1978) and institutional theory (Carmen, 2011; Cornforth, 2014) as appropriate theories to help frame the research question.

## Theoretical Framework

Research continues to emerge and inform the theoretical understanding regarding social enterprises (Battilana & Dorado, 2010; Dacin, Hu, & Wong, 2011). However, research on mission drift and tension in embedded WISEs is sparse. Using a single case study approach, I explored how a nonprofit embedded WISE experiences mission drift and tension, drawing upon Pfeffer and Salancik's (1978) resource dependence theory and institutional theory (Carmen, 2011; Cornforth, 2014). Institutional theory holds organizations are embedded in a network of other organizations and certain practices and approaches take hold and become dominant within these organizational contexts (Carmen, 2011; Cornforth, 2014). The basic premise of this theory is board behavior in response to environmental or outside pressures will conform to usual organizational practices deemed appropriate within the values and norms of the sector (Carman, 2011; Dees, Anderson, & Wei-Skillern, 2004). Consequently, organizations may feel pressure to act in accordance with these established norms and conventions to be successful and gain legitimacy (Carmen, 2011; Cornforth, 2014). Researchers have used this theory to: (a) analyze evaluation practices of organizations (Carman, 2011); (b) examine how boards see environmental events in relation to the legitimacy of their social enterprises (Ko & Kong, 2012); (c) understand governance dynamics (Mason, Kirkbride, & Bryde, 2007); and (d) gain insight into how two competing logics, such as social values and business values, can operate and coexist within the social enterprise structure (Pache & Santos, 2010; Smith et al., 2013).

However, an embedded, nonprofit WISE such as RecycleForce, can be potentially influenced by the norms and conventions of two organizational contexts (i.e., the context stressing mission and social values, and the context stressing business values and market endeavors). The particular concern for embedded, nonprofit WISEs stems from their organizational nature, that social mission and business endeavors are contained within one organizational structure (Pache & Santos, 2013; Smith et al. 2013). The pressures to conform to differing institutional norms may generate mission tension in embedded WISEs; however, researchers have not sought to understand issues of mission tension and drift in embedded WISEs in relation to institutional theory. Institutional theory was well suited to explore how organizational norms and conventions affect mission drift and tension in an embedded, nonprofit, WISE and may serve to revise researchers' understanding of institutional theory by offering insight into how the two different institutional contexts influence two components of a single organization. Embedded nonprofit social enterprises may be influenced by the norms and conventions of for-profit organizations, as well as by those of nonprofits organizations.

In addition to institutional theory, researchers have used Pfeffer and Salancik's (1978) resource dependence theory to understand how power functions within organizations in relation to their interorganizational contexts and resource environments. Widely used aspects of resource dependence theory include the study of financial resources, and the theory provides insight into how a board's power and influence can bias resource distribution (Nienhuser, 2008). A central tenet of resource dependency

theory is organizations do not function in a vacuum and they depend on various resource sources (e.g., those involving equipment, raw materials, labor, and capital) in order to function and survive (Pfeffer & Salancik, 1978). Relying on these areas for support creates dependencies that can influence organizational decision-making and ultimately mission (Pfeffer & Salancik, 1978).

Helmig et al. (2014) contended management plays an important role in how the organization adapts to these external influences that lead to their success or failure. Further, the researchers insisted that of all the roles played by nonprofit boards of directors, obtaining and managing financial resources is crucial particularly for organizations that have challenges in accessing financial resources, highlighting the notion that nonprofit boards and CEOs modify the way they seek critical resources based on current and expected resource dependencies. These aspects of the resource dependence theory highlight the concerns and issues of nonprofit scholars who argue that commercial activities of nonprofit organizations will cause mission drift and mission tension, and put productivity and performance above program beneficiaries.

Although some might argue the purpose of financial resources in controlling decision-making and planning among nonprofits is unclear (Helmig et al., 2014), resource dependence theory was a suitable theoretical context for the study because it was applicable to organizational behaviors and mission goals and how they can be adjusted because of external factors, such as business income and business relationships. Resource dependence theory was part of the theoretical framework because it provided a

way to explore how issues involving an organization's resource dependence can influence mission drift and tension.

I did not employ institutional theory and resource dependence theory to develop a theory, as in grounded theory methodology. The focus of these theories in this study were to underscore or repudiate scholarly claims regarding what can happen to nonprofit social enterprise missions because of mission-centric business activities. Examining one bounded case, such as an embedded, nonprofit WISE engaging in mission-centric business activities, helped to illustrate how this type of organization experiences mission drift and tension (Creswell, 2007).

### **The importance of Focusing on Ex-Offenders**

Nonprofit organizations provide a variety of human services to vulnerable populations. Although any human service being undertaken by a nonprofit social enterprise is worthy of examining, I elected to study a social enterprise underrepresented in the literature, an embedded WISE whose mission-centric business is to provide job training for ex-offenders, one of the most vulnerable, unemployed, and underemployed populations in the 21st century (Cooney, 2013).

Findings from a 2010 by the Joyce Foundation show more than 2 million people are imprisoned in the United States every year, and approximately 3-quarters of a million of those are freed annually. The Bureau of Justice Statistics documents an increase in the number of offenders entering federal prisons each year (U.S. Department of Justice, 2012). In addition, 67.5% of those released will be re-arrested within 3 years at a cost of

\$70 billion dollars annually to house and rehabilitate repeat offenders. Further, those released are returning disproportionately to distressed communities that cannot handle the financial costs associated with this population (Bowman & Travis, 2012). When ex-offenders are repeat offenders and return to prisons, the number one cause is the inability to obtain employment (Berg & Huebner, 2011). Therefore, how the social mission is affected in an embedded nonprofit WISE whose mission is to provide job training to ex-offenders presented a compelling and worthwhile case to research.

### **Summary and Transition**

Nonprofit organizations evolved to promote the public good by delivering human and social services to vulnerable populations. Overtime, more of these organizations have turned to social enterprise activities to sustain their programs. One type of social enterprise identified in the literature is an embedded, nonprofit, WISE where the social programs and services, and business activities coexist in one organization. As identified in the literature, this type of organization poses a risk to its mission; however, the literature also offers varying assertions that missions do not have to be at risk in this type of organization. The present case study explores mission drift and mission tension in an embedded, nonprofit WISE to determine if the findings support these assertions.

The literature revealed two theories about resource dependence and institutional values. The assumption about resource dependence and is that organizational boards can be restrained by and dependent on others who control critical resources which can ultimately influence how missions are affected. Institutional theory is about how

organizations can be influenced by the practices and approaches that take hold among institutions and become norms and conventions that can influence organizations to act in accordance with these norms and conventions. Based on these assumptions, both theories are appropriate for the theoretical framework of the study.

Last, I presented discussion regarding what is missing in the literature pertaining to nonprofit embedded WISEs and whether they experience mission drift and mission tension.

Chapter 3 will cover the following topics: research methodology, rationale for the case study approach, data collection procedures and instruments, data analysis, ethical considerations, trustworthiness, credibility, and researcher bias.

## Chapter 3: Research Method

### **Introduction**

Nonprofit social enterprises use strategies typically associated with for-profit businesses to sustain themselves economically; however, a nonprofit social enterprise's focus on making profit has the potential to shift focus away from its social mission (Cornforth, 2014; Ebrahim et al., 2014; Jager & Schroer, 2014). This phenomenon represents a type of mission drift that researchers have identified as a continuing problem for nonprofit social enterprises that rely on market strategies to provide revenue (Cornforth, 2014; Ebrahim et al., 2014; Jager & Schroer, 2014). In addition, this shift in focus may lead to mission tension as social and business components vie for organizational resources and support (Kimberlin et al., 2011; Pache & Santos, 2013).

Maintaining mission focus in the face of such challenges is paramount to the cohesion of a nonprofit social enterprise's social mission because the mission may experience tension or an undue strain on values, benefits, and beneficiaries because of business goals (Cornforth, 2014; Ebrahim et al., 2014; Jager & Schroer, 2014; Kimberlin et al., 2011). In addition, some researchers state missions may be altered and grow ambiguous overtime (Eikenberry, 2009), and civil society will be at risk because the focus to make money may compromise these organizations' ability to stay true to their missions (Eikenberry & Kluver, 2004). Although mission drift and mission tension related to emphasis on business goals have been studied in social enterprises in general and also in specific social enterprises, such as microfinancing organizations (Ly, 2012),

little information exists regarding mission drift and tension related to emphasis on business goals in embedded WISEs (Ebrahim et al., 2014). Even less exists on this phenomenon in the context of the United States (Cooney, 2013). Consequently, it is not known how embedded nonprofit WISEs in the United States experience mission drift and mission tension because of business goals.

The purpose of this qualitative exploratory case study was to explore how an embedded nonprofit WISE experiences mission drift and mission tension because of business goals. Avoiding mission drift and minimizing mission tension related to focusing on business goals are well-known challenges for social enterprises (Cornforth, 2014; Ebrahim et al., 2014; Jager & Schroer, 2014). However, it is not known how embedded WISEs experience this particular type of mission drift and tension, or how such organizations address the challenges of this type of mission drift and mission tension because little research exists on mission drift and tension in embedded WISEs.

Mission drift and mission tension represent particular challenges for embedded organizations because of the dual performance objectives (i.e., those involving market endeavors to keep the organization afloat and those involving the social mission of the organization) acting within one organizational structure (Ebrahim et al., 2014). Thus, I designed this exploratory case study to gather information and explore mission drift and mission tension in this particular type of social enterprise because of emphasis on business goals. Such a study was warranted because an embedded, nonprofit WISE's social mission may experience tension or undue strain on values, benefits, and

beneficiaries because of an emphasis on business goals (Cornforth, 2014; Ebrahim et al., 2014; Jager & Schroer, 2014; Kimberlin et al., 2011). In addition, this type of organization might experience mission ambiguity overtime and put civil society at risk (Eikenberry, 2009) because its business activities may compromise these organizations' ability to stay true to their missions (Eikenberry & Kluver, 2004).

### **Research Questions**

I designed this study to explore the following questions:

RQ1: How does an embedded, nonprofit, WISE experience mission drift and mission tension because of an emphasis on business goals?

RQ2: Why does an embedded, nonprofit, WISE experience mission drift and mission tension because of an emphasis on business goals?

To answer the research questions, I employed a qualitative, exploratory, single case study analysis (Yin, 2012) of RecycleForce, a Midwest 501(c)(3) embedded WISE. I interviewed four board of directors, four staffers, and conducted a document analysis of a board meeting agenda, annual reports, a strategic plan, and the organization's website (Creswell, 2007). This qualitative research design was a logical approach for exploring the problem statement because the case has characteristics relevant to the research questions. Findings from the study add knowledge to the field of nonprofit social enterprise and they can be shared with nonprofit social enterprise leadership so they can understand the possible effect of embedded mission-centric business activities on their missions.

Qualitative research essentially involves a variety of examination methods for gathering data about social phenomena (Babbie, 2007). In addition to reviewing case study methodology as a possible qualitative approach for the study, I considered four other research methodologies (Babbie, 2007; Creswell, 2007; McNabb, 2008). The first was the grounded theory approach, which involves generating or discovering a theory from data derived in the field (Kolb, 2012). However, the purpose of this study was not to establish a theory from the collected data, but rather to seek an understanding of the actual case.

The second qualitative method considered was phenomenology. This research approach is useful for understanding and describing the essence of a lived experience or shared experiences (Englander, 2012). This research method was not appropriate for the study because the focus of this study was not on understanding how each participant experienced the phenomenon of the WISE. Rather, the objective was to explore the insights of these individuals to understand how mission is preserved in this unique organizational structure.

The third research method considered was narrative research, which involves exploring the life of an individual (Petty, Thomson, & Stew, 2012). This design is best suited for research in which the story an individual tells about his or her life is the focus of study. This research method was not suitable for the study.

The fourth and final qualitative method was ethnography. The ethnographic approach involves describing and interpreting the shared culture of a group (Hallett &

Barber, 2014). This design was not appropriate for the study because the shared culture of RecycleForce employees was not the focus of the investigation. This chapter includes the research design and methodology for the case selection rationale. I presented the data collection procedures, the data management process, data analysis, the researcher's role and bias, and ethical, trustworthiness, and credibility issues.

### **Research Methodology**

I undertook a qualitative, explorative analysis of a single bounded case study involving a nonprofit embedded WISE for this research. Quantitative data can be useful in a qualitative study; however, this study was about the nonnumeric evaluation of in-depth interviews and document content analysis (Babbie, 2007).

Qualitative research is useful for understanding complex details of an issue (Creswell, 2007). Its methods are flexible and therefore appropriate for this study. I used the literature to frame generally thematic issues, such as mission impact, mission drift, mission tension and resource dependence, and institutional values. The research methodology was hypothesis-generating rather than hypothesis-testing, which allowed for unexpected meanings, patterns (Babbie, 2007), and relationships (Neuman, 1994) to surface that would not have been allowed by more controlled research styles. The exploratory method was appropriate because of the lack of empirical information regarding how an embedded nonprofit WISE experiences mission drift and mission tension. This methodology is recommended for research when limited knowledge exists regarding a phenomenon (Yin, 2012).

### **Case Study Rationale**

Yin (2012) defined a case study as “an empirical inquiry about a contemporary phenomenon set within its real-world context” (p. 18). Case studies are distinguished by their size, whether as an individual case, several individuals, groups, an entire program or an activity, or they can be differentiated by their intent instead of by variables (McNabb, 2008). According to Yin, a researcher should consider a case study when the researcher wants to answer how or why questions and the contextual conditions are believed to be relevant. I designed this case study to answer the how and why of the research questions.

The researcher design of this study was qualitative, exploratory, single case study analysis. This design provides insight into a specific issue or concern (Creswell, 2007), such as in the case of this study. In addition, this design involved an examination of how an embedded, nonprofit, WISE experiences mission drift and mission tension, given the necessity of simultaneous profit-oriented and mission-oriented considerations in an embedded, nonprofit, WISE. In addition, the instrumental case construct may or may not be seen as typical of other cases because the case is of secondary interest in instrumental case studies. Overall, this research method was prudent for this study.

The case study involved RecycleForce, a Midwest nonprofit embedded WISE that provides job training, work experience, and supportive services for ex-offenders while generating income from its recycling operation (RecycleForce, 2014). Both social services and business operations occur within the RecycleForce organization. The case was bounded by several criteria: (a) RecycleForce is a 501(c)(3) nonprofit embedded

WISE; (b) business and social services occur within the RecycleForce parent organization; (c) business is mission-centric and expanding; (d) income is generated from its recycling business; (e) the case provides an understanding of the research questions; and (f) the organization is not a recent start-up. Overall, this was a significant case study to undertake because it not only met the aforementioned criteria, it led to information that helped fill the gap in the literature regarding nonprofit embedded WISEs and mission drift and mission tension.

### **Data Collection**

I was responsible for collecting, processing, and analyzing all data. I employed purposive sampling to select participants. For purposive sampling, Creswell (2007) stated, “the inquirer selects individuals, sites, and organization documents for study because they can purposefully inform an understanding of the research problem and central phenomenon in the study” (p. 125).

### **Participant Selection Criteria**

The participant selection criteria required that participants have some understanding of the mission, policies, business activities, and financial management of the organization. In addition, board members and staff who had been with RecycleForce a minimum of 1 year were potential participants because they would have been with the organization long enough to understand the organization’s mission, vision, business activities, and financial management.

I planned to recruit 10 participants for the case study. In the literature, sample size recommendations range from 5 to 8 (Tracy, 2013), 10 to 13 (Francis et al., 2010), or 5 to 25 (Creswell, 2014). If at the end of interviewing I did not achieve saturation, I would have recruited additional participants to reach saturation. Saturation occurs when no new themes arise from the data (Tracy, 2013).

RecycleForce has 16 board members and 20 salaried staff (RecycleForce, 2013). To achieve equal representation within the sample, I interviewed four board members and four staff employees who were non ex-offenders to represent those who handle the day-to-day operations of the organization. I sought the assistance of the executive director to identify those who fit the criteria. Only four board members and four staff members were available and willing to take part in this study, thus limiting the number of participants. All board members were invited to participate, however, no other board member were available or willing to be interviewed. Because the participant pool was limited in size, gathering more participants was not possible.

I never had a connection with RecycleForce leadership or staff prior to the time I contacted the organization about my research interest. Therefore, I interviewed participants who could provide information to help answer the research questions. This number of participants was representative of those who fit the selection criteria and this number was manageable given time constraints. If for any reason some participants could not take part in the study, RecycleForce had an additional 11 board members and 15 salaried employees from which to select participants.

### **Organization Document Selection and Review Criteria**

In addition to collecting information from participant interviews, I reviewed an organizational board meeting agenda, six annual reports, and a strategic planning document generated between 2006 and 2014, which is a critical criteria because this timeframe represents the length of time RecycleForce has been in existence as an embedded WISE (RecycleForce, 2014). In these documents, I looked for information that would illuminate how the organization experienced mission drift and tension while conducting its profit-oriented activities.

To determine mission drift, I checked for: (a) how funds were allocated (i.e., how much money was diverted from mission goals); (b) how time was apportioned (the amount of time diverted from mission goals); and (c) how energy or effort was given (the amount of energy or effort diverted from mission goals). In addition, to determine mission tension, I checked for: (a) how diverted funds strained mission goals; (b) how diverted time strained mission goals; (c) how diverted effort strained mission goals. My aim in reviewing and evaluating organization documents was to determine mission drift and mission tension and to gather contextual evidence to support the insights obtained from the interviews.

I emailed a letter to the board chairperson to request permission to use the organization as the case of study, and to provide a summary of the research. The summary provided information regarding participant selection criteria, participant recruitment, and participant consent. I outlined the need for an onsite location to conduct

face-to-face interviews. I described how data would be collected, analyzed, and disseminated. In addition, I discussed how participants would have the opportunity to review their transcribed responses, provide feedback pertaining to their responses, and provide additional information if they requested, prior to me reporting the research findings.

I provided my contact information in the email to answer any further questions and address any concerns of the board chair and the executive director. I then requested the chair provide me with a signed letter of agreement authorizing me to proceed with the research. To complete this request, I asked the board chair to email me an official response via the letter of cooperation on the organization's letterhead (see Appendix A).

Once I received the official response, I requested the executive director provide work contact information for each participant who met the selection criteria so I could notify them individually by mail about the study, about my role as the researcher, and about their roles as interviewees. I noted how their responses would be collected, analyzed, and disseminated. In addition, I assured participants that I would protect their anonymity by assigning each participant a letter of the alphabet that was only known by me.

Participants received consent forms (see Appendix B), and stamped, self-addressed envelopes requesting that consent forms be signed and mailed back to me within 3 to 5 business days of receipt. The consent forms included my contact phone number and email address, as well as the contact information for Walden's university

representative in case the participants needed to ask questions prior to signing consent forms.

To form the sample, I selected from those individuals who returned the consent forms. To be included in the study, the participants had to have at least 1 year of experience working with RecycleForce. When I did not receive sufficient responses to select 10 participants, I contacted the executive director to request additional leads for prospective participants. This process only yielded eight participants. I contacted each person to schedule a location, time, and date for the interviews.

### **Data Collection Instruments**

I chose to use qualitative interviews because they are flexible and powerful, and they enable a researcher to hear the voices of the participants and make meaning out of the phenomenon being studied (Rabionet, 2011). I developed and implemented semistructured interviews that served as one data collection instrument in the case study. I chose the semistructured format because it is useful in situations where the topic is narrowed down and the goal of the interview is on that specific topic, but still allows room for the participant to tell his or her story (Rabionet, 2011).

The second data collection process was to review board meeting agendas, annual reports, and strategic plans prior to conducting the interviews. By perusing relevant documentation, I was able to generate implicit workings of the organization's operations, and ascertain any references to mission drift and tension based on board and staff decisions that affect mission and business goals.

Data collection occurred during a period of 3 to 12 weeks, depending on participant availability and access to board meeting agendas, annual reports, and strategic plans. I contacted each participant by phone to determine the best time and location for the interviews. I preferred face-to-face or telephone interviews to questionnaires because interviewing would allow me to observe respondents, provide clarity to questions and responses, minimize nonanswers, and offer flexibility regarding how questions were answered, which could lead to additional questions and responses (Babbie, 2007). Face-to-face access was not possible for participants, so I allowed telephone interviews as an alternative choice. Creswell (2007) stated telephone interviews are preferred if the researcher does not have direct access to individuals. I informed participants that telephone interviews would be recorded and notes would be written during the call. I provided interviewees with a call-in number and a passcode. Interviews lasted approximately 30 to 45 minutes.

I used an interview form that outlined five open-ended questions and the protocol for conducting the interviews and taking notes (see Appendix C). I recorded telephone interviews using Free Conference Call technology. Free Conference Call has the capacity for two-way discussions and the ability to record, transcribe, and archive each call. Recorded calls were password protected and only available to me. I can retrieve archived calls for up to 1 year. I completed field notes to document any interesting occurrences, insights, or questions that arose during the interviews (Petty, Thomson, & Stew, 2012). This was important in case the recording device malfunctioned. In addition, it was

important to write notes so that I could reference my notes when reviewing all transcribed interviews to insure accuracy and reliability of the recorded information. Creswell (2012) supported this data collection process and maintained that reliability in qualitative research can be enhanced using multiple data collection strategies, such as recording interviews, taking notes, and reviewing secondary data.

To minimize bias, I performed *bracketing*. Bracketing entails the setting aside of any preconceptions or personal beliefs regarding the topic of study, which could otherwise bias the research findings (Creswell, 2007). I wrote notes throughout the data collection and analysis processes to reflect upon my interaction with the data (Tufford & Newman, 2012). I strived to be reflexive and self-critical about any potential biases so that the validity of the research would not be threatened.

The transcriber signed a confidentiality agreement prior to receiving the taped interviews. The transcriber returned this form to me by email before receiving the recorded interviews. I emailed the recordings to the transcriber immediately after completing the interviews. The transcriber had two weeks to type and complete all transcripts. The finished transcripts were emailed back to me. I reviewed each transcript for accuracy along with its corresponding recorded file and with my field notes. I found no inaccurate transcripts.

Interviews were semistructured in that I asked the same questions of each participant and allowed for flexibility in how each responded to the questions (Turner, 2010). Interviews consisted of five open-ended questions. Open-ended questions are

useful by encouraging additional discussion from participants (Babbie, 2007; Creswell, 2007). These questions also allow the researcher to be flexible in rewording questions depending on who is being interviewed. In addition to open-ended questions, I asked probing questions if I felt participants could provide more information, or if I needed to explore a participant's response. Probes are defined as questions, comments, utterances, or gestures that enable the interviewer to gain more information and manage the interview conversation (Rubin & Rubin, 2011). Probes can be used to encourage the participant to elaborate, clarify, keep the interview focused, and aid in revealing biases. Probes should be simple and independent of the content from previous answers (Rubin & Rubin). Probes used during the interviews were Go on; Tell me more about; Uh-huh; I see; Is there anything else you would like to say?; Can you give me an example?

The literature provides limited data when it comes to understanding how missions are affected in embedded WISEs. As a result, no research instrument was available to assist me in designing this study; therefore, I developed the questions for the interviews. The creation of effective interview questions was crucial, as the majority of the information gathered would come from the participant interviews. Interview questions were (a) open-ended, (b) judgement free, (c) singular instead of several questions asked at once, (d) worded clearly, and (e) sensitive to issues, such as race, culture, and gender (Turner, 2010). In addition, Knox and Burkard (2009) stated that researcher-developed semistructured interview questions aid in the exploration of the subject study and ensure that a researcher is able to collect specific information that has a high degree of

specificity. Therefore, I carefully constructed 10 interview questions based on the literature that revealed assumptions regarding how embedded, nonprofit, WISEs might manage in maintaining their missions while operating their businesses. Five interview questions were crafted specifically for RecycleForce board members and five interview questions were created for salaried RecycleForce staff based upon their affiliations and responsibilities to the organization. These interview questions helped to answer the research questions.

RQ1: How does an embedded nonprofit WISE experience mission drift and mission tension because of an emphasis on business goals?

RQ2: Why does an embedded nonprofit WISE experience mission drift and mission tension because of an emphasis on business goals?

The following lists present the interview questions (see Table 1 for alignment with research questions).

### **Board Member Interview Questions**

1. What is the social mission of RecycleForce?
2. In what ways do board decisions on generating income relate to the attention, time, and resources needed to focus on the social mission of job training and counseling?
3. What ways do board decisions help to balance the recycling and selling electronic scrap metal business goals with the job training and counseling program goals?

4. How do board decisions help sustain social mission programs when donors, donations, and commercial income fluctuate?
5. How does the board recognize when the organization is meeting its social mission objectives of job training and counseling?

Staff interview questions were:

1. What is the social mission of RecycleForce?
2. How does the staff manage implementing the job training and counseling programs while implementing the recycling and selling electronic scrap metal businesses?
3. How does staff assist in balancing the recycling and selling electronic scrap metal goals with the job training and counseling program goals?
4. How does the staff sustain social mission programs when donors, donations, and commercial income fluctuate?
5. How does the staff recognize when the organization is meeting the job training and counseling program goals?

Table 1 illustrates the connections between the interview questions and the research questions guiding this study.

Table 1

*Research Questions and associated Interview Questions*

Research Question	Board Interview Question	Staff Interview Questions
RQ1: How does an embedded nonprofit WISE experience mission drift and mission tension as a result of an emphasis on business goals?	What is the social mission of RecycleForce?	What is the social mission of RecycleForce?
	In what ways do board decisions on generating income relate to the attention, time, and resources needed to focus on the social mission of job training and counseling?	How does the staff manage implementing the job training and counseling programs while implementing the recycling and selling electronic scrap metal businesses?
RQ2: Why does an embedded nonprofit WISE experience mission drift and mission tension as a result of an emphasis on business goals?	What ways do board decisions help to balance the recycling and selling electronic scrap metal business goals with the job training and counseling program goals?	How does staff assist in balancing the recycling and selling electronic scrap metal goals with the job training and counseling program goals?
	How do board decisions help sustain social mission programs when donors, donations, and commercial income fluctuate?	How does the staff sustain social mission programs when donors, donations, and commercial income fluctuate?
	How does the board recognize when the organization is meeting its social mission objectives of job training and counseling?	How does the staff recognize when the organization is meeting the job training and counseling program goals?

I used information from secondary data, such as organization annual reports, board meeting agendas, and strategic plans generated between 2009 and 2014, the timeframe in which RecycleForce has existed. I examined the organization's website for information. I collected data from several sources to help me expand the research, and to minimize researcher bias (Creswell, 2007). Examining and comparing information from multiple data sources to identify shared themes is called triangulation (Babbie, 2007).

The purpose of triangulation is to provide evidence that can assist in validating or repudiating interviewee responses.

The board meeting agenda is an example of secondary data that I used as part of the triangulation process. The agenda includes official documents voted on and adopted by board members as actual accounts of taking care of the organization's business. One objective for reviewing an official RecycleForce board agenda was to determine how the board of directors acknowledged and addressed the organization's mission during these proceedings. I looked for information that offered insight into how board members managed both mission and business demands. I looked for any board decisions that outlined strategies for managing both mission and business goals. I examined the board meeting agenda to determine any trend in board decision-making that prioritized mission more than business or business more than mission. Overall, the board meeting agenda helped to answer the research questions and at the same time augment, substantiate, contradict, or dispute interviewee responses (Yin, 2012). The executive director provided the board meeting agenda for my review. This process helped to create rigorous qualitative research and helped validate the findings.

I reviewed annual reports that provided another opportunity for me to confirm or contradict interviewee responses as well as show the progress of the organization during the years analyzed. These reports are published each year on the organization's website. I examined the financial overview for each year and determined the funding sources, their contributions, and how funding was allocated. I examined the annual reports for

information about mission accomplishments and business accomplishments. Annual reports provided board member names, their roles, and the public and private sector they represented. I compared annual reports along with the corresponding board meeting agenda to determine if board composition, such as board members with business backgrounds versus board members with nonbusiness backgrounds, and how their backgrounds influenced board decisions. Overall, examining annual reports provided another way for me to substantiate or contradict participant responses. Last, examining the strategic planning document helped me to determine what the organization accomplished and what it planned to accomplish. This document also provided insight into the direction the organization wanted to go as it relates to its mission goals and business goals.

Another strategy that helps bring credibility to the findings is *member checking* (Creswell, 2007). Member checking allows participants to provide their views regarding the accuracy of their responses to questions and to offer additional information prior to disseminating the findings. After I transcribed the interviews, I emailed participants their interview transcripts so that they could assess them for accuracy. I asked participants to respond to my email within one week if they wished to provide additional information or dispute any part of their transcribed responses. No participants requested to modify their responses. Based on the type and number of collection tools available for the research study, I was able to create a sound, instrument development process that allowed for adequate collection of information to have content validity.

### **Data Storage**

An important consideration in the study was how and where I would store data during the research process and after the research was completed. During the data collection phase, I stored interview recordings on my personal password-protected laptop and in my personal password-protected ecloud account, designated only for this research. The passwords for these items were not shared with anyone.

Interview transcripts and my field notes were stored on my laptop and in my ecloud account. I protected the anonymity of participants by masking their names in the data. I stored the board meeting agenda, annual reports, and the strategic plan in my locked office file in my home. Annual reports are public information and can be retrieved anytime online. However, I stored them in a home office file. After my research is approved by Walden University, I will maintain the data for a period of no less than 5 years. I will shred the paper data and delete recorded data after the 5 years expire.

### **Data Analysis**

Data analysis consists of formulating and arranging the data. I organized and categorized the data into computer files based on keywords, quotes, sentences, and stories through NVivo 10 software (Leech & Onwuegbuzie, 2011). This software assisted me in managing raw data from interviews, transcripts, and notes through its ability to store information in computer files. NVivo has the ability to write memos and it enabled me to code, retrieve, and conduct qualitative analyses of the data.

To describe, classify, and interpret the data, I assigned codes to files as well as combined codes to develop broader themes (Creswell, 2007). I identified an initial list of five to six codes from data uncovered from the literature, and from unexpected and unusual data uncovered from interviews and from organization documents. I read and listened to the data several times, made margin notes, and looked for code segments that I could use to describe information and to develop themes.

To identify potential codes, themes, patterns, and relationships among themes, I looked for information in the data that referenced mission, mission goals, mission-centric business activities, mission tension and drift, mission assessment strategies, policy changes in program services, program services that increase or decrease, funder treatment, management of funder relationships, fiscal guideline changes, and other data that helped me answer the research questions. At this point in the analysis process, Creswell (2007) suggested researchers closely examine portions of codes so that more themes can be developed.

In the next step, I describe the case, its context, and interpret the data by making some generalizations of the findings based on the themes. I compare and contrast the themes with published literature and present an in-depth narrative using tables and figures. This process provides a descriptive narrative of the case and it incorporates what I read, saw, and heard. After study approval, I will provide an executive summary of the study and research findings to the participants and any RecycleForce stakeholders.

### **Ethical Considerations**

From the start of the research process to the reporting of the results, I was sensitive to ethical considerations (Creswell, 2007). In any research, the possibility exists that participants can be harmed or be potentially placed at risk (Babbie, 2007). Although this study was not sensitive in terms of requesting participants to divulge personal and sensitive information, ethical measures were in place to minimize any possibility of participant discomfort (see Appendices A & B).

One step in minimizing ethical concerns is that prior to collecting data, I sought Institutional Review Board (IRB) approval, which is required by Walden University (see Appendix E). This process allowed University officials to assess for ethical standards compliance and for compliance with U.S. federal protocols and international procedures. I also sought IRB approval prior to contacting the board chair. After receiving approval, I began data collection.

Although these steps were identified in the data collection section, they were worth noting again because of the ethics involved in research. To collect data, several steps were necessary to gain proper ethical access to the nonprofit site, to individuals who would participate in the study, and to organization documents (Babbie, 2007; Creswell, 2007).

First, I contacted the board chairperson and executive director to discuss and describe the research and to obtain approval to research the organization, board members, staff, employees, and documents. Once approval was granted, I selected eight persons

based on the selection criteria. Each participant received consent forms through the mail to sign and to mail back to me. Consent forms outlined the purpose and nature of the study, data collection methods, participants' role in the study, reporting process of the research findings, identification of participants in the study, participants' rights during and after the research study, and my contact information. All of these steps were identified in the data collection section.

To guarantee confidentiality and anonymity, I did not identify participants by their names in the study. I assigned an alphabet letter to each participant in the study. These were critical, ethical considerations, given the potential affect on those being studied as well as the potential outcome of the research. If for any reason some participants chose to withdraw from the study, all personal information collected would be shredded immediately. No participants withdrew from the study. Collected data is kept locked in my home office file and stored away from the case study site and away from participants. I will shred and delete the data 5 years after Walden has officially approved my dissertation.

### **Trustworthiness and Credibility**

Building trust and credibility with prospective research clients can be a challenge (Creswell, 2007). To minimize trust and credibility issues, I collected data from several sources, which is called data triangulation. Data triangulation was an analysis strategy for this study, which served as a collection strategy to help increase the trust factor and reduce or abate credibility issues.

I compared interview responses with the board meeting agenda, annual reports, and strategic plan; these steps assisted in providing confirmatory evidence for the emergent themes. Substantiating themes across multiple sources lends validity to the research findings. In addition, I gave participants the opportunity to review their transcribed interviews for accuracy. Participants were debriefed on the findings before findings were disseminated, as suggested by Babbie (2007). This strategy helped to minimize any issues that could lead to the mistrust of the research process and its outcome.

### **Researcher Role and Bias**

My role was to collect data, analyze the data, and report the findings. I interviewed eight participants; reviewed one board meeting agenda, six annual reports, and the strategic plan; and examined the website to ascertain how the mission was affected in RecycleForce. I did not know any RecycleForce board members, staff, or employees; therefore, I had no invested interest in the organization. I had no desire to feel one way or the other about the case study outcome. However, because a strong possibility exists for researcher bias whenever open-ended survey questions are asked (Shapiro, 1970), I utilized published annual reports and a board agenda to assist in minimizing bias.

Another strategy I used to minimize bias was bracketing (Creswell, 2007). To perform bracketing, I put aside any preconceived notions or personal feelings that could bias and influence research outcomes. I wrote notes throughout the data collection and analysis processes and continually reflected upon my engagement with the data (Tufford

& Newman, 2012). I was self-critical and reflective about potential biases so as not to threaten the research validity, particularly because this study was qualitative research.

### **Summary**

The objective of Chapter 3 was to outline the research methodology that would allow me to examine how an embedded, nonprofit, WISE experiences mission drift and mission tension. Because little is known about how these organizations experience this phenomenon, a qualitative inquiry was selected. Although the case study methodology was complex because it involved data collection from several sources spanning several years, I believe it was appropriate for the study.

To understand how and why mission drift and mission tension occurred in this organization, I chose a semistructured interview and document analysis. Through comparing the results of the interviews with the documents, which included the mission statement, web pages, and board agenda and strategic plan, I achieved an understanding of how the organization was thought to function versus how it actually functioned. Analyzing the interviews, I was able to understand the data pertaining to daily operations of the organization, from the point of view of the board and staff members. The document analysis allowed for understanding of the actual stated mission and purpose of the organization.

I addressed data triangulation in the data collection and analysis processes. I described how interviews were augmented with secondary data. I explained how I focused on data that referenced mission, any tensions between mission and business,

policy changes in program services, program services or business activity that increased or decreased, board decisions in light of managing funder relationships, and fiscal guideline changes. I described ethical steps, such as obtaining consent from participants and reporting findings while maintaining participant anonymity to minimize harm. I explained how trust and credibility for the research was maintained through cross-checking of the data, participant reviews of their interview transcripts, and the debriefing of the findings prior to public reporting. Because of the application of this research methodology, Chapter 4 includes analysis and results that answers the research questions.

## Chapter 4: Results

### **Introduction**

The purpose of this exploratory case study was to explore how an embedded, nonprofit, WISE experiences mission drift and mission tension because of business goals. Prior research has shown that avoiding both mission drift and mission tension are well-known challenges for social enterprises (Cornforth, 2014; Ebrahim et al., 2014; Jager & Schroer, 2014); therefore, the purpose of the research was to explore how such organizations address the challenges these pose. I conducted an exploratory, qualitative case study to investigate embedded WISEs specifically to fill a gap in the existing literature. I posed the following research questions to adequately assess these experiences:

RQ1: How does an embedded nonprofit WISE experience mission drift and mission tension because of an emphasis on business goals?

RQ2: Why does an embedded nonprofit WISE experience mission drift and mission tension because of an emphasis on business goals?

Information found in this chapter includes the research setting, participant demographics, and characteristics relevant to the study. The chapter also documents a brief review of data collection processes and techniques undertaken in practice, which precedes an in-depth pattern matching analysis of empirically based themes with predetermined expectant themes. After a review of the evidence, which establishes trustworthiness, I detail a presentation of the results of the study. Within this section, I

triangulate the empirically based themes with publicly available documentation to ensure trustworthiness.

### **Research Setting**

I selected RecycleForce as my research focus because it was an embedded, nonprofit, WISE where social mission and business goals coexisted within its organization. RecycleForce staff participants in the study have worked in the organization an average of 7.2 years and participant board members have served an average of 8 years. All participants were knowledgeable about the organization and passionate about its mission.

During the time of the study, I was not aware of any recent organizational budget cuts, denial of grant applications, decrease in business income, changes in personnel or board members, or any other condition that might influence participant responses or the interpretation of the study results. However, although none of these conditions that might have influenced participant responses were present, an organizational environment where constant concern exists regarding not having enough funding to sustain the organization may have had an unintended influence on participant responses.

### **Demographics**

All participants had an understanding of the mission, policies, business activities, and financial management of the organization. The final criteria for inclusion in the study was that the participants were associated with the organization, RecycleForce, a minimum of 1 year. I gained equal representation within the sample by interviewing four

board members and four staff members. Table 2 outlines the basic demographic data collected from participants.

Table 2

*Participant Demographics*

Participant	Position	Gender	Years Worked
Participant A	Staff member	Male	5
Participant B	Board member	Male	1
Participant C	Staff member	Male	7
Participant D	Staff member	Male	10
Participant E	Board member	Male	10
Participant F	Board member	Male	11
Participant G	Staff member	Female	7
Participant H	Board member	Male	12

## Data Collection

### Semistructured Interviews

I employed two data collection methods in this study, the first being semistructured qualitative interviews and the second being a review of publicly available archival documentation. Prior to interviewee recruitment, I indicated the targeted sampling frame would contain 10 participants; however, when recruitment occurred, only eight participants were available. Despite this minor adjustment, I collected an equal

representation of board members and staff members, with four members in each group. This resulted in two complimentary sets of data from these individual groups, providing eight interviews overall. The information gathered from these participants helped to compile the empirically based themes.

Using criterion sampling, a type of purposive sampling, I identified and then invited specific individuals to participate in the study. By using the criteria of holding an understanding of the mission, policies, business practices, and financial management of the organization along with a minimum of 1 year working at RecycleForce, I selected participants who could have valuable knowledge and understanding that would relate to the research study, as suggested by Salvador, Forza, and Rungtusanatham (2002).

Because I utilized the RecycleForce facility to recruit participants and conduct the semistructured interviews, I created a Letter of Cooperation (see Appendix A), which an authorized official with the RecycleForce organization signed. After receiving approval from the IRB and permission from RecycleForce through the Letter of Cooperation, RecycleForce's executive director identified potential participants, who were each mailed an envelope. This envelope contained both an informed consent form (see Appendix B) and a self-addressed envelope to mail the completed consent form within five business days if they chose to participate in the study.

Each semistructured interview was audio recorded and later transcribed by a third party provider, and did not exceed an hour in length. Each interviewee knew that his or her participation was voluntary and confidential, and that he or she could end

participation at any time without any penalty. Face-to-face interviews did not take place as anticipated because of busy schedules of some participants and inaccessibility of other participants. Before initiating the interviews, each participant was offered time to review the informed consent and ask any questions about the study and the informed consent. No participant had questions. All interviews occurred via the phone using Free Conference Call technology and services, which gave me the ability to record, transcribe, and archive the calls. Throughout the telephone interviews, I took field notes, and then summarized the relevant data to answer the research questions once the interviews were completed.

After all interviews were conducted, I used a third-party transcription service. Once receiving the returned transcriptions, I emailed these transcriptions to the participants to ensure accuracy. Participants had the opportunity to provide feedback and offer additional information during this process, but no participant provided feedback regarding his or her transcript. By member checking the resulting transcriptions with the participants, I established the study's credibility and the credibility of the study results.

I had the challenge of obtaining five interviews for both participant pools, totaling 10 interviews overall, during data collection when recruiting participants. Originally, I proposed to conduct face-to-face interviews with five board members and five staff members who met the selection criteria. Consent forms were obtained from five board members and five staff members. When it was time to conduct the interviews, only four board members and four staff members agreed to be interviewed. Although I attempted to locate other participants, and re-contact the two participants who had previously agreed

to be in the study, I was unable to recruit the number of proposed participants because of the small participant pool. Despite this, Braun and Clarke (2013) stated that for a small research study, the ideal number of participants is between 6 and 10. Because the study had eight total participants—four board members and four staff members—who were interviewed, this demonstrated that the research study could yield sufficient data to determine mission drift and mission tension. Data saturation is the point in the data collection process where new topics and themes no longer emerge from the data gathered. This means the data is complete without any outlying themes or topics not sufficiently explored.

### **Archival Documents for Document Analysis**

I reviewed organization documents such as annual reports, a strategic plan, and a board meeting agenda. The organization did not develop any annual reports from 2006–2008. Therefore, annual reports from 2009–2014 were available for review. One strategic plan was developed in 2014 and it was provided to me. One board meeting agenda was given to me instead of meeting agendas from 2009–2014 because the board felt each meeting agenda had the same format for all of its meetings; therefore, providing me with meeting agendas for 2006–2014 would have been redundant and unnecessary.

To determine mission drift, I specifically checked for (a) how funds were allocated (how much money was diverted from mission goals), (b) how time was apportioned (the amount of time diverted from mission goals), and (c) how energy/effort was given (the amount of energy/effort diverted from mission goals). To determine

mission tension, I specifically checked for (a) how diverted funds from mission goals strained mission goals, (b) how diverted time from mission goals strained mission goals, and (c) how diverted energy/effort from mission goals strained mission goals.

I looked for information that offers insight into how board members managed both mission and business demands. I looked for any decisions that outlined strategies for managing both mission and business goals. I examined the board agenda to determine any trend in board decision making that prioritized mission more than business or business more than mission. I studied the board agenda to determine whether tensions or conflicts arose between board members because of business growth opportunities or mission expansion opportunities.

Reviewing annual reports provided an opportunity for me to confirm or contradict interviewee responses as well as show the progress of the organization during the years analyzed. These reports were published each year on the organization's website and were open to the public. I looked at the financial overview for each year to determine the funding sources and their contributions, as well as how the funding was allocated. I examined the annual reports for information regarding mission accomplishments and business accomplishments. Overall, the examination of annual reports provided another way to substantiate or contradict participant responses.

### **Data Analysis**

Data analysis included two specific parts of the pattern matching technique. This process involves a qualitative researcher comparing empirically-based themes with

predicted themes (Yin, 2012). I outlined how interviews were analyzed based on the distinct groups that made up the target population prior to discussing the thematic analysis and the comparative pattern matching. The following section presents a discussion of how the document analysis occurred based on the IRB approved document analysis guidelines.

### **Interview Question Analysis**

I uploaded transcribed interviews into NVivo 11 with the alphanumeric identifier still attached along with the distinction of board member or staff member in the title. Data analysis occurred separately between the groups, board members, and staff members, because the interview questions were different between the two groups. Table 1 in Chapter 3 outlined the relevance between each interview question and each research question. This is also outlined at the end of each interview question. Below is a thorough examination of how interview responses were analyzed by me and what codes were generated from each collection of responses.

**Interview Question 1 (all participants).** *What is the social mission of RecycleForce?* RecycleForce's mission statement states, "RecycleForce creates a stronger civil society and increases public safety through job creation and recycling" (Strategic Plan RecycleForce, 2014). When I examined participants' responses to this first interview question, unanimous understandings of the organization's mission statement existed. Each participant stated an important facet of providing jobs to formerly

incarcerated individuals and four participants mentioned the recycling industry and environmental aspect in addition to that.

Participant A shared the RecycleForce mission was “basically a cleaner environment by removing the electronics” from landfills and “a cleaner workforce by providing transitional jobs” to ex-offenders. By “providing [transitional] jobs through the recycle industry” (Participant C), ex-offenders are given the opportunity to gain valuable skills that give them better experience when they complete the RecycleForce program and enter the job market seeking full-time employment.

Participant H said RecycleForce works with the hardest to serve population:

That those individuals who have come through RecycleForce doors who have committed some very grievous acts and found guilty we believe that these individuals also need to be served and provided skill development, wrap-around services, whatever support we can provide to make sure that they are totally living completely from those mistakes they have made that put them there in the first place.

RecycleForce consistently provided, and continues to provide, ex-offenders with a stable income that enables them to pay their court-ordered mandates and be caught-up on child support. Additionally, RecycleForce endeavored to make partnerships with banks so that ex-offenders are given a chance “to open a savings account or a checking account” (Participant G) to make those payments and save money. Four participants specifically mentioned the services they provided to the ex-offender population were “wrap around

social services” (Participant D), “life skills” (Participant F), “training” (Participant G), and “skill development” (Participant H). In doing so, RecycleForce had

Tr[ied] to take the things that we need to recycle, and you know material we're throwing away, and the people society is throwing away, and turn them into new things that can be helpful to society instead of negative on society. (Participant E)

The organization sought to make a safer community by cleaning up the environment and providing the tools that ex-offenders need to successfully reintegrate into society.

Because of this, one participant shared that it was a two-fold mission: one to include the social mission and the other to include the environmental mission. Participant D shared,

We have the social workers, we have job helpers, so our goal is to get people stabilized and then move them on to permanent employment. That’s one mission. And then the other one is our environmental mission where we try to keep as much recyclable material as possible out of Indiana landfills with emphasis on electronic waste.

Just as Participant E stated, the organization has recycled both the people society is throwing away and the material that the community is throwing away to give ex-offenders a chance to reintegrate into society. Participant G stated, “the main thing for me is how I explain it and how I understand it, it’s giving people a second chance, and everyone deserves a second chance” at getting “their lives in order” (Participant B) and becoming “legitimate, good citizens” (Participant B) in society. Interview Question 1 provided support for the codes of counseling/mentorship and training. This interview

question correlated to Research Question 1 based on the outline provided in Table 1, located in Chapter 3.

**Interview Question 2 (staff member).** *How does the staff manage both implementing job training and counseling with recycling and selling scrap materials?*

*How do you as part of the staff help to manage both of those you know, your mission along with the business side of it?* Because four staff members were interviewed, I reviewed the four responses to this interview question. All four participants mentioned that because so many requirements exist for recently released ex-offenders to meet, programs and case managers work together to support ex-offenders in getting started on rebuilding their lives. Two participants mentioned that a “dedicated day for training” (Participant G) exists “all Wednesday afternoon” (Participant A) to give ex-offenders the opportunity to receive “training or a refresher course” (Participant G).

Participant A stated that “it’s kind of give and take” between providing the necessary training, allowing time for workers “to do other supervisory issues they may have,” along with “complet[ing] the actual work itself so that we can make money.” One participant mentioned that they had a program whereby they help ex-offenders:

To manage the social side which is about the barriers that ex-offenders need assistance to overcome, such as barriers to employment such as they may have an appointment set with a probation officer, they may have drug drops, they may have dependency issues, they may have a whole bunch of barriers that uh, you know like child support issues. (Participant C)

In conjunction with the team of case managers who managed the social side, another team handles the business side of the organization. RecycleForce's executive team "consists of employment specialists; director of training, there's a director of sales, who manage how we bring products in. We've got a shipping and receiving department who manages how we ship products out" (Participant C).

Participant D mentioned in his response to this interview question that the board "always believe we can always generate more revenues than we probably can" because the workers that they have often "never held jobs before" this one. As has been mentioned, Participant D confirmed, "there are still so many demands on their time" because they have "probation or they're in community correction." Because of the realities ex-offenders face upon release from prison, RecycleForce put into place programs and services that helped "get them through all their mandates" (Participant D) so that they do not have this as a barrier to prevent them from attaining full-time employment once they have completed the work reintegration program.

In addition to this, Participant G mentioned a mentoring program exists in which transitionally employed ex-offenders are paired up with staff members on the production floor, who are ex-offenders themselves. In doing so, RecycleForce has provided a support system to ex-offenders of individuals who "are available to help the next person right next to them" (Participant G) and has created an atmosphere where "work is therapy and we encourage everyone to come to work" (Participant G). Interview Question 2 directed to staff members provided support for the codes: training, mandate assistance,

counseling/mentorship, and board and committees. This interview question related to Research Question 1, provided by Table 1 located in Chapter 3.

**Interview Question 2 (board member).** *In what ways do board decisions regarding income, you know generating income, relate to the resources, the attention, and time needed to focus on the mission of job training and counseling? How and what ways does the board's decision on generating income relate to the attention and the time and resources needed to focus on the social mission of RecycleForce?* Each of the four board members demonstrated an understanding of what the board's job is relating to the organization overall. One participant shared, "the board's main job is oversight and to see that it's not going off track" (Participant B). Another participant stated the board's goal was "to balance, to make sure that the business end of the workforce doesn't overtake the social end" (Participant F).

Four committees of the board are focused on making decisions that keep the organization on "the right avenues to complete our goals" (Participant B). Participant E shared these committees were "the environmental committee, the program committee, the governance committee, and the finance committee" and mentioned, "the finance committee is the most powerful committee of all." He said that the financial committee "look[s] at available funds, we're looking at the likely revenue sales, and we're going to make decisions based on the commodity prices" (Participant E). Participant B acknowledged the board is focused on,

How to generate income both through grants and through the business itself of recycling because we need both in order to complete our mission. The business itself does not generate enough profit to take care of all the ancillary services that we need for the formerly incarcerated and now free individuals. They need these ancillary services very badly because if not, they end up going back to the same environment that they had before they were arrested and society has to pay the price all over again.

The board, and subsequently all of the committees, is focused on accomplishing the organization's goals through the assessment of "where we stand financially and how that's working out" (Participant F). Because of the recent fluctuation of scrap metal and commodity prices, Participant F mentioned,

[This] has caused the balance to go much more [to the grant side]. So the grant income verses business income has now skewed towards the grant income. And other times grant income is down and so the business income is a large part of it. So the board needs to keep an eye, be vigilant in watching this.

The board, and the committees of the board, "provide[s] that [guidance] to make sure the direction we go meets our primary objective" (Participant H) of "meet[ing] the overarching goals of our mission" (Participant H). To reiterate, RecycleForce's mission is to "create a stronger civil society and increase public safety through job creation and recycling" (Strategic Plan, 2014). Interview Question 2 for board members supported the codes boards and committees, business vs. social mission, grants vs. recycling, and

maintaining existence. This interview question connected to the first research question, as highlighted in Table 1 in Chapter 3.

**Interview Question 3 (staff member).** *How does staff assist in balancing the business side along with the mission side? How do you balance the recycling and selling the electronic scrap metal goals with the job training and program goals as well?* Each participant interpreted and responded to this question in different ways, whereby one responded about how they provide training with “the ultimate goal at the end of the day is to assist as many people as you can to find permanent and full time employment after their transitional program with us” (Participant A). In the same breath, he also shared that along the business and logistics side, the organization has a “team [that] is able to forecast what materials are coming and going out so we kind of have the ability to know” (Participant A) what the day is going to entail.

Participant G stated she knows “how we’re going to make production work on the floor. I will know exactly how many people I have that will be on the floor and how many people I have that will not be available to me.” Therefore, she knows where to best place her workers for the day to move through the shipments that will be arriving throughout the day. She also runs a production meeting early in the morning with her production floor staff members to outline what is going to occur throughout the day based on those shipments. Participant G states that, “I can make a shift where I have to close the flat screen department down and move everybody to bailing or I might have to move everybody from bailing to the shredder.”

Another participant was highly detailed in his description of how “a juggling act” (Participant C) exists between balancing the business side to maintain the mission side. He explained how the financial aspect breaks down, in terms of being able to employ workers with grants or contracts, while also generating income from the scrap metal and commodity sales. Participant C shared:

Forty percent (40%) from recycle sales that those fifty (50) [employees] can generate and then sixty percent (60%) we would need from the philanthropic side or the non-profit side to be able to maintain those fifty (50) employees. So forty percent (40%) recycle sales to cover overhead and machinery and those types of expenses, and then philanthropic funds or grant funding from the non-profit side to supplement the income that we can provide for our employees [the remaining sixty percent (60%)]. Because recycle sales or commodity prices are down at an all-time low, we will have to produce more product to balance what we’ll need to maintain more employees.

When imbalances occur between the grant revenue and the business/recycling revenue, such as when the business/recycling revenue is relied on more heavily, issues have arisen on the business side. Participant D mentioned,

You know so if we have lots of grants, then there’s not as much pressure on the business side. But if the business has to pick up more of the total budget then there’s more pressure on the business side and that is sometimes where I think the disconnect comes from.

This disconnect resulted from the tensions between sources of funding and revenue that keep the organization afloat. Outside of generating a revenue, he felt that the board needs to be reminded that the organization is “really here to provide people with an experience of working at a job” (Participant D). Interview Question 3 for staff members further developed the codes training, business vs. social mission, grants vs. recycling, and board and committees. This interview question connected to the first research question based on Table 1 provided in Chapter 3.

**Interview Question 3 (board member).** *What ways do board decisions help to balance the recycling and selling the material with the social mission goals? How does your decision as a board member help to balance both of those?* An overwhelming

unanimous agreement existed that the board and committees work in unison to accomplish the overarching social mission when I posed this interview question. In addition, the board has sought to “make sure they’re (RecycleForce) on the right path to doing it and if they get off the path we’re trying to help them get back on” (Participant B). The board has compiled a “good, strong group of individuals [to make up the board who] represent different sectors in order to make sure that we are making appropriate decisions and all work together to represent our overall mission” (Participant H).

Participant H shared that because a lot of different interests are represented in the board,

That diversity provides a good check and balance on each other so that where all three pieces are critical to the overall operation so that when board members, who

are focused on certain areas, can be as aggressive as they need to be to push . . . back where it deviates from the mission.

Participant B stated his “goal as a board member is to make sure that the mission of helping these individuals and thus society is the primary goal [and that] this has to be done in conjunction with good business practices.” By keeping these aligned with one another, RecycleForce has been able to keep its doors open and continue providing services that help ex-offenders reintegrate into society.

Participant E acknowledged the board has historically been the most interested in the business, to the point where “the board tried to get us to go and make the whole operations run on the business.” He said that by doing that, “you wouldn’t serve this population” (Participant E) of “hard to serve people” (Participant E). Instead of RecycleForce hiring “disadvantaged workers” (Participant E), RecycleForce would be forced to hire “somebody that was employable” (Participant E). Because of this, he “fought for the social side” (Participant E) to have a stronger voice among the board and the committees so that a balance existed between the business side and the social side. Participant H shared the social side knows when they “may need to push back where it deviates from the mission” to offset the business side of the board and keep them all aligned.

Participant F stated a “push and pull between the business and the social enterprise to maintain some type of balance” exists within the board and the committees. For example, Participant F shared when the production floor staff “comes and [says] they

need a new piece of equipment to enhance the recycling [to] get more to generate more income” from the recyclable material, the board has to “decide whether, you know how that affects the financial well-being of [RecycleForce] and decide whether that’s worth the investment.” The board has remained focused on the best interest of RecycleForce when they have to make a decision regarding investing in a new piece of equipment. The board has to evaluate and assess their ability to make that decision because they do not want to “put ourselves at risk of not making payroll” (Participant H).

Participant H summarized the board and the committees’ interactions with one another:

We’ve had some tension [between committees and members] but we all know what the overall arching goal is and we work from that framework, and we tend to respect each other’s opinions and work from common ground where we can.

Interview Question 3 for board members expanded the scope of the codes board and committees, business vs. social mission, and maintaining existence. This interview question correlated to the first research question, based on Table 1 in Chapter 3.

**Interview Question 4 (staff member).** *How does the staff sustain social mission programs when donors, donations, and commercial income fluctuate?* Participants recognized when revenue and grant funding fluctuates, the ability “to balance that or offset that” (Participant A) with the other source of income exists so that “it balances out.” Participant A acknowledged “there’s some ebb and flow there when our grants go

down, the production goes up and vice versa.” With how low commodity prices have been recently, more emphasis has occurred on the grant funding rather than revenue.

When this increased emphasis happens, Participant C stated, “we have to market our mission from the sale side” in order “to increase the donation, we have to advertise more, do more electronic recycling events.” They acknowledged that they will “exploit that we’re helping society by hiring more ex-offenders, which it becomes a public safety issue cause if individuals do not have jobs then they you know, they’re gonna go out and commit more crime.” (Participant C).

For federal grants and contracts, “the funding is always connected to the person we’re helping so a lot of it is wage subsidies” (Participant D) that RecycleForce receives. Because RecycleForce has received these kinds of grants and contracts, they are able “to employ as many people as we can” (Participant D) which makes them “a bit of an odd creature” (Participant D). This is when an outsider has taken into consideration that the “traditional business is trying to employ as few people as they can” (Participant D). Participant D shared that because “the amount of grant dollars we have determines how many people we’re employing,” they target large, multi-year grants.

Participant G stated, “all the grants they [get] have some rules where [say for example] if you were a sex offender you cannot maybe be in this grant. Just depending on what the grant requires” as a part of their rules to get funding. At the end of the day, Participant G had a good grasp on what RecycleForce is supposed to be for ex-offenders and what having this transitional job will do for these citizens:

This will show you that when you go out into the real world, you will know you can follow policies and procedures. You will have seventeen certifications where we've trained you on basic first aid, slips and falls, warehouse safety. When you go on the job interview, we've given you a binder that has your resume and your certifications. You are one step ahead of that other person that's standing there that has nothing in their hands. So I always try to just lift that person up and say hey you did bad, that is in the past, you're moving on this is the new you.

When funding decreases, whether it be from grants or commodity sales, “we have to tighten the bolts a little bit” (Participant G) but “if we can break it down, if we can sell it, it’s going through that door” (Participant G) to generate revenue and continue helping offenders. Interview Question 4 for staff members provided support to the codes grants vs. recycling, local contracts, recidivism, and counseling/mentorship. This interview question allowed me to gathered information relevant to the second research question, as outlined in Table 1 in Chapter 3.

**Interview Question 4 (board member). *How do board decisions help sustain social mission programs when donors, donations, and commercial income fluctuate?***

Although each participant demonstrated an in-depth understanding, and has previously stated that the business side exists to allow the social mission to be accomplished, an interest in being able to keep their doors open and thus generate income to continue to do so still exists. By RecycleForce’s door remaining open, the organization continues to be able to help the largest amount of people as possible to reintegrate into society as

productive members. The organization has increased public safety because these ex-offenders are not going back out into the street and committing crimes; instead, they are employed and catching up on child support payments along with the aforementioned services RecycleForce provides. Participant B stated the board is there to:

Make sure that management doesn't just concentrate on social mission and forget about the fact that even though they have the best of intentions like any non-profit, it still has to essentially make a profit. It has to make enough money to pay all the bills.

Participant H shared that felt each board member should “play a role in terms of visibility, to try to connect our organization with potential funding prospects and to see where I can assist towards the identification of some grants.” This involvement has helped RecycleForce identify new sources of income and reach out to individuals in the community who are positively affected by the work integration program RecycleForce offers. Participant F stated when income fluctuates, whether it be grant funding or commodity sale revenues,

The board needs to come up with alternatives or others ways to maintain or to get back that money for social mission and also to keep pressure on staff to keep them pushing more and more for possible grants and everything that's out there in the universe for workforce to qualify for or to make an application for

Every board meeting has a discussion of “not only what grants do we have, what grants have we applied for, but what other grants are out there and to make sure that staff is pursuing them aggressively to get those grants” (Participant F).

Determining grants is especially concerning for RecycleForce because “there is no permanent funding” (Participant E) and the organization has “to think things through on a week by week, day by day basis” (Participant E). Because of this, Participant E acknowledged RecycleForce has to “make the case that we need a contract the same way a work release facility or a home detention you know with the ankle bracelets. We are a part of the criminal justice system.” Because local and state governments have looked at RecycleForce as “just a business, they [believe that we] don’t need their money” (Participant E), the government instead spends “money on incarcerations and jails, not on the employment and reintegration side very much yet” (Participant E).

Participant E continued on a diatribe about the criminal justice system as a whole, and focusing on technical rule violations that included some powerful language. He called technical rule violations “immoral. It’s share cropping; it’s a form of slavery,” because:

71% of the people in Marion County, Indianapolis, that are sent back to prison did not commit a new crime. They had a technical rules violation of their probation or community corrections mandate, meaning they didn't have enough money to pay these fines; you know, the fees that they're charged for the privilege of being out.

He used such powerful language to highlight the real importance of the work that RecycleForce is doing in the lives of ex-offenders. He has shown that he is passionate about “giv[ing] people a fighting chance to have a job and be stable and all that” (Participant E). Interview Question 4 for board members supported the codes: maintaining existence, mandate assistance, counseling/mentorship, recidivism, business vs. social mission, grants vs. recycling, local contracts, technical rules violations, and criminal justice reform. I designed this interview question to generate information relevant to the second research question per Table 1 in Chapter 3.

**Interview Question 5 (staff member).** *How does the staff recognize when the organization is meeting the job training and counseling program goals?* RecycleForce staff members have “weekly meetings [where] we set our goals each week for how many sales we need to do internally with our team of directors” (Participant C). Participant G stated that within those weekly meetings, they “talk about our goals. We talk about what we need to focus on.” Then, the meeting minutes are reported to the board who evaluates the predetermined budget and assesses where the organization is in terms of balancing itself between revenue and grant funding on a monthly basis. Participant C shared, “There’s an actual dashboard to see where we’re at” so at any given time each individual has a chance to take an inventory of where the organization is on a monthly basis.

Because of the nature of the WISE organization, Participant D said RecycleForce “keeps lots of data and we report it to the board” so they can go out into the community and advertise for donations for RecycleForce. Many of the federal grants that they have

received publish results from the work that they do, such as the Enhanced Transitional Jobs Demonstration (ETJD) grant. This grant “had an evaluation component” (Participant D) attached to it and the “result[s] of that study [are] slowly coming out” (Participant D). Whenever RecycleForce is provided with the findings and result, they use it to “prove that what we're doing is effective” (Participant D).

Because of the current climate in commodity sales, RecycleForce has had to rely heavily on grants to supplement the downturn in scrap metal prices. As previously stated, Participant A confirmed, “when the grant funding is down we definitely have to increase our production” and vice versa when recycling revenue is down RecycleForce has to rely heavily on grant funding to bolster the organization. Participant A said that because “the commodity prices are the lowest I’ve ever seen them” they are pushing for more applications for grants and contracts while also advertising to elicit donations.

Participant G acknowledged, “I have a white board that I put our goals on” to make ex-offenders feel as if they have an active stake in reaching their goals. This encourages production floor staff to become involved in meeting those goals and Participant G shared, “Each person and you know they, they actually make it into a competition because they know that if we do really good this week, we’re gonna make this goal.” Interview Question 5 for staff members highlighted the codes grants vs. recycling, board and committees, and maintaining existence. I designed this interview question to generate information relevant to the second research question.

**Interview Question 5 (board member). *How does the board recognize when the organization is meeting its social mission objectives of job training and counseling?***

Three out of the four responses from board members spelled out clear ways the board recognizes that RecycleForce is meeting its social mission, such as looking at recidivism rates, child support and familial re-connection, reintegration success, and finally overall earnings (Participant E). When looking at the return to prison rates, Participant E acknowledged they specifically look at “repeated people who are not committing new crimes.” He expressed, “If you commit a new crime then we think you should go back to prison” (Participant E), but are equally concerned with individuals who are released from the program and go back to bad behaviors.

Because the organization uses four areas of measurement to gauge success and effective change in the lives of ex-offenders, they have been able to “conglomerate and summarize all those results, the only way we have is to, to look at those results” (Participant F) to understand how RecycleForce provides a different option for ex-offenders. These results have provided the evidence needed to go out into the community or put in applications for grants so that they can support their claims of reduced recidivism. Participant F shared that with the recently finalized ETJD grant, “there were preliminary results that were very encouraging that we were touting as the percentage of the recidivism (sic) significantly lower than the control group.”

Studies and grants with an evaluative aspect were, and still are, “really the only way that we have any real numbers to know how we’re doing” (Participant F) in terms of

helping the community of ex-offenders reintegrate into society as productive members. Participant B wished to reiterate that the social mission “is not only to help these individuals, but also to make our society a safer place by having these people become good citizens, instead of the criminals that are destroying society in their previously life.” They have assessed the effectiveness of RecycleForce’s work integration program so that the organization has the evidence to back their claims about reducing recidivism below the national average along with having positively influenced ex-offenders by getting child support paid, reconnecting them to their families, and establishing these individuals as productive members in society.

Participant H shared that when it comes to applying to grants, the program committee will sit down with the production floor staff to have “some direct engagement with the individuals to not just take what I hear but to really have ironclad factual information.” This has given RecycleForce the opportunity to apply for certain grants in which they fit the requirements. Participant H has given credit to:

The individuals who manage and pursue the grants. They are capable and qualified and certainly not giving me reason to believe that our ability to maintain these outcomes or not maintain them because we have a pretty good track record of how we are performing to similar organizations.

Because the organization maintains transparency and accountability, this enables them to relay that information to federal agencies or their contracted overseers to show that the goals are being met. This is because “obviously with the federal, state and local grants

there are clear and specific outcomes that our organization needs to meet” (Participant H). They have done this by “always [being] kept abreast on our efforts toward” (Participant H) meeting those expected outcomes. Interview Question 5 directed to board members supported the codes recidivism, criminal justice reform, technical rules violations, maintaining existence, grants vs recycling, and local contracts. Through this research question, I aimed to gather information pertinent to answering the second research question.

**Interview Question 6 (all participants).** *Do you have any more comments? Any additional comments, other than what you have shared already?* Regarding this question, I reached an amalgam of responses from most participants; Participant E did not have anything to add after going through the statement concerning RecycleForce’s position in the criminal justice system along with providing such in-depth information about the realities ex-offenders face. Seven out of the remaining eight participants reiterated RecycleForce “is a great venue to assist a lot of people” (Participant A) and is “a premier organization that does a very viable and important service” (Participant H).

Participant D recognized, “there’s a huge problem we’re trying to solve it” by providing jobs, training, counseling, and services to ex-offenders. Participant B had a personal story to share about his previous work with ex-offenders in a halfway house. He stated what makes RecycleForce stand out from half way houses is that the organization instills an:

Understanding of what it means to be a good citizen, and so many of these people also need some spiritual infusion so that they can change from the inside out, because just a place to live, and just a job, I was uh witness to for those years at seeing this, that is not enough.

He continued to illuminate they go through their paychecks and highlight that this money “has to be used to take care of their responsibilities they have in paying the court, paying child support, taking that further and being a good father and husband” (Participant B). RecycleForce engaged, and continues to engage, ex-offenders in “a peer modeling group” (Participant C) made up of ex-offenders who have become permanent employees. The organization members “show other ex-offenders how to succeed in the working world” (Participant C), which has had a direct influence on recidivism rates of ex-offenders who go through RecycleForce. The recidivism rate at RecycleForce is “about 17.1% versus the nation at 51%, or 52%” (Participant C).

Participant F added, “It appears from all the studies that we’ve seen that RecycleForce is doing a better job with its population in reducing recidivism (sic) than any other programs in the country.” He also added that “it’s not getting the recognition it needs” (Participant F) despite “the fact that it’s reducing recidivism (sic) that it’s saving the State and the County a significant amount of money each year” (Participant F), it still “struggles to maintain its existence through the grants” (Participant F). Participant F expressed RecycleForce “should be getting [reimbursed by the state and county] for the money it’s saving” both local and state governments. He addressed the two research

questions, mission drift and mission tension, when he stated that “it’s been a long haul and difficult to maintain what you’re talking about the balance between the (sic) business and the social mission” (Participant F) but they have done so despite that they “struggle to maintain its existence” (Participant F).

Because they choose to serve “individuals that are hardest to serve” (Participant H), RecycleForce “show[s] that we can make changes with them despite the issues they may have experienced” (Participant H). Participant G shared, “for me my focus is that you did what you did in the past. Let’s move on and make you a better person” by giving each ex-offender who walks through RecycleForce’s doors the tools and skills to succeed as positive members in their communities. Interview Question 6 provided support for the codes counseling/mentorship, criminal justice reform, mandate assistance, and recidivism. I designed this interview question to gather additional information that could be useful to answering the second research question.

### **Thematic Analysis**

I prepared the interview data for analysis after the third party transcription service returned the completed transcripts. I read each transcript to familiarize myself with the data prior to analysis. Through the familiarization process, I noted reoccurring topics, categories, and themes. I then uploaded all transcripts of interviews into the computer-assisted qualitative data analysis software, NVivo 11. This software enabled me to compile, disassemble, and reassemble qualitative data into higher conceptual patterns and themes. I guided and directed this process.

As stated earlier, I began the analysis process by reading through the transcripts to become familiar with the content. Yin (2012) mentioned being able to play and manipulate the data help identify promising concepts, patterns, and insights. This process enabled me to identify what to analyze and the reason why. During this time, I took notes and commented on prevalent topics, or reoccurring topics, throughout both groups of interview transcripts.

I began open coding each interview by meticulously moving through line-by-line and identifying topics and codes of interest. I highlighted the relevant phrases or sentences I previously identified to code those exact words with specific topic names. I continued this line-by-line coding throughout each transcript and compiled a list of topic names that emerged from the data. By assessing the attributes of the data, I thoroughly coded the dataset into specific codes that reoccurred throughout each group of participant responses. These codes connected explicitly towards patterns of meaning that emerged from participants' responses and related to the research questions. Codes were assigned to phrases, words, and sentences because they pertained to the latent meaning of each participant's individual narrative. These codes provided bits and pieces of the answers to the research questions for this research study, and when compiled together through the process of categorization, they created coherent answers to the guiding research questions.

I identified 11 codes during the initial open-coding process; nine were applicable to the research question and two were outlier codes. I further broke this down into 141

applicable references for those nine codes and eight references for the two outlier codes, for a total of 149 references for all the codes. Because the outlier topics and codes did not pertain to the research questions or the purpose of the study, they were discarded during this step in the data analysis process. Table 3 lists the relevant and outlier codes that composed the initial open coding process. Table 3 also highlights the number of instances of each specific code in the eight interviews as a whole.

Table 3

*Empirically Based Relevant and Outlier Codes*

Relevant Codes, No. of References	Outlier Codes, No. of References
Boards and Committees- 23	Investment- 4
Business Vs. Social Mission- 27	Organization- 4
Criminal Justice Reform- 11	
Grants Vs. Business/Recycle- 26	
Local Contracts- 7	
Maintaining Existence- 6	
Recidivism- 9	
Technical Rules Violations- 9	
Counseling/Mentorship, Training and Mandate Assistance- 23	

I developed each code from reoccurring topics within participant responses. I took into consideration the research question and the purpose of the research study when designating codes. These codes helped form the answers to the research questions. Table 4 displays an outlined excerpt that corresponds with each code.

Table 4

*Codes and Applicable Excerpts*

Codes	Excerpts
Boards and Committees	<p>“We the board have several committees. There’s the environmental committee, the program committee the governance committee and the finance committee. The finance committee is the most powerful committee of all and it is making decisions related to not really day to day operations but what type of positive impact we're going to make.”</p>
Business vs. Social Mission	<p>“And it’s also to balance, to make sure that the business end of the workforce doesn’t overtake the social end. Now, we understand that we exist for the social mission and the business is there to help support the social mission.”</p>
Criminal Justice and Reform	<p>“We’ve been screaming this for ten years and it's one of the reasons we have difficulty with the local system. We’ve even said that we're gonna help guys make money. We’d like to do away with the technical rule violations. We wouldn’t do away with the money portion of this but it's just so deeply ingrained that it's gonna be a while. So instead let's help people get a job and help them manage and pay these.”</p>
Grants vs. Business/Recycle	<p>“Recently scrap prices have been down significantly which has caused the balance to go much more. So the grant income verses business income has now skewed towards the grant income. And other times grant income is down and so the business income is a large part of it.”</p>

Table 4 Continued

Investment	“We need to make investments in the recycling and in order to maintain the level and also to explore other areas of where we can generate income.”
Local Contracts	“But what we would like to see is a three year contract to serve between 200 and 300 people, sent to us either by community corrections or the courts.”
Maintaining Existence	“The program is the most successful in social mission and yet it’s not, it struggles to maintain its existence through the grants and that it should be getting for the money it’s saving.”
Organization	“I would just say that we feel very confident that we’ve established ourselves as a premier organization that does a very viable and important service.”
Recidivism	“So what we’re doing with the social enterprise and peer modeling group tremendously has an impact on the recidivism rate. Our rate is about 17.1% versus the nation at 51%, or 52% percent.”
Technical Rules Violation	“You should know that 71% of the people in Marion County, Indianapolis, that are sent back to prison did not commit a new crime. They had a technical rules violation of their probation or community corrections mandate, meaning they didn’t have enough money to pay these fines; you know, the fees that they’re charged for the privilege of being out.”

Table 4 Continued

Counseling/Mentorship, Training, and Mandate Assistance	“You will have seventeen certifications where we've trained you on basic first aid, slips and falls, warehouse safety. When you go on the job interview we've given you a binder that has your resume and your certifications. You are one step ahead of that other person that's standing there that has nothing in their hands. So I always try to just lift that person up and say hey you did bad, that is in the past, you're moving on this is the new you.”
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Once completing this line-by-line coding, I listed out the entirety of the resultant codes to assess the relationships that exist among them. I moved into classifying the relevant codes into categories. I did this by looking at the list of resultant codes and determining which codes related to one another. These categories served as the basis of relationships between the dataset used to create themes (Bazeley & Jackson, 2013).

I used the criteria of answering the research questions to compile categories from the resulting topics and codes. I assembled the categories based on the connections that existed between them, such as the funding category composed of the code grants vs. business/recycle to establish that the major sources of funding were both grants and the recycling business. This continued for each category, with an example being how sustainability was connected to both the codes of local contracts and maintaining existence because of the relationship between those two codes. The codes boards/committees and business vs. social mission related the balance required for the

organization to keep its focus on the business aspects to maintain the social mission, which was a task the board and its subsequent committees were resolved to accomplish.

This was true for the category services provided, which related to the counseling/mentorship, training, and mandate assistance, that RecycleForce provided to the ex-offender community. These were connected by services provided. RecycleForce wished to see community and social change through criminal justice reform, diminished recidivism, and reform of the technical rules violations. These were connected to the guiding research questions because they examined the relationships between the codes that were able to more fully explain the latent meaning behind participants' narratives. The guiding research questions focused on how and why an embedded nonprofit WISE experiences mission drift and mission tension because of business goals, which was not found within this particular embedded, nonprofit, WISE. As a result, the researcher had to transform the narrative of answering the research questions to how and why an embedded, nonprofit, WISE did not experience mission drift and mission tension because of business goals. Table 5 presents all the code(s) that I compiled from each category.

Table 5

*Categories and Applicable Codes*

Category	Code
Funding	Grants vs. business/recycle
Sustainability	Local contracts and maintain existence
Balance	Board/Committees and business vs. social mission
Services Provided	Counseling/mentorship, training, and mandate assistance
Community and Social Change	Technical rules violations, recidivism, and criminal justice reform.

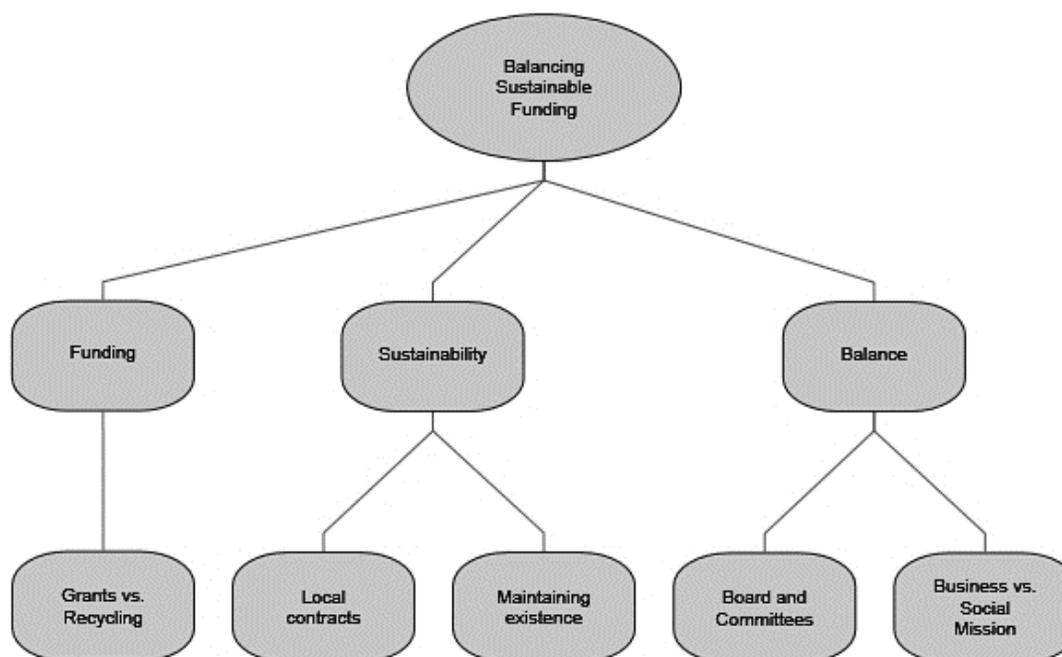
Once the relationships between the codes were established by categorizing those codes, I moved into thematizing the resulting categories to compile a coherent and accurate representation of the data. I examined the relationships between the categories and assessed those relationships to see if overarching support existed for the resulting theme throughout participants' responses. When that was thoroughly established, I moved into the descriptive aspect of data analysis, which defined and described each theme with direct support. I kept an audit trail to ensure the findings of the study were shaped by the participants' responses and interviews as opposed to being shaped by researcher bias or motivation. Therefore, I established the resulting themes and have a logical underpinning that the categories were assembled based on the connections between the codes. Table 6 outlines the audit trail.

Table 6

*Audit Trail for Empirically Based Themes*

Research Question	Theme	Category	Topics/Codes
1. How does an embedded nonprofit WISE experience mission drift and mission tension because of an emphasis on business goals?	Balancing Sustainable Funding	Funding Sustainability  Balance	Grants vs. business/recycle Local contracts and maintain existence Board/Committees and business vs. social mission
2. Why does an embedded nonprofit WISE experience mission drift and mission tension because of an emphasis on business goals?	Community Impact and Social Change	Services Provided  Community and Social Change	Counseling/mentorship, training, and mandate assistance Technical rules violations, recidivism, and criminal justice reform.

Figure 4 shows how I created these categories for the balancing sustainable funding superordinate theme. Inductive analysis works from the bottom-up, where codes compose categories and subsequently, those resulting categories are collated into a superordinate theme.

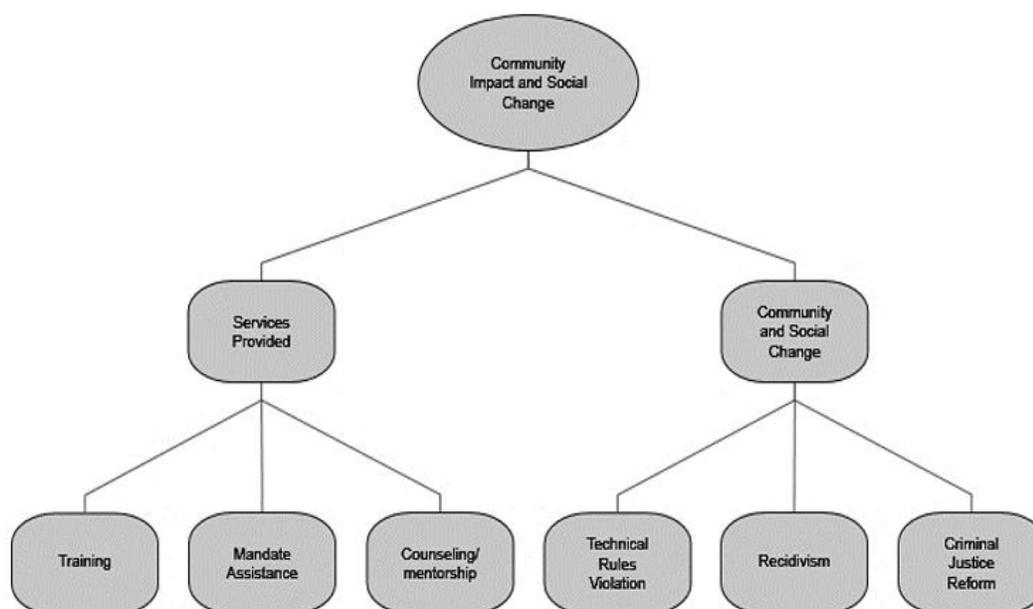


*Figure 4.* Balancing sustainable funding hierarchy chart.

Figure 4 displays how the resulting superordinate theme of balancing sustainable funding was created from the categories funding, sustainability, and balance. I compiled these categories together because of the overlap between the coded topics. The deeper relationship of balancing sustainable funding was evident throughout the individual codes, which were primarily concerned with the balance of seeking the resources and revenues so that RecycleForce could keep its doors open while also applying for local, state, and federal grants to provide services that aligned with the organization's mission and vision. I created this superordinate theme to answer the first research question.

Figure 5 represents how the resulting superordinate theme of community impact and social change included the categories of services provided, and community and social change. These categories are together because of the existing overlap within the codes,

which described the services ex-offenders received while at RecycleForce, as well as the effect of the services on the ex-offender's reintegration into society. Services provided included the topics centered on the community member and provided by RecycleForce as a part of accomplishing their mission and vision, such as training, mandate assistance, and counseling/mentorship. RecycleForce as a WISE organization provided a variety of services to the population of newly released ex-offenders, which transform ex-offenders' lives into productive and beneficial members of society. This result is evident through the reduced recidivism rates for those who complete the RecycleForce program and their completed mandates. This superordinate theme was generated to answer the second research question.



*Figure 5.* Community impact and social change hierarchy chart.

### **Comparative Analysis between Empirical and Predicted Themes**

Prior to the beginning the data collection, I compiled a list of expectant themes to use as a part of the pattern matching analytical technique. These expectant themes were based on both prior literature and RecycleForce's mission and vision. Yin (2012) stated that by comparing predicted patterns with the empirically-based patterns, researchers can further establish the credibility of the study's findings, which I did. These expectant themes were postulated to result from the data and were compared to the empirically based themes. The predicted superordinate themes were mission drift and mission tension, with subordinate themes of ability to balance mission and business, following institutional values, financial pressures, dependent on business income, adapt business-like behaviors, and negatively affected missions. I recognized these expectant themes were based on the literature, which predicts the circumstances of mission drift and mission tension exist within the specific organization under examination. Because discrepancies between the expectant themes and the empirically based themes existed, I was able to compare and contrast the two sets of themes.

By utilizing the pattern matching analytical technique to interpret the discrepancies and similarities between the expectant themes and the empirically based themes, I further established credibility that the resulting analysis was data driven as opposed to being influenced by researcher bias. Table 7 displays the predicted themes and the empirically based themes side-by-side to illustrate a tabular comparison and highlight the discrepancies between the themes.

Table 7

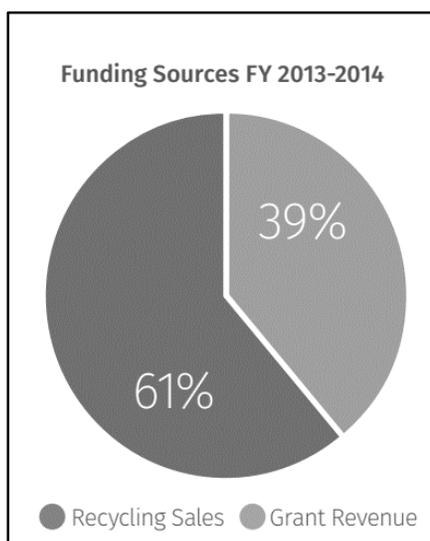
*Predicted Themes and Empirically Based Themes*

Predicted Superordinate	Predicted Subordinate	Empirically Based Superordinate	Empirically Based Subordinate
Mission Drift	Ability to balance mission and business	Balancing Sustainable Funding	Funding
Mission Tension	Following Institutional Values Financial Pressures Dependent on Business income Adapt business-like behaviors Negatively impacted missions	Community Impact and Social Change	Sustainability Balance Services Provided Community and Social Change

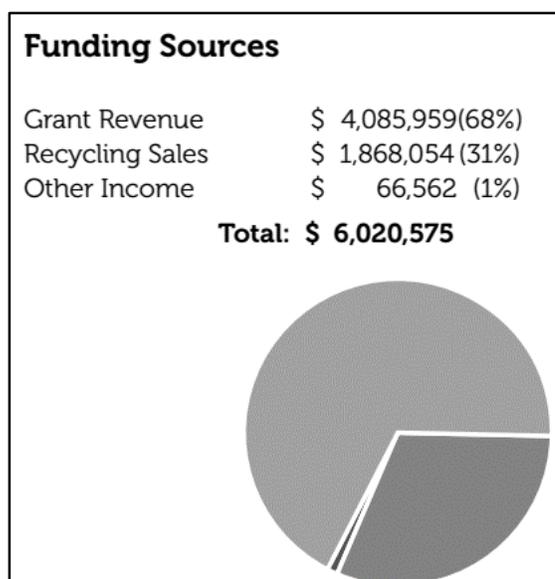
An overlap existed in the subordinate themes predicted and empirically based. For example, ability to balance mission and business and following institutional values were similar to the empirically based subordinate theme of balance, which included the codes for boards/committees and business vs. social mission. Because the ability to balance mission and business was the responsibility of the Board, which was made up of four committees, I combined the code board/committees with the code business vs. social mission to create the subordinate theme, balance. A relationship existed between the board/committees and the business vs. social mission codes. Because the Board, and its subsequent four committees, recognize the responsibility to ensure RecycleForce could

achieve its mission, I was able to see that the expectant theme of following institutional values was found in the data.

Another overlap existed about financial pressures as a predicted theme and funding as an empirically based theme, which assessed grants vs. business/recycle as RecycleForce's sources for income. One participant identified that with current commodity prices so low, the organization was leaning more heavily on federal grant dollars and trying to increase production to maintain an equilibrium with income. This supported the expectant subordinate theme of financial pressures, which was reworded to include the financial pressure that arose from both grant vs. business/recycle revenues. Participant D stated the goal is "to have 50% of our revenues come from the recycling activities and 50% from you know grants. It's always in a range of 60/40, 40/60." Figure 6 shows RecycleForce's 2013–2014 Fiscal Year (FY) funding between the recycling sales and the grant revenue. Figure 7 shows RecycleForce's 2012–2013 FY funding.



*Figure 6.* RecycleForce's FY 2013–2014 funding sources. RecycleForce, 2015, [http://www.recycleforce.org/images/uploads/RecycleForce2014\\_Report\\_FINAL.pdf](http://www.recycleforce.org/images/uploads/RecycleForce2014_Report_FINAL.pdf). Copyright 2011 by RecycleForce. Reprinted with permission.



*Figure 7.* RecycleForce's FY 2012–2013 funding. RecycleForce, 2014, [http://www.recycleforce.org/images/uploads/RecycleForce2013-APR14\(final\).pdf](http://www.recycleforce.org/images/uploads/RecycleForce2013-APR14(final).pdf). Copyright 2011 by RecycleForce. Reprinted with permission.

As a result, the predicted subordinate themes of dependent on business income and adapt business-like behaviors did not apply to the RecycleForce organization, because the majority of funding came from grants. The discrepancy between RecycleForce's 2012–2013 FY and 2013–2014 FY was that the Enhanced Transitional Jobs Demonstration grant, from the Department of Labor ended after the 2013 FY. Because the ability to apply and gain grants is tied to the organization's ability to achieve their social mission, board members and staff members reiterated, "we (RecycleForce) exist for the social mission, and the business is there to help support the social mission" (Participant F). Therefore, the subordinate theme of negatively impact missions was refuted as a possible subordinate theme by the empirically based code of business vs. social mission.

The predicted themes and categories were supported by prior literature regarding the experience of social enterprises with mission drift and mission tension. I anticipated that the semistructured interviews would yield substantial data concerning those two predicted superordinate themes; however, empirical findings demonstrated that this organization was committed to its institutional values by providing "skill development, wrap-around services, whatever support we [RecycleForce] can" (Participant D) to a specific community of ex-offenders seeking rehabilitation and reintegration into society. Several participants reiterated the organization was a nonprofit whereby the social mission and the business side cooperate on equal terms to maintain their institutional values.

## **Document Analysis**

I collected and reviewed information from secondary data, such as organization annual reports and board meeting agendas generated between 2006 and 2014—the timeframe in which RecycleForce has existed. I looked for information that offered insight into how board members managed both mission and business demands. I looked for any decisions that outline strategies for managing both mission and business goals. I examined the board agendas to determine any trend in board decision-making that prioritized mission more than business or business more than mission. I studied the board agendas to determine whether tensions or conflicts arose between board members because of business growth opportunities or mission expansion opportunities.

Reviewing annual reports provided another opportunity for me to confirm or contradict interviewee responses as well as show the progress of the organization during the years it has existed. The organization published these reports each year on the organization's website. I looked at the financial overview for each year and determined the funding sources and their contributions, as well as how the organization allocated the funding. I examined the annual reports for information regarding mission accomplishments and business accomplishments. Overall, examined annual reports provided another way to substantiate or contradict participant responses.

## **Evidence of Trustworthiness**

### **Credibility**

I employed triangulation of sources to establish the credibility of the participant's experience and ensure the results were trustworthy from all perspectives involved. I then used the analytical technique of pattern matching to further establish confidence of the truth and validity of the findings. Triangulation of sources is beneficial in that using this technique ensures robust and well-developed research, comprehensive in its scope. I provided the completed transcripts to the respective participant to ensure the credibility and accuracy of the transcription, and further establish the credibility of the findings. I analyzed the returned transcripts and found codes, categories, and themes, which I then triangulated with archival documentation from RecycleForce. The archival documents substantiated and did not refute the themes that arose from participants' responses.

### **Transferability**

I described participant experiences and perspectives in such a manner that the findings of this study would be applicable to other settings and contexts. This is called thick description, where the phenomenon is explained in sufficient and thorough detail so that others can, to an extent, apply the same conclusions to other settings, times, people, and situations. Thick description is also gathered through the utilization of a semistructured interview, with the judicious use of prompts to elicit information from the participants.

**Dependability**

I used an audit to establish dependability of this study. An inquiry audit is used to evaluate the accuracy and relevancy of the study's findings to the collected data. By peer reviewing the study's findings among researchers who were not involved in the process of data collection and data analysis, a researcher can receive feedback to strengthen the study's findings and has the opportunity to assess the results in response to the data.

**Confirmability**

I employed triangulation of sources and an audit trail to demonstrate the findings from the study were shaped by the participants' responses and not researcher bias. An audit trail is a "transparent description of the research steps" (Lincoln & Guba, 1985, p. 210) that researchers use to record and note what steps they performed throughout the investigation. Using the pattern matching analysis, there will be an examination of the expected traits and the resulting traits. This will further support the audit trail by providing rationale for data analysis decisions, such as how certain patterns were noticed and why they were noticed.

**Results****Research Question 1**

How does an embedded WISE experience mission drift or mission tension because of an emphasis on business goals? The overarching theme that emerged to answer this research question was balancing sustainable funding.

**Balancing sustainable funding.** Participant D stated instead of looking at the social mission and the business side as separate entities with separate interests, the business side and social missions were “one program [and that] it’s all one thing.” Both board members and staff members, who linked the business side to ensuring that the organization could successfully achieve the social mission, expressed this sentiment. This occurred through receiving federal grants to support the social mission while the business side managed and sold the commodities, raw resources from recycling, to support the overhead costs of maintaining the organization.

I anticipated finding evidence of mission drift, but the data indicated this organization was, as Participant D stated, “a bit of an odd creature” when compared to other organizations. By looking more closely at how this organization was different from others, I explored how this specific organization managed to not experience mission drift or mission tension. Although I did not find supporting evidence that dictated this organization experienced mission drift, I found the experience of tension was not driven by the social mission, but instead was driven by funding and committees of the board. Following is a breakdown of those two sources of tension that RecycleForce experienced and dealt with.

**Funding.** Tension resulting from funding primarily came from two sources: grants and recycling sales. Because of the current downturn in commodity prices, the organization is leaning more heavily on support from grants. Participant F stated that:

Recently scrap prices have been down significantly, which has caused the balance to go much more. So the grant income verses business income has now skewed towards the grant income. And other times grant income is down and so the business income is a large part of it.

Although this is something out of the organization's control, the ability to rely on grants to supplement missing revenue from commodity sales, and vice versa the ability to rely on the business to supplement funding from the grants, is a feature RecycleForce has used, and continues to use, to adapt to fluctuating markets.

**Board and committees.** Tension resulting from the committees of the board occur when striking a balance between them. Although some board members, both past and present, wish to run the organization like a business, push back from other board members has kept and continues to keep the organization's social mission as its top priority. Participant E stated that:

In the early stages we had people that would lean towards the business side. And as we pushed to try to find balance, two of those board members resigned. As they began they could not get their heads around the social service side as we tried to make them equal. So today I think we're fairly balanced in making these decisions.

**Business supporting the social mission.** Later, when asked to clarify the responsibilities that board members had in ensuring the social mission, Participant E affirmed, "My goal as a board member is to make sure that the mission of helping these

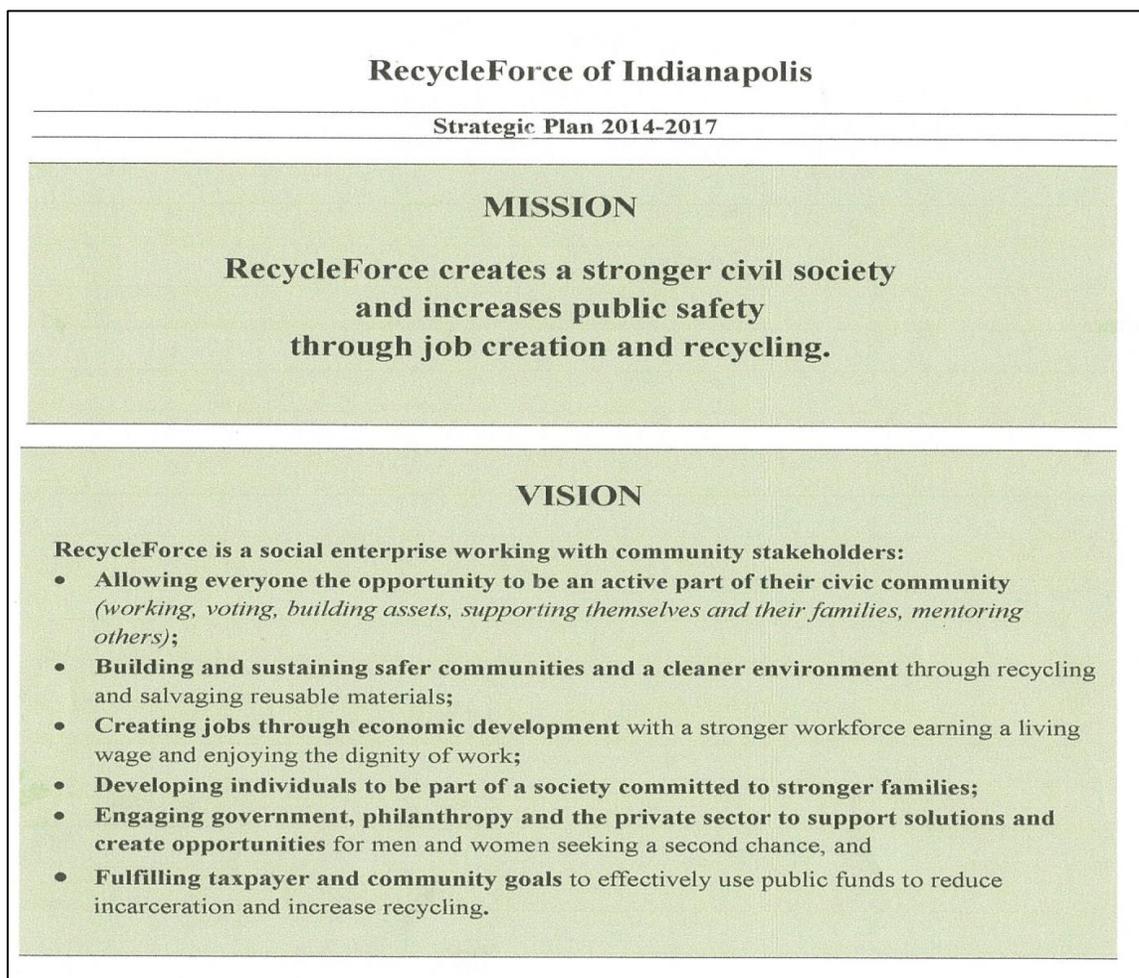
individuals and thus society is the primary goal. This has to be done in conjunction with good business practices.” This illustrates how the committees made ensured all the functions were in working order to enable the organization to keep its doors open and, to take the words from Participant H, “keep the organization’s primary focus on the social mission.”

The board and committees keep their priority on ensuring they can accomplish the social mission. Participant E stated, “they try to balance the business side with the social mission by making sure board members understand and remain focused on the social mission, and that their board committees are in tune with the social mission.” Because the board understood they “exist for the social mission, and [that] the business is there to help support the social mission” (Participant F), the subsequent committees are committed to “keep[ing] the social mission part going.” (Participant F) This highlights Participant D’s statement that “it’s all one program, it’s all one thing.” Because the organization relies heavily on grants, these committees invested time during meetings to review other possible grants and discuss where they were in the application process. Participant F stated:

I think it is very important that at each board meeting there is a discussion of not only what grants do we have, what grants have we applied for, but what other grants are out there and to make sure that staff is pursuing them aggressively to get those grants. And the board needs to get donors, to get out in the community

and find people who have been affected by incarceration and to get them to donate more.

Because accomplishing its social mission is the cornerstone of receiving grants, RecycleForce did not demonstrate or experience the predicted theme of mission drift. By integrating their social mission into their institutional values, RecycleForce ensured their organization, and the people who work there, are committed to providing the necessary skills, services, and support even when the market fluctuates. This enables the organization to not experience mission tension in relation to competing interests of developing individuals to be a part of society and creating jobs through economic development. The RecycleForce Strategic Plan in effect from 2014–2017 reiterates these primary concerns. Figure 8 depicts RecycleForce’s mission and vision as per their strategic plan, which helps establish the credibility and confirmability of the study’s findings that this organization does not experience mission drift or mission tension.



*Figure 8. RecycleForce Mission and Vision. “RecycleForce of Indianapolis: Strategic Plan 2014–2017”, by J. A. Antolin & J. Geltmaker, 2014, Indianapolis: Antolin & Associated Consulting. Copyright 2014 by RecycleForce. Reprinted with permission.*

**Balancing sustainable funding: Research Question 1 summary.** When analyzing the data, I found that although tension was experienced within the organization, the tension was not because of the social mission. I wish to be explicit in that the data did not reveal tension as part of the mission, but rather revealed tension with regard to funding and the committees of the board. Primarily, the tension revolves around the organization being able to maintain its own existence and thus being able to accomplish

its social mission. In speaking about this, Participant E mentioned that the organization is concerned “every single day” that a time will come when there will be no more RecycleForce. Participant E expand on that concern by stating, “every day I live in fear, every single day, that this will be the day that we can’t do it.” This resulted from the lack of city and state support for the services they provide, and Participant F expressed the sentiment that if they could acquire recognition for the money their organization saves both the city and state, they may be better able to maintain and sustain the organization’s existence.

Through cooperation and common goals, RecycleForce serves as a model for other embedded WISEs experiencing mission drift and mission tension. Their commitment to their institutional values of providing reintegration and skill development to an underserved community serves as a testament that other embedded WISEs can find a balance to the competing interests of business practices and social mission.

## **Research Question 2**

Why does an embedded nonprofit WISE experience mission drift and mission tension because of an emphasis on business goals? The overarching theme emerging from participants’ responses and that answered this research question was community impact and social change.

**Community impact and social change.** Because this organization does not experience mission drift or mission tension, I directed the question of why to focus on the expectation of such phenomenon to understand at large the reality of WISE

organizations, such as RecycleForce, in the midst of complex circumstances. I felt that to answer the second research question, there must be a full exploration into the circumstances surrounding these WISEs that promote both mission drift and mission tension within these organizations. By understanding some WISEs work within the criminal justice system and how they advocate for criminal justice reform, I clearly connected these contexts to why such enterprises are predicted to experience mission drift and mission tension, and answer an emerging question regarding why this specific organization remains true to its institutional values.

**Criminal justice system.** To say that RecycleForce is a “bit of an odd creature” (Participant D) would be to understate its unique positionality and existence, because it exists and is embedded in the criminal justice system but does not benefit financially in the services and investments they make in ex-offender communities. Despite that “the program is . . . most successful in [its] social mission” (Participant F), there is not any retribution from the local government or the state government in terms of contracts or grants. RecycleForce saves “the State and the County a significant amount of money each year,” but has not been recognized or acknowledged for the organization’s reduced recidivism rates or the organization’s provided services. Participant F stated

I think there are no other models like [RecycleForce] that combines one organization the business and the social mission. And as I said it appears from all the studies that we’ve seen that RecycleForce is doing a better job with its population in reducing recidivism than any other programs in the country. And

yet, it is not getting the recognition it needs. . . . So with proper recognition of what it does and the money it saves it really should be much more self-sustaining. But until that recognition and the money that flows from that recognition of what they do is financially supported by state and county governments, it's going to struggle.

With the city and state focused on prisons and incarceration, the complimentary services of reintegration and rehabilitation were not considered when deciding where funds should be directed. RecycleForce relied on federal grants as a major source of income, because a lack of support at the city and state level existed. At the level of local and state government oversight, both viewed RecycleForce in a similar manner as previous board members did—as just a business. Because of this view, both levels of government did not acknowledge RecycleForce as a WISE organization. They are not giving RecycleForce contracts, as they would a work release program. If both local and state governments would give the organization a contract for reintegration and rehabilitation, RecycleForce would have a secure source of funding and revenue outside of federal grants. The changing political climate in which the previous mayor committed money to the organization has affected that commitment of a more secure source of revenue.

Participant E explains

We (RecycleForce) are a part of the criminal justice system. We're trying to gain this contract that will allow us to employ and re-integrate several hundred people up to 300 people per year and so far all that funding is coming from the federal

government or national groups that want to see this work. . . . You know under the former mayor, Mayor Ballard if they put that jail in, there was going to be a ten million dollar set aside for us to try to help keep people out of jail, but that fell apart with the new mayor. . . . And, at the state level they're just not thinking this way yet. We are talking with the legislature, so we've had some interesting conversations (sigh) but, you know they're just not there yet. They're spending money on incarcerations and jail, not on the employment and reintegration side very much yet.

**Technical rules violations.** Participant E expressed a sense of frustration with the criminal justice system, which spends money on prisons and incarcerations, but does not provide funding to support reintegration services when these individuals are freed. The government does not fund this process because user fees are placed on individuals who were recently released and must participate in appointed court-mandated services. These mandates require ex-offenders to participate in anger management class or schedule drug test drop-offs, which contribute to escalating costs ex-offenders face. If they do not accomplish their court-ordered mandates, these individuals are charged with a technical rule violation. Participant E sums up his experience with working with the ex-offender community, stating when individuals are held responsible for such fees without also receiving a source of income, they may resort to prior methods of earning money that may have contributed to them being in jail. The participant suggested that I reach out to a

colleague of his, who is a civil court judge, stating he “would be a great interview” (Participant E).

He’s wonderful because he once made a great line. Half of the men in drug court sell drugs to pay for their drug treatment. Close to 80% of people have to hustle, uh you know, get drug money to pay for this stuff. So our system is run on dope money at some level.

Individuals who were able to seek placement in the RecycleForce program demonstrated the ability to make it through their mandates and pay their fees. This accomplishment occurred because ex-offenders had a reliable source of income that enabled them to pay their user fees. That reliable source of income made moving through the process of keeping up with court-mandated services smoother, without having to return to jail because of a technical rule violation.

If an ex-offender has a good job, then ex-offenders can afford to pay the user fees; however, without a job, many ex-offenders may resort to prior methods of money generation that influenced their incarceration in the first place. Participant E paraphrased his colleague’s comment about ex-offenders getting back into “sell[ing] drugs to pay for their drug treatment.” He also provided narrative to explain how user fees functioned within the criminal justice system.

Its share cropping; it’s a form of slavery, you know, you get in the system and you have to work for the man. If you're on work release you're paying \$100 to \$150 per week. If you’re on home detention you're paying \$85.00 per week. On top of

that you have to undergo random drug testing which costs \$13.50 per test. Most people are ordered into anger management or other types of classes which cost \$25.00 to \$50.00 per class. And if you don't have the money to pay for this you're deemed as if you failed the drug test or as if you're noncompliant in the court ordered mandate which puts you back into prison.

Participant E mentioned the prevalence of technical rule violations, and how these fines are often the backbone of the system's existence: "the system doesn't know how to exist without taking the money from the poorest people" (Participant E). Those who completed the program left with 17 certifications on various safety topics, which enabled them to be "one step ahead of that other person that's standing there that has nothing in their hands" (Participant G).

**Counseling and mentorship for ex-offenders.** As a part of the program, individuals are assigned mentors who are also ex-offenders, and who have helped build the organization. Combining this service with their employee assistance routes, Participant C expressed that both of these

Help to manage the social side which is about the barriers that ex-offenders need assistance to overcome, such as barriers to employment such as they may have an appointment set with a probation officer, they may have drug drops, they may have dependency issues, they may have a whole bunch of barriers.

Although the program is used to provide these services to as many individuals as possible, RecycleForce cannot take on some individuals because of enrollment or grant

restrictions. Staff members and board members often remember these individuals and expressed concern about their reintegration process. Participant A stated

I mean, and my only concern is what happens to the people that don't make it into this program that are being released. Where are they so they don't have a handout but a hand up. So that's my frustration. How can we help more people?

**Recidivism.** Individuals who completed the RecycleForce program have significantly lower rates of recidivism—less than 18% for the company. Participant C stated

We're helping society by hiring more ex-offenders which it becomes a public safety issue cause if individuals do not have jobs then they you know they're gonna go out and commit more crime. So part of our mission is to help ex-offenders which is ultimately helping the community and neighborhoods. . . . It reduces the recidivism rate. So what we're doing with the social enterprise and peer modeling group tremendously has an impact on the recidivism rate. Our rate is about 17.1% versus the nation at 51%, or 52%.

This was directly related to the services this organization provided in reintegrating these ex-offenders in society. These services were different from services offered by half way houses, which only provided housing and job placement. RecycleForce offers peer mentoring and counseling services to all ex-offenders in the reintegration program as an additional layer of support.

Participant B recounted his own experience working with individuals in half way houses and noted the difference between those services and the services RecycleForce provides to ex-offenders. He stated, “virtually all of [those] people [who were at the half-way house] went back to prison and usually in a very short time.” He believed this occurrence was a result of the lack of comprehensive services provided through the halfway house. Participant B acknowledged, “the job was important but it’s not as important as the understanding of what it means to be a good citizen,” which is the difference RecycleForce offers to recent ex-offenders. He continued and shared

So many of these people also need some spiritual infusion so that they can change from the inside out, because just a place to live, and just a job . . . that is not enough. So the kind of counseling that we offer the ex-cons when they come to work for us in helping them to understand that this is the amount of money that they make. It has to be used to take care of their responsibilities they have in paying the court, paying child support, taking that further and being a good father and husband. All of those things, they usually need counseling on because they come from a background that is pretty void of any good role models and good methodology in living.

**Community impact and social change: Research Question 2 summary.** The community of ex-offenders benefited from the services RecycleForce provide, and subsequently the city and the state benefitted from these ex-offenders’ successful reintegration as a productive member and a good citizen of society. RecycleForce offers

the opportunity through transitional job opportunity for ex-offenders to have “a fighting chance to . . . be stable.” (Participant E). RecycleForce promotes changed behaviors in ex-offenders and helps these individuals develop valuable skills that the ex-offenders can apply to their lives and their work.

### **Document Analysis**

To determine mission drift, I checked for (a) how funds were allocated (how much money was diverted from mission goals), (b) how time was apportioned (the amount of time diverted from mission goals), and (c) how energy/effort was given (the amount of energy/effort diverted from mission goals). To determine mission tension, I checked for (a) how diverted funds from mission goals strained mission goals, (b) how diverted time from mission goals strained mission goals, and (c) how diverted effort/energy from mission goals strained mission goals. During document analysis, I found the overarching themes of balancing sustainable funding and community impact and social change were supported by the review.

The following is an overview of the documents reviewed in conjunction with the data. This occurred to triangulate the empirically based codes, categories, and themes with publically available documents ensuring that this information aligned. These documents included the Strategic Plan Effective 2014–2017, Board Agenda June 2015, and Annual Reports FY 2009–2014. I analyzed these documents using an assessment protocol (see Appendix D) to determine whether mission drift and mission tension was

evident within the documents. No evidence of mission drift or mission tension existed within the publicly available documents.

**Strategic Plan Effective 2014–2017.** The strategic plan effective 2014–2017 provides an overview of the goals RecycleForce aims to achieve. These goals enable and give RecycleForce the opportunity to provide the best services to formally incarcerated individuals while also being able to meet their operating costs and generate a revenue. The goals are summarized into four areas with appropriate subheading for areas to address and the ways that these can be accomplished (RecycleForce 2014-2017 Strategic Plan, pgs. 7-12).

1. Recycle, Reduce, Reuse
  - a. Increase market position as recycler with 15% market share in Indiana
    - i. Marketing to businesses
    - ii. Bidding on direct contract work
    - iii. Does this involve dedicated sales staff?
    - iv. More space or additional equipment?
  - b. Expand public recycling volume in Midwest by 5000 tons per year
    - i. Increase non-electronic recycling by 50%
    - ii. Does this involve
      1. More space?
      2. More logistic capacity?
      3. Additional equipment?
      4. Additional sales staff
      5. How markets will be targeted
  - c. Geographic expansion of RecycleForce (RF) to three Standard Metropolitan Areas (SMAs) once mandatory recycling is law
    - i. Establish criteria for communities to expand to
    - ii. Identify churches and solid waste districts communities in each SMA area to target for marketing
    - iii. Develop operational plan that can be implemented quickly to expand capacity
      1. Who will be accountable?
      2. What capital or equipment or facility is needed?

3. Which staff and peers can move to this effort/site?
- iv. Hire/contract staff to be focused on law passage and/or to serve as RecycleForce liaison to local governments who can contract
- d. Launch marketing and sales plan by Jan 2015 positioning RF as a regional recycler
  - i. Develop a shared understanding of the targeted region and what metrics represent being a regional recycler
  - ii. Develop a cost model for the work (plus contingencies) to inform bid/sales process
  - iii. Continue to expand franchise expansions to achieve triple bottom line in those communities if there is opportunity to achieve outcomes, ROI for the government and RF, and likelihood of sustained success in that market
  - iv. Differentiate RF from other recyclers
    1. Implement communication strategy to two audiences (potential direct customers and public stakeholders) to differentiate RF from other recycle companies and service agencies
    2. Increase local governmental alliances differentiating RF as economic development and reentry social enterprise
2. Create Jobs, Build a Future
  - a. Identify and establish new business lines that create jobs and revenue at or above unit cost
    - i. Create staff/board process to identify and establish new business lines (logistics, timetable, capital needs, performance projections)
    - ii. Prioritize what is most doable from existing staff and resources (including investors) and has the best projected returns
    - iii. Identify the possible additional business lines, scan competition, assess market for sales or revenue and the number and skills of jobs for workers
  - b. Achieve or exceed Revenue Projections reflecting:
    - i. Revenues from all sources to cover unit cost of workers, management and fiscal overhead, sales, logistics, social services, and peer mentors
    - ii. An annual 5-10% net revenue for operating funds and future expansion
  - c. Achieve retained employment goals of one year for 60% of workers
    - i. Transitional job completion by 85% of workers
    - ii. Unsubsidized placement rates of 60%

- iii. Temp job placement for 40% of workers (40% is part of the 60% above)
- iv. Retention in employment (even with multiple employers) of a year for 40%
- v. Stable income (includes income supports) is a possible measure
- vi. Deliver improved work-focused social services to increase the percentage
- vii. Establish improvement on the metrics each year until the goal is reached
- d. Create jobs
  - i. For 200 in 2014
  - ii. Increasing the number of jobs by 5 to 10% workers each year
- e. Define role of Alternative staffing companies
  - i. Develop framework and contract for partnership with Keys to Work
  - ii. Identify other temporary staffing service needs and potential partnerships
  - iii. Identification of appropriate job placements
  - iv. Integration of service model with partner staffing firms
- 3. Increase Safety and Stability
  - a. Deliver effective services reflecting consistent theory of change and service delivery model
    - i. Define value of intake assessment and services with a work focus
    - ii. Train peers with use of motivational interviewing and mentoring
    - iii. Define expectations of service staff
  - b. Interrupt violence (increase safety) with 80% not charged with new crimes
    - i. Track and report on numbers convicted of new crimes
    - ii. Document stable housing
    - iii. Health literacy (understanding own role in prevention/wellness, behavioral health referral)
    - iv. Child Support
      - 1. Current
      - 2. Reduction in arrears (modifications and payments)
      - 3. Pilot programs to incent payments to child account
    - v. Employment certifications earned (document connection to employment)
    - vi. Asset building (becoming banked, own tools, homeowner, savings account for worker or child- this may be long term)
  - c. Reduce 24 month Return to Prison from more than 50% to less than 25%

- i. Assess value of MDRC results to inform program and marketing for Social Impact Investing and Social Impact Bonds
  - ii. Annually update and publicize RF Return to Prison Rate
  - iii. Document parole alternative to return to prison rates
  - iv. Report on outcomes as a semi-annual email blast update to stakeholders and decision makers
- 4. We Are All In It, Do it Well or Competence, Integrity, and Effort Create Impact
  - a. Increase governmental funding (diversion, social impact, local) to 50% of total budget revenue
    - i. Social Impact Investing and Social Impact Bonds
    - ii. ROI to Department of Corrections
    - iii. Advocate for mandatory recycling with preference for non-profit social enterprise
    - iv. Federal advocacy
    - v. Pilot child support innovations
    - vi. Seek economic development funding with new business lines
  - b. Diversify (private and philanthropic) income streams to \$3m per year
    - i. Grant funding
    - ii. Program related investments
    - iii. Angel investor
    - iv. Startup capital investments
    - v. Tax Credit financial for facility expansion
  - c. Further evolve unified fiscal analysis (informing a shared understanding and presentations for sales, investors, proposals, government contracts, board reports)
    - i. Define staff cost in terms of pounds of material processed to create framework for bidding on projects
    - ii. Define expected level of expenses to be covered by revenue to define public and philanthropic goals
    - iii. Plan for return on investment if direct private investment
    - iv. Define data for counterfactual and for outcomes to support government payment to investors in social impact bond
    - v. Develop experientially informed revenue projections (i.e., not straight line) as targets that are reports to CEO (monthly) and Board (quarterly)
  - d. Grow staffing as funded to fill priority (sales to get product, selling materials, social services, management)

- i. To expand fundraising staff to achieve private and public funding goals as they develop relationships, write grants and reports, and support senior leadership
- ii. Expand sales/marketing staff to achieve sales targets
- iii. To expand the outcomes measurement and tracking staff
- iv. Add social service staff to meet fidelity to design
- v. As job creation to perform expanded work
- vi. Expand staffing as needed/supported for the indirect management functions
- e. Develop leadership with formal coaching to support expansion and succession
- f. Continue Board Development
  - i. Increasing financial investment, fundraising, or
  - ii. Business development and oversight (not day-to-day decision-making as implied in the IACED report)
  - iii. Governance role with expansion sites

Multiple codes, categories, and themes emerged from the strategic plan, such as diversify income streams to \$3 million per year, which identifies grant funding as a subheading underneath its own topic directly related to the category funding, made up of the code grant vs. business/recycle.

The organization apportioned time to discussing the mission goals and steps to achieve those goals, along with goals as far as being able to expand the business into other areas and how to keep RecycleForce financially afloat. It appears the organization will distribute an adequate amount of time between both the mission goals and the business goals, without one superseding the other. Because of those aspects, this document verifies RecycleForce does not experience mission drift or mission tension.

**Board Agenda June 2015.** The board agenda outlines a total of 13 points of discussion:

1. Call to order
2. Presentation on Mickey's Camp
3. Introduction of Board Member
4. Minutes from both April 3rd and February 2nd meeting
5. Financial Review/Financial Committee Report
6. Program Committee Report
7. Fundraising Updates
8. Environmental Committee Report and suggestions for what happens with the committee going forward
9. Update from Board Members- reflections from the week
10. Reflections on current board structure and open positions
11. Conflict of Interest
12. Any other business
13. Next Full-Board Meeting- August 7th 2015

This board meeting agenda does not include an in-depth description of what the concluding comments were from the meeting and instead provides a basic outline of the topics discussed. Because the document includes a detailed breakdown of what RecycleForce hopes to achieve in the strategic plan, and because this board meeting agenda falls within the timeframe the strategic plan was in effect, one can assume the organization addressed the topics found in the strategic plan. Despite this, one cannot assume which topics will be applicable to this particular board meeting agenda. The

organization spent enough time on all topics brought up during this board meeting agenda to confirm that this document verifies RecycleForce does not experience mission drift or mission tension.

**Annual Report FY 2008–2009.** RecycleForce Annual Report (2009) includes the president’s comments about multiple transitional job opportunities, the effect of adequate income in recidivism, and “a strong blend of wraparound support services.” He stated RecycleForce is an “organization [that] can make a difference for taxpayers, our region’s economy, and for our people by developing and implementing solutions to very complex issues.” RecycleForce has done this by providing transitional jobs as a social enterprise to recently released offenders “to reduce the scourge of recidivism” (p. 3).

He talked about the effect being able to generate an income has on reducing recidivism and cited a study by the Indiana Department of Corrections. This study shared, “Those who become employed immediately upon release and earn at least \$5,000 in the first six months after release are 40% less likely to be returned to prison.” However, he mentioned money is not the only aspect that recently released offenders need assistance with, and shared “housing, mental health, family and community issues” were aspects individuals needed assistance with as well. This is why RecycleForce stated they provide “a strong blend of wraparound support services” to address all aspects that recently released offenders need to become productive citizens and positive community members.

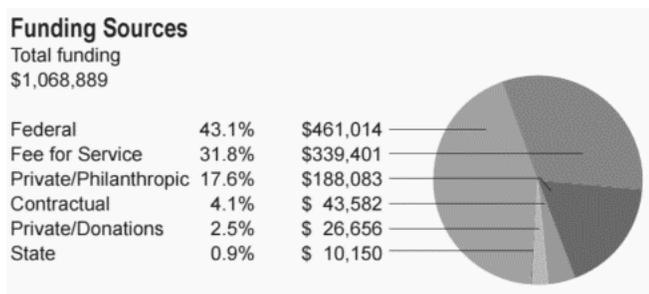
As demonstrated, the organization gave a significant amount of energy and effort toward the social mission and the subsequent goals. Because RecycleForce has kept itself

financially afloat through grants, contracts, and revenue, the way in which they allocate those funds are primarily for paying wages for their staff and participants of the work reintegration services. This further established RecycleForce does not experience mission drift or mission tension.

Figure 9 depicts where the organization allocated expenses. Figure 10 demonstrates the RecycleForce's 2008–2009 FY funding sources between grant revenue, recycling sales, contracts, and donations.

<b>Expenses</b>	
Accounting	\$ 9,600
Audit	19,000
Board Meetings	2,500
Commissions	12,000
Computer Support	1,965
Consulting	6,000
CRT Disposal	141,843
Dues and Subscriptions	1,000
Equipment Maintenance & Repair	26,800
Freight & Shipping	16,000
Insurance	18,888
Interest Expense	5,000
Legal Counsel	2,500
Marketing	5,553
Office Supplies	4,000
Payroll:	
Staff	404,773
Fringe (28.36%)	114,794
Participant Wages	531,601
FICA, FUTA, SUTA, Workers Comp (21.3%)	113,231
Postage & Delivery	300
Printing	1,000
Public Relations	3,000
Rent	33,000
Special Events	1,000
Telephone	4,430
Tools & Materials	13,368
Travel	3,500
Truck Fuel	5,700
Work Supports	20,000
<b>Total Expenses</b>	<b>\$1,522,346</b>

*Figure 9.* RecycleForce's FY 2008–2009 expenses. RecycleForce, 2010, <http://www.recycleforce.org/images/uploads/2009%20WorkForce%20Annual%20Report.pdf>. Copyright 2011 by RecycleForce. Reprinted with permission.



*Figure 10.* RecycleForce’s FY 2008–2009 funding. RecycleForce, 2010, <http://www.recycleforce.org/images/uploads/2009%20WorkForce%20Annual%20Report.pdf>. Copyright 2011 by RecycleForce. Reprinted with permission.

**Annual Report FY 2009–2010.** RecycleForce Annual Report (2010) includes the president’s comments about the federal grants they received, the loans and investments they obtained, and an understanding of the child support, enforcement system. He mentioned RecycleForce won the Social Innovation Award in late 2009 and the Sustainability Award from the City of Indianapolis. RecycleForce was able to renew their previous contract with the City’s Tax Drop program and they won “two federal grants, the Job Opportunities for Low Income Workers and the Community Economic Development” (p. 3)

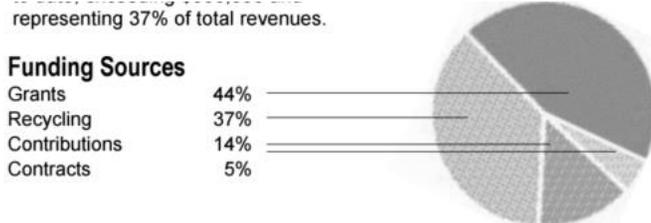
The organization received a large loan and invested into a “sophisticated recycling equipment that has more than double[d] the volume of e[lectronic] waste” RecycleForce can process” (p. 5). He acknowledged “there are many things to be proud of but RecycleForce’s greatest accomplishment is our improved understanding of the child support enforcement system” (p. 3) for this fiscal year. They had an invested interest in this because they realized “that to improve family formation and increase the

opportunities for our employee's children, we needed to better understand the child support system" (p. 3).

As illustrated by the president of RecycleForce's statement, RecycleForce exerts an enormous amount of energy in providing for its social mission, while also improving their ability to generate revenue. Figure 11 demonstrates how expenses were allocated in the FY 2009–2010. Figure 12 illustrates RecycleForce's FY 2009–2010 funding sources between grant, recycling revenue, contributions, and contracts.

<b>Expenses</b>	
Advertising	2,233.25
Bank Service Charges	317.00
Board Meetings	822.22
Charitable Contributions	450.00
Commissions Paid	1,690.00
CRT Disposal	9,902.80
Depreciation Expense	13,969.00
Dues and Subscriptions	823.39
E-Scrap Purchases	1,200.00
Employee Benefits	34,439.09
Equipment Expense	20,701.13
Gross Wages - Hourly	342,502.64
Gross Wages - Salary	387,610.59
Insurance	13,175.51
Interest Expense	5,976.31
Licenses and Permits	260.75
Marketing/Media Relations	3,457.70
Membership Dues	1,386.75
Miscellaneous	7,664.90
Office expense	1,150.00
Office Supplies	7,814.00
Payroll Admin Fee	31,254.07
Payroll Expenses	84,483.64
Postage and Delivery	412.34
Printing and Reproduction	1,767.87
Professional Fees	128,701.90
Program Expense	11,432.84
Rent	6,925.00
Shipping Expense	11,460.00
Staff Special Service Award	2,671.00
Supplies	2,976.92
Telephone	3,401.37
Tools/Materials	22,927.30
Training and Registration	200.00
Travel	24,240.18
Truck Expenses	10,265.90
Truck/Van Rental	16,612.23
Uniforms	4,953.40
Utilities	8,775.42
Workers Comp/Risk Mgmt	46,482.88
<b>Total Expenses</b>	<b>\$1,277,491.29</b>
<b>Net Excess Revenue (Expenses)</b>	<b>\$177,061.43</b>

*Figure 11.* RecycleForce's FY 2009–2010 expenses. RecycleForce, 2011, from <http://www.recycleforce.org/images/uploads/RecycleForce2010.pdf>. Copyright 2011 by RecycleForce. Reprinted with permission.



*Figure 12.* RecycleForce’s FY 2009–2010 funding. RecycleForce, 2011, <http://www.recycleforce.org/images/uploads/RecycleForce2010.pdf>. Copyright 2011 by RecycleForce. Reprinted with permission.

**Annual Report FY 2010–2011.** RecycleForce Annual Report (2011) includes a message from the president about the multiple times they received national exposure and about their new federal grant and the statistics regarding the material waste the United States produces. He stated RecycleForce was put “on a national stage related to social enterprise and re-entry” when the organization was awarded with “the U.S. Department of Labor for the Enhanced Transitional Jobs Demonstration grant” (p. 3). This was only compounded by their additional exposure “through Green For All, Social Venture Network, RSF Social Finance and many others” (p. 3). Because of this, RecycleForce has “become the go-to organization for social enterprise around re-entry, not only in Indianapolis, but also across the country” (p. 3). The president shared that the United States “has around 5% of the world’s population, yet it consumes 25% of the world’s resources” (p. 4). Comparatively, he stated that the same numerical representation speaks to how the United States “makes up 5% of the world’s population, yet it houses 25% of the world’s prison population” (p. 4). He acknowledged these rates demonstrate “a startling imbalance and profligacy and that this is unsustainable and must be reversed” (p. 4). He shared the mounting cost of incarcerating individuals for technical rule violations

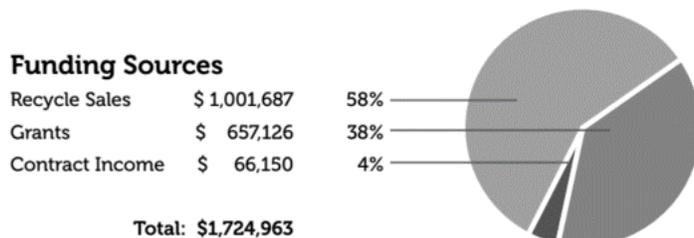
costs “\$25,000 per year to keep each individual locked up” (p. 4). The president felt “we can do a better job of shepherding our resources and change this relationship of five and 25 that represent the numbers between the U.S. population and both material waste and social waste.”

As illustrated above by the statement from the president, a significant amount of energy and time is dedicated toward the social mission and accomplishing the mission goals. Figure 13 shows RecycleForce’s FY 2010–2011 expenses paid out, and resulting profit. These expenses displayed the organization’s biggest financial expenses resulted from wages, hourly and salary, and consulting.

<b>Expenses</b>			
Advertising	\$1,375.00	Professional Fees	\$6,197.99
Bank Service Charges	\$4,564.00	Accounting	\$27,695.00
Board Meetings	\$4,147.00	Computer Support	\$2,792.53
Charitable Contributions	\$464.00	Consulting	\$56,408.62
Commissions Paid	\$1,565.55	Contract Labor	\$9,850.00
CRT Disposal	\$30,736.38	Legal Fees	\$951.00
Depreciation Expense	\$31,786.00	Public Relations Services	\$375.00
Dues & Subscriptions	\$500.36	Program Expense	\$4,868.30
E-Scrap Purchases	\$13,410.41	Rent	\$54,345.66
Employee Benefits	\$34,774.78	Shipping Expense	\$10,301.67
Equipment Expense	\$21,622.81	Staff Special Service Award	\$1,596.47
Gross Wages-Hourly	\$398,162.94	Supplies	\$378.90
Gross Wages-Salary	\$472,520.63	Telephone	\$2,872.44
Insurance	\$27,437.42	Tools/Materials	\$50,711.25
Interest Expense	\$36,804.00	Training and Registration	\$975.47
Janitorial	\$4,877.67	Travel	\$5,175.79
Licenses & Permits	\$658.53	Meals	\$13,604.86
Marketing/Media Relations	\$3,758.59	Mileage reimbursement	\$4,939.67
Membership Dues	\$2,489.00	Travel	\$21,052.71
Miscellaneous	\$1,421.21	Fuel	\$16,952.77
Office expense	\$800.00	Maintenance	\$3,173.18
Office Supplies	\$6,176.24	Repair	\$2,865.55
Payroll Admin Fee	\$34,113.45	Truck/Van Rental	\$17,477.91
Payroll Expenses	\$71,870.18	Uniforms	\$6,695.79
Postage and Delivery	\$797.88	Utilities	\$684.20
Printing and Reproduction	\$1,697.00	Electric	\$2,871.88
		Trash	\$3,420.53
		Workers Comp/Risk Mgmt	\$62,298.84
		Loss on Disposal of Assets	\$12,691.00
		<b>Total Expenses</b>	<b>\$1,612,415.00</b>

*Figure 13.* RecycleForce’s FY 2010–2011 expenses. RecycleForce, 2012, [http://www.recycleforce.org/images/uploads/RecycleForce2011\\_annual\\_report.pdf](http://www.recycleforce.org/images/uploads/RecycleForce2011_annual_report.pdf). Copyright 2011 by RecycleForce. Reprinted with permission.

Figure 14, below, depicts RecycleForce’s 2010-2011 FY funding sources from grants, recycling revenue, and contracts.



*Figure 14.* RecycleForce’s FY 2010–2011 funding. RecycleForce, 2012, [http://www.recycleforce.org/images/uploads/RecycleForce2011\\_annual\\_report.pdf](http://www.recycleforce.org/images/uploads/RecycleForce2011_annual_report.pdf). Copyright 2011 by RecycleForce. Reprinted with permission.

**Annual Report FY 2011–2012.** RecycleForce Annual Report (2012) includes the president’s remarks about the criminal justice program and the federal grant the organization was awarded the prior year. Involved in this grant was an evaluative component with “MDRC, one of the country’s premier research firms” (p. 3). This component seeks to evaluate the “project impacts to identify effective programs and/or strategies to reduce recidivism and help those coming home [from prison or jail] to become productive citizens in their community” (p. 3). Because of this grant, RecycleForce has been able to rely on the grant revenue, as opposed to the prior year’s fiscal year that relied more heavily on the recycling sales than the grant revenue.

The president of RecycleForce once again identified “technical rule violations is the number one reason ex-offenders end up back in jail or prison” (p. 3). Because of this, RecycleForce developed a “relationship with the correctional oversight agencies that has provided the opportunity to work with the courts and oversight officers to help prevent a

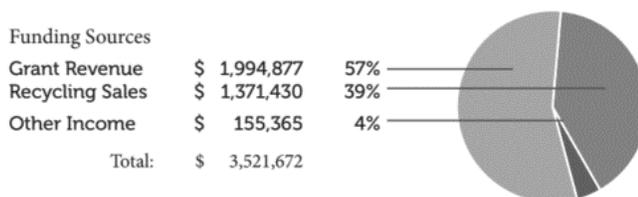
violation before it occurs” (p. 3) and before recently released offenders are sent back to jail or prison.

Starting with this FY, RecycleForce no longer provides an itemized expense report as a part of their annual report. Based on the statement from the president of RecycleForce, a lot of energy seems to be placed on accomplishing this WISEs social mission and mission goals. As a result, RecycleForce does not show evidence of experiencing mission drift or mission tension. Figure 15 displays their fiscal dashboard as it appears on their FY 2011–2012 annual report. Figure 16 displays RecycleForce’s FY 2011–2012 funding sources from grant revenue, recycling sales, and other sources of income.

Fiscal Dashboard (as of 6/30/2012)

Income Statement		Balance Sheet	
Revenues	\$3,521,000	Assets	\$1,107,531
Expense	\$3,326,770	Liabilities	\$1,039,773
Gain/(Loss)	\$ 194,230	Long-term Debt	\$ 735,016

*Figure 15.* RecycleForce’s FY 2011–2012 fiscal dashboard. RecycleForce, 2013, [http://www.recycleforce.org/images/uploads/RFAnnual\\_Report\\_2012.pdf](http://www.recycleforce.org/images/uploads/RFAnnual_Report_2012.pdf). Copyright 2011 by RecycleForce. Reprinted with permission.



*Figure 16.* RecycleForce’s FY 2011–2012 funding. RecycleForce, 2013, [http://www.recycleforce.org/images/uploads/RFAnnual\\_Report\\_2012.pdf](http://www.recycleforce.org/images/uploads/RFAnnual_Report_2012.pdf). Copyright 2011 by RecycleForce. Reprinted with permission.

**Annual Report FY 2012–2013.** RecycleForce Annual Report (2013) includes comments about the federal grants they received but also a reiteration of their purpose as a social enterprise. He shared that the organization makes itself a premier reintegration program by “reduc[ing] recidivism and us[ing] public and private funding effectively and efficiently” (p. 2). RecycleForce proves they “can be a smart use of tax dollars and help local and state government reduce the spiraling cost of incarceration” (p. 3), by providing transitional jobs of ex-offenders leaving prison.

Because they help ex-offenders make it through their required court-ordered mandates, individuals who finish the program not only leave RecycleForce able to move into a job where they are capable to work full-time, but they also leave with more than 15 certifications. This enables those individuals to step into the working world as skilled and trained workers, which gives them the advantage to earn more compared to those who do not go through the program. The president reported the ETJD grant allowed RecycleForce to employ “504 formally incarcerated individuals” (p. 3). In doing so, he shares that they, meaning RecycleForce, “have positively impacted public safety and helped these individuals reconnect with their families and community” (p. 3). These mentions further the credibility of the eight participant responses, especially concerning the effect the organization has on the surrounding community and the necessity for permanent funding. Doing so would ensure the organization is equipped to provide the services and training needed by formerly incarcerated individuals.

Based on the statements from the president of RecycleForce, a lot of time and energy was spent on meeting the organization's social mission and mission goals. As a result, there does not seem to be any mission drift or mission tension experienced by this embedded, nonprofit, WISE. Figure 17 depicts RecycleForce's FY 2012–2013 fiscal dashboard. Figure 18 showed RecycleForce's FY 2012–2013 funding between the recycling sales and the grant revenue.

### **Fiscal Dashboard**

(as of 6/30/2013)

#### **Income Statement**

Revenues	\$ 6,020,565
Expenses	\$ 5,591,383
Gain/(Loss)	429,182

#### **Balance Sheet**

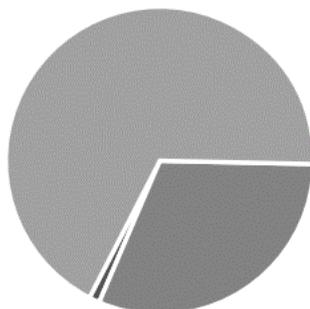
Assets	\$ 1,648,743
Liabilities	\$ 1,224,279
Long-term Debt	\$ 816,653

*Figure 17.* RecycleForce's FY 2012–2013 fiscal dashboard. RecycleForce, 2014, [http://www.recycleforce.org/images/uploads/RecycleForce2013-APR14\(final\).pdf](http://www.recycleforce.org/images/uploads/RecycleForce2013-APR14(final).pdf). Copyright 2011 by RecycleForce. Reprinted with permission.

### Funding Sources

Grant Revenue	\$ 4,085,959(68%)
Recycling Sales	\$ 1,868,054 (31%)
Other Income	\$ 66,562 (1%)

**Total: \$ 6,020,575**



*Figure 18.* RecycleForce’s FY 2012–2013 funding. RecycleForce, 2014, [http://www.recycleforce.org/images/uploads/RecycleForce2013-APR14\(final\).pdf](http://www.recycleforce.org/images/uploads/RecycleForce2013-APR14(final).pdf). Copyright 2011 by RecycleForce. Reprinted with permission.

**Annual Report FY 2013–2014.** RecycleForce Annual Report (2014) includes the message from the president that covered the current state of affairs that directly correlated to the data driven codes. He mentioned how within the FY 2013–2014 the organization “lost or received reduced funding from a series of foundation grants, both local and national” (p. 4). This loss was compounded by both plummeting commodity prices and the organization not receiving a federal contract. He stated this “put RecycleForce in a difficult position” (p. 4); however, the RecycleForce team stepped up in taking “pay cuts ranging from 5 to 10%” (p. 4).

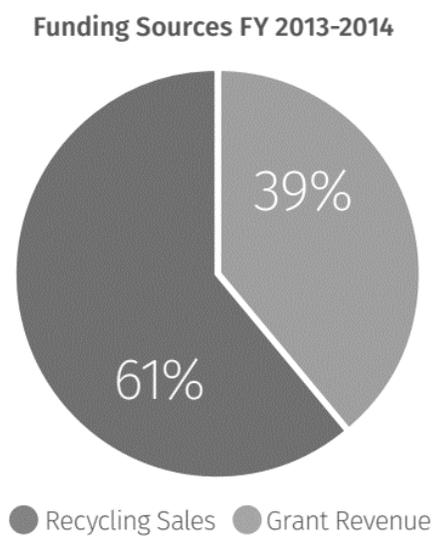
The president stated RecycleForce was able to “stave off disaster” and reposition themselves in the upcoming year to “find where RecycleForce fits in the local criminal justice system” and “find a permanent source of funding from state and local sources”

(p. 4). The organization recognizes the challenge that lies ahead of them, however they also acknowledge, “we (RecycleForce) have been tested and came out stronger” (p. 4).

Based on the statement of the president of RecycleForce, the organization does not experience mission drift and mission tension. Figure 19 depicts RecycleForce’s FY 2013 fiscal dashboard. Figure 20 displays RecycleForce’s FY 2013–2014 funding between the recycling sales and the grant revenue.

Fiscal Dashboard (as of 6.30.2014)
<b>Income Statement</b>
• Revenues \$5,517,348
• Expenses \$5,427,328
• Gain/(Loss) \$90,020
<b>Balance Sheet</b>
• Assets \$1,673,671
• Liabilities \$1,181,506
• Long-Term Debt \$785,513

*Figure 19.* RecycleForce’s FY 2013–2014 fiscal dashboard. RecycleForce, 2015, [http://www.recycleforce.org/images/uploads/RecycleForce2014\\_Report\\_FINAL.pdf](http://www.recycleforce.org/images/uploads/RecycleForce2014_Report_FINAL.pdf). Copyright 2011 by RecycleForce. Reprinted with permission.



*Figure 20.* RecycleForce's FY 2013–2014 funding sources. RecycleForce, 2015, [http://www.recycleforce.org/images/uploads/RecycleForce2014\\_Report\\_FINAL.pdf](http://www.recycleforce.org/images/uploads/RecycleForce2014_Report_FINAL.pdf). Copyright 2011 by RecycleForce. Reprinted with permission.

### Summary

In Chapter 4, I described the analysis technique and interpretation of resulting data. To answer the first research question, I thematized the relevant codes into categories, which were funding, balance, and sustainability, into the superordinate theme of balancing sustainable funding. This theme provided the empirically driven answer to the first research question about an embedded, nonprofit WISE's experience with mission drift and mission tension. I was able to break down the sources of tension between the categories of funding, coded as grants vs. business/recycling, and balance, coded as board/committees and business vs. social mission. Although numerous participants reiterated key topics, the emergence of one specific category led me to believe if I had been able to recruit more participants, complete data saturation would have been

achieved. Despite the small target population of both board members and staff members who met the qualifying criteria, I was able to incorporate the emerging category of community and social impact into a superordinate theme of community impact and social change that encompassed another relevant category of services provided. This superordinate theme of community impact and social change became the answer to the second research question. By systematically moving through the data to yield the empirically based themes, I was able to explore the discrepancies between the expectant and empirical themes. While comparing the expectant themes to the empirical themes, I was able to identify themes that not only answered the questions, but also framed the questions in the expectation of the two phenomena of mission drift and mission tension.

I found RecycleForce did not demonstrate an experience of mission drift or mission tension, and was able to identify why an expectation of those two phenomena exist. The resulting analysis provided both the answers to the research questions and an answer to the emerging question of why RecycleForce has remained committed to its institutional values. I found RecycleForce integrated their social mission into their institutional values, which enabled RecycleForce to apply for federal grants and to maintain itself as a social enterprise. I also found the current circumstances surrounding RecycleForce, such as its existence in the criminal justice system and lack of city or state support, are only overcome through their dependence on federal grants and commodity sales. These findings were triangulated with the publically available archival documents,

which supported the resultant themes. Within the next chapter, I provide a further in-depth discussion of the findings and results of the study.

## Chapter 5: Findings, Discussion, Recommendations

### **Introduction**

The purpose of the qualitative exploratory case study was to investigate how and why an embedded, nonprofit, WISE experienced mission drift and mission tension because of business goals. This study was necessary because more nonprofit organizations are engaging in for-profit business strategies to sustain their programs and because little is known about mission drift and mission tension in embedded, nonprofit WISEs.

The literature revealed several claims about mission drift and mission tension in nonprofit social enterprises. Scholars contend the main risks for nonprofit social enterprises were mission drift and mission tension where focus and dependence is on commercial income and less focus is on purpose, clients, and mission (Cornforth, 2014; Ebrahim et al., 2014; Eikenberry, 2009; Young et al., 2010). Although these claims focus on mission drift and mission tension in social enterprises in general, more research is needed regarding these assertions and embedded, nonprofit WISEs. The particular risk for nonprofit embedded WISEs stems from their organizational nature, that social mission and business endeavors are contained within one organizational structure, and that pressures to conform to differing institutional norms would generate mission drift and mission tension (Pache & Santos, 2013; Smith et al., 2013).

I designed the following questions to explore mission drift and mission tension in the embedded WISE, RecycleForce.

RQ1: How does an embedded nonprofit WISE experience mission drift and mission tension because of an emphasis on business goals?

RQ2: Why does an embedded nonprofit WISE experience mission drift and mission tension because of an emphasis on business goals?

### **Interpretation of the Findings**

As outlined in Chapter 4, two primary themes emerged from the data, which answered one of the research questions. Balancing sustainable funding answered the first research question of how an embedded WISE experiences mission drift and mission tension because of an emphasis on business goals. Community impact and social change answered the second research question regarding why an embedded WISE experiences mission drift and mission tension because of an emphasis on business goals.

#### **Balancing Sustainable Funding**

I determined through the interview process of staff and board members, and from the examination of organizational documents, RecycleForce does not experience mission drift or mission tension. As revealed in Chapter 4, one overarching theme, balancing sustainable funding, was created from the categories funding, sustainability, and balance. This theme emerged throughout participant responses and from the analysis of organization documents. The deeper relationship of balancing sustainable funding was evident throughout the individual codes, which were primarily concerned with the balance of seeking the resources and revenues so that RecycleForce could keep its doors

open while also applying for local, state, and federal grants to provide services that aligned with the organization's mission and vision.

Several factors contributed to the emergence of this theme and to the reason why RecycleForce does not experience mission drift and mission tension. One factor is the ability of the organization to balance business goals with mission goals. A staff member referred to balancing business and mission goals as a “juggling act” (Participant C). Employing and working with as many ex-offenders as possible while generating business income through recycling requires constant attention to both employee concerns and the market for recyclable material (RecycleForce, 2008–20015). For staff to make sure the mission of employing as many ex-offenders as possible is kept as a priority, the staff holds frequent production team meetings to help forecast the availability of recyclable materials and to predict commodity prices. When commodity prices for scrap materials are low, which negatively affects business revenue, staff seek grants to help offset low commodity prices and to continue employing as many ex-offenders as possible. This approach to balancing business endeavors and mission goals is effective for RecycleForce (RecycleForce, 2008–2015). Participant A stated, “The ultimate goal at the end of the day is to assist as many people as you can.” This finding supports the literature in that sustaining a social enterprise involves a dynamic process requiring balancing sources of funding (Bull & Crompton, 2006).

Another factor that contributed to no mission drift and mission tension is the ability of RecycleForce to sustain its mission while facing fluctuating income

(RecycleForce, 2014–2015). When staff was asked how they sustained the mission when business income fluctuated, the responses were to offset those times with other sources of income, such as multi-year grants. In addition to securing grants, “staff markets, advertises, and exploits the mission to the community, government agencies, and potential funders” (Participant C). The staff remind potential funders that “they keep ex-offenders employed and provide them with services, translating to safer streets, less crime, and low recidivism rates” (Participant A). These efforts help to increase donations and at the same time provide data for grant applications that generate multiple, multi-year grant awards. In addition to publicizing their social mission to potential funders, RecycleForce employs a full-time staff person who is solely dedicated to writing and securing grants. RecycleForce’s staff does not allow fluctuating business revenue to negatively affect how many ex-offenders they can employ. A nonprofit embedded WISE that does not compromise its mission when business revenue declines and fluctuates counters the literature that missions are compromised by decreasing services to the poor and by serving less clients (Cornforth, 2014). I found that RecycleForce does not allow its mission to drift or experience mission tension during times of fluctuating business revenue because of their ability to secure nonbusiness income and because of their effort to vigorously promote their mission that leads to an increased donor base.

Another factor is staff and board members established systems to help manage both mission and business goals. One system is the case management system, in which case managers assist ex-offenders with special needs. These managers also provide

weekly training sessions and mentoring programs. An additional system in place helps staff coordinate and manage the business components of the organization. This operation system consists of “employment specialists, a director of job training, and a director of sales” (Participant C). The recycling program is a part of the business system that helps ex-offenders earn money for their families and for their parole responsibilities, which supports the mission of creating employment opportunities (RecycleForce, 2008–2009). The organization put each system in place to ensure the mission was being accomplished and the business would support mission goals. These findings support the literature that suggests social enterprises can manage the risk of mission drift and mission tension if the business goals align with the mission and if systems are in place to help support and manage both organizational values (Chang et al., 2012).

Another factor is the organization documents and tracks mission goals. As grant administrators, RecycleForce is responsible for documenting and reporting program outcomes as required by grantors. Because of that process, staff is able to utilize the data not only to obtain additional grants, but also to assess whether they are achieving their mission goals (RecycleForce, 2010–2011). “RecycleForce recognizes that it is meeting its mission by tracking recidivism rates, child support and familial re-connections, reintegration success, and overall earnings” (Participant E). Participant F stated, “Studies and grants with an evaluative aspect are really the only way that we have any real numbers to know how we are doing.” This method of tracking mission goals has allowed RecycleForce to monitor their mission goals. In addition, the staff has weekly meetings to

track mission and business goals, to discuss outcomes, and to share this information with the Board. Monitoring mission goals through grant evaluation processes and by tracking mission and business goals on a weekly basis has helped RecycleForce to not experience mission drift and mission tension (RecycleForce, 2014–2017). These systems help the organization to balance business and mission goals, to sustain itself through fluctuating business income, and to document and track mission and business goals.

Another factor that contributed to no mission drift and mission tension is RecycleForce's ability to devote time, resources, and attention to the mission and not away from the mission. Board members attributed this to mission-focused decision-making, diverse board structure, and sensitivity to maintaining the organization's mission.

RecycleForce board members contended mission-focused decision-making was a method that helped them to balance business endeavors with mission goals. As expressed by two board members, "the Board's main job is oversight and to see that it's not going off track" (Participant B). "The Board's job is to balance and make sure that the business end of the workforce doesn't overtake the social end" (Participant F). Moreover, board members stated business decisions were made to generate resources to meet mission objectives. Board decisions were focused on meeting mission objectives first, and then making sure the business of recycling could support the mission. One example of this was evident when a board member stated, "When there is a need to purchase equipment for the recycling business, the board first decides if the need is worth the investment in

relation to the mission” (Participant H). When board members were asked how their decisions help sustain the mission when business income fluctuated, they responded that in every board meeting, they discuss grant opportunities and donor prospects. Board members help staff locate funding through grants, and they constantly encourage staff members to work to secure grants. This nonprofit embedded WISE is continually faced with sustaining the mission, and that is why its decision-making is focused on how time and resources should support and not overshadow the organizational mission.

RecycleForce leadership supports the claim that it is important for nonprofit leadership to act in the best interest of its clients and mission (Midwest Center for Nonprofit Leadership, 2010).

In addition to mission-focused decisions, the Board’s diverse structure contributes to making sure the mission is kept as priority. It is one that represents various sectors such as business, nonprofit, environmental, academic, and legal. One board member stated, “The diversity provides a good check and balance on each other” (Participant H). The board is also composed of four committees: the environmental committee, the program committee, the governance committee, and the finance committee (RecycleForce, 2015). Board members view this structure as one that helps them to make appropriate and balanced decisions concerning mission and business goals. “The goal as a board member is to make sure that the mission of helping these individuals and thus society is the primary goal in conjunction with good business practices” (Participant E).

An overwhelming, unanimous agreement existed among board interviewees that the board and its four committees work in unison to accomplish the social mission.

In addition to mission-focused decision-making and a diverse board structure, board members recognize that being sensitive to maintaining mission goals assisted them in balancing business with mission goals. Board participants place importance on recognizing when the organization is meeting mission goals. For example, in addition to grantor requirements for documenting program outcomes, board members also identified additional gauges to determine mission accomplishments, such as recidivism rates, child support and familial reconnections, reintegration success, and overall earnings. By tracking mission goals through grant evaluation components and through specific measurements as outlined by the Board, RecycleForce is able to determine if mission goals are being met (RecycleForce, 2008–2016; RecycleForce Strategic Plan, 2014–2017). Mair et al. (2014) stated social enterprises are worthwhile pursuits and the risk of negative effects on a nonprofit social enterprise's mission can be managed through appropriate governance. RecycleForce's leadership governs in a manner that does not allow its leaders to lose focus on the organization's mission and threaten its survival. This finding supports the argument of other scholars that if business activity aligns with the mission and if operating systems for both values are developed, there should be little negative effects on mission goals (Alter, 2004; Battilana et al., 2012; Chang et al., 2012). This finding was apparent when board interviewees discussed situations where some board members tried to promote business objectives instead of mission goals. When this

occurred, the majority of the board members “pushed back” in an effort to ensure mission objectives were kept as priority. In the beginning stages of RecycleForce, this approach caused some board members to quit, which created some tension among board members.

Balancing business goals with mission goals is a constant effort for RecycleForce staff and board members. The theme *balancing sustainable funding* emerged because of RecycleForce’s ability to balance business goals with mission goals, to supplement fluctuating business revenue with grants, to establish systems that manage business and mission goals, to track and document mission goals, to make mission-focused decisions, to have board diversity with board committees, and to maintain sensitivity to mission goals. All of these efforts answer the question regarding how this organization does not experience mission drift and mission tension.

### **Community Impact and Social Change**

When looking to answer the second research question, why does an embedded, nonprofit, WISE experience mission drift and mission tension, the second theme emerged, community impact and social change, created from the categories services provided and community and social change.

The reason why community impact and social change appeared is due to RecycleForce leaders’ ability to understand what is needed for ex-offenders to reintegrate successfully back into their communities. Based on this understanding, RecycleForce offers training services, mandate assistance, counseling, and mentorship, all of which

help to reinforce the mission. These services assist ex-offenders and also contribute to the reason why this organization does not experience mission drift and mission tension.

This organization has identified what is not working for many ex-offender programs and it has received national and statewide recognition for its successful ex-offender program (RecycleForce, 2009–2010). Participant F stated: “I think there are no other models like [RecycleForce] that combines one organization with the business and the social mission. And as I said, it appears from all the studies that we’ve seen that RecycleForce is doing a better job with its population in reducing recidivism than any other programs in the country.”

A second factor that contributes to this theme is the ability of RecycleForce to address technical rules violations, recidivism rates, and criminal justice reform, which are the codes that created the category community and social change. “Technical rules violations often cause ex-offenders to return to prison” (Participant C). This result is because user fees are placed on ex-offenders when they are released from prison and they are instructed to participate in court-mandated services to fulfill their probation duties. When ex-offenders do not meet these obligations, they are in violation of their probation and in jeopardy of returning to prison. RecycleForce’s capacity to assist ex-offenders in these areas helps to keep the recidivism rates low. Focusing on these problematic areas keeps the majority of their ex-offenders from returning to prison and they help to reinforce the purpose for the mission (RecycleForce Strategic Plan, 2014–2017).

## **Theoretical Foundation and Findings**

The theoretical foundation for this case study included institutional values theory and resource dependence theory, which aided in framing the study. First, I examined mission drift and mission tension in RecycleForce by employing the institutional values theory to understand how two competing logics, such as social mission values and business values, coexist within the nonprofit embedded WISE.

The basic premise behind the institutional values theory is board behavior and governance dynamics in response to outside pressures will follow usual organizational practices thought appropriate within the values and norms of the sector (Carman, 2011; Dees & Anderson, 2003). The institutional values theory provided insight and understanding to the study relative to the exploration of the research questions how and why nonprofit embedded WISEs experience mission drift and mission tension because of an emphasis on business goals. Because this organization engages in two different institutional values, this theory was appropriate to frame the study because RecycleForce is a nonprofit social enterprise, meaning its priority is its mission.

I found RecycleForce was able to maintain its nonprofit values when faced with the pressure of fluctuating business income, when faced with state and local criminal justice agencies that do not provide contracts, and when confronted by a few board members who pushed for business goals rather than mission objectives. The Board's ability to maintain its social mission is because of how it balances sustainable funding. Although RecycleForce experiences the influence of two different institutional

environments—its social mission and its business—the data showed RecycleForce’s social mission of helping ex-offenders could coexist with the recycling business and at the same time maintain its mission as a priority above business goals. RecycleForce chooses to adopt some business norms to have a successful recycling business to support the mission, but it does not adopt business practices at the level that would put its mission at risk (RecycleForce Strategic Plan, 2014–2017). Given that this organization stays true to its nonprofit values, it supports the institutional values theory because it follows usual organizational practices appropriate within the values and norms of the nonprofit sector.

The resource dependence theory also framed this study because it could contribute to the understanding of the research questions regarding how and why mission drift and mission tension occur in a nonprofit embedded WISE with an emphasis on business goals. This theory was suitable in this context because it pertains to organizational behaviors and mission goals and how they can be adjusted because of external factors, such as business income and business relationships. A major tenet of resource dependence theory is organizations are dependent to some degree on their environments, implying organizational actions are not just functions of internal decisions, processes, or mission goals, but are influenced by their resource environments consisting of capital, labor, equipment, and raw materials (Pfeffer & Salancik, 1978). Because social enterprises rely on donor resources or a restricted number of revenue streams, social enterprises, especially nonprofit social enterprises, are particularly subject to resource dependency (Carroll & Stater, 2010).

The resource dependence theory puts into context the concerns of nonprofit scholars who argue commercial activities of nonprofit social enterprises will cause mission drift and mission tension, and put productivity and performance above program beneficiaries (Helmig et al., 2014). However, as the data showed, RecycleForce does not experience mission drift or mission tension even though it generates business income. The organization is not wholly dependent on business income to sustain the mission or the organization (RecycleForce Reports, 2008–2015), because of its ability to balance sustainable funding with grants and increased donors. The RecycleForce board and staff address external influences, such as a declining scrap market, in a manner that leads the organization to successfully maintain its mission and not experience mission tension. The finding of RecycleForce’s ability to balance sustainable funding supports resource dependence theory. However, the finding also adds that by monitoring resource dependence and maintaining multiple income streams, organizations can reduce their dependence on one or two sources of income. This is especially important for social enterprises that must effectively manage resource dependence and multiple income streams to exist.

### **Limitations**

One limitation of the study is that the findings balancing sustainable funding, and community impact and social change were significant but they may not be transferable to all nonprofit embedded WISEs. RecycleForce is probably not representative of all similarly structured organizations, because it was already enacting practices to avoid

mission drift and tension; other nonprofit embedded WISEs, however, may not be enacting such practices. Focusing on more than one type of nonprofit embedded WISE could possibly achieve different results. However, transferability is often not sought through qualitative case studies, which are more appropriate for delving in depth into a particular phenomenon at a specific setting or settings.

A second limitation of the study is that I obtained less participants than initially identified. Ten participants agreed to participate, but only eight were interviewed. This was because of the inability of the remaining two to coordinate their schedules for the interviews. I may have uncovered additional themes if more participants were interviewed. More participants might have yielded different results.

A third limitation is that only one board meeting agenda was provided to the researcher for analysis, instead of several meeting agendas. The director insisted that all of the board meeting agendas were the same and that reviewing additional board meeting agendas would have been redundant. Obtaining additional agendas might have been unnecessary, but it is possible more themes could have been uncovered from those documents.

The fourth limitation is that board meeting minutes were not available to the researcher. Instead of reviewing one board meeting agenda, six months to one year of

board meeting minutes could have added more in-depth insight into how RecycleForce did or did not experience mission drift and mission tension.

A final limitation is that the qualitative case study was dependent on my analysis, which could have potentially led to bias in collecting and analyzing data, and interpreting findings. However, I handled transferability by the use of rich, thick descriptions, where I provided detailed information from the participants to describe different responses to the interview questions. Each participant shared a high level of detail with me during the interview. Interviews lasted on average 35–45 minutes. Triangulation helped establish the credibility of the research study's findings through examining both group of participants' narratives against one another and against the findings from the document analysis. This aided to increase the trustworthiness of the study findings as credible and true.

### **Recommendations for Further Study**

The findings uncovered from the research were that RecycleForce experienced no mission drift or mission tension, and the themes included balancing sustainable funding and community impact and social change. Researchers have found that avoiding mission drift and minimizing mission tension are major challenges for social enterprises (Cornforth, 2014; Ebrahim et al., 2014; Jager & Schroer, 2014). The differing foci of social programs and business activities within one organizational structure tend to strain social missions, which can lead to organizations losing sight of their missions (Ebrahim et al., 2014). To expand on the present study, I recommend additional research on a variety of embedded, nonprofit, WISEs to determine if the same findings are uncovered

or whether these findings are unique to RecycleForce. Different embedded, nonprofit WISEs might experience the same outcome as RecycleForce or they might experience mission drift and mission tension that are unique to different WISEs. This is important to research because the literature provides differing and opposing claims regarding what might happen to missions in social enterprises that operate businesses (Cornforth, 2014; Ebrahim et al., 2014; Jager & Schroer, 2014). More specifically, more research is needed about mission drift and mission tension in embedded, nonprofit, WISEs in order to fill a gap in the literature.

Although board governance was not the focus of this study, data generated pertaining to the Board's role contributed to understanding why the organization does not experience mission drift and mission tension. The governance style of the RecycleForce board is mission focused. As a result, decisions are made that do not put the mission at risk. The RecycleForce board is diverse, meaning board members come from a variety of backgrounds, and this creates a check and balance system for board decisions. The literature confirms that board governance plays a major role in how the organization functions. Mair et al. (2015) stated social enterprises are worthwhile pursuits and the risk of negative effects on a nonprofit social enterprise's mission can be managed through appropriate governance. Other scholars support this argument and further imply that if business activity is in line with the mission and if operating systems for both values are developed, there should be little negative effects on mission goals (Chang et al., 2012). This board's governance style may or may not produce similar findings; therefore, further

research should be performed on a variety of WISEs that are different from RecycleForce to determine how their governance styles affect mission drift and mission tension.

RecycleForce staff and board members do a constant balancing act to sustain their mission by obtaining grants, designating staff for seeking grants, and increasing donors when facing fluctuating business income. These actions contributed to the theme balancing sustainable funding. Balancing sustainable funding is a key to RecycleForce's ability to avoid mission drift and mission tension. As mentioned previously, researchers in the literature contend minimizing mission drift and mission tension is a dynamic process—one that requires a juggling act (Bull & Crompton, 2006).

To further expand on this finding, I recommend that research be conducted on nonprofit embedded WISEs to see if “balancing act” strategies exist to manage fluctuating business and to determine how those strategies affect mission drift and mission tension. Longitudinal studies might also offer insight regarding how nonprofit WISEs manage mission goals and business endeavors over time and through changing economic cycles.

The literature shows social enterprises that align their businesses with mission goals are least likely to experience mission drift and mission tension (Chang et al., 2012). The results of this study support this claim. I found RecycleForce has a recycling business that supports the mission of providing training and income for ex-offenders. To further substantiate this finding, I recommend research on a variety of nonprofit,

embedded, WISEs that have businesses not aligned with their missions to determine if those WISEs experience mission drift and mission tension.

My last recommendation is to have a larger participant pool to interview for this type of study. This case had eight participants, which is considered sufficient for data collection (Clarke, 2013), but it might be beneficial to see if new topics and themes emerge with a larger participant pool that could present a different outcome regarding mission drift and mission tension.

### **Implications for Social Change**

In the case of RecycleForce, the findings revealed key strategies to avoid mission drift and mission tension. They are; (a) strong mission commitment by the board and staff, (b) balancing act between mission and income, (c) business goals that align with mission, and (d) operating systems that ensure mission sustainability. The implication for social change is that if nonprofit social enterprises want to be structured as embedded, nonprofit WISEs, they can be successful in avoiding mission drift or mission tension while engaging in business activities if they can develop and implement strategies similar to RecycleForce. These WISEs can maintain their nonprofit values and not be solely dependent on business income while their missions co-exist with their businesses.

This information may lead to positive social change if it helps embedded, nonprofit, WISE board members, managers, and administrators to avert the challenges of mission drift and mission tension in their type of organizations by balancing sustainable

funding and effecting community influence and social change. In an era in which vulnerable populations need assistance, organizations are being structured as embedded, nonprofit, WISEs in hope of providing valuable services. Avoiding mission drift and mission tension is crucial for organizations to remain focused on their social missions. By providing information regarding how organizations can avoid mission drift and tension, this study leads to social change by providing information to help organizations retain focus on their social missions. I anticipated this research would influence social change by contributing to the understanding regarding how and why embedded, nonprofit, WISEs might experience and avoid mission drift and mission tension and presenting the findings to scholars and WISE leadership.

### **Conclusion**

The purpose of this qualitative exploratory case study was to explore how and why an embedded, nonprofit, WISE experiences mission drift and mission tension. What I found was an embedded, nonprofit, WISE called RecycleForce, that does not experience mission drift or mission tension because of emphasis on business goals. The data gave rise to the themes balancing sustainable funding, and community impact and social change that illustrated why the organization is successful at avoiding mission drift and mission tension.

One reason why this organization has not experienced mission drift or mission tension is because of its ability to balance mission with income such as grants and donations that supplement business income. Not relying totally on business income helps

the organization to maintain its mission at the level that does not negatively affect their ex-offender clients. Another reason is board members understand the mission and they are committed to it, which is reflected in their mission-focused decision-making, in their board diversity, and through their board committees. When board members try to promote business over mission, a strong effort from the board majority is made to push back this ploy and stay focused on the mission. This has created tension among some board members over time, but not mission tension. This governance style helps to ensure the mission does not experience drift or tension.

Another reason why this embedded, nonprofit, WISE does not experience mission drift or mission tension is because it is constantly engaged in a dynamic juggling act that helps to sustain the mission. This process involves knowing when recycling commodities will fluctuate. It also involves management operations systems that allow the organization to function at a level that maximizes the mission over business.

The organization documents and tracks mission goals in order to avoid mission drift or mission tension. The organization has a strategic plan that delineates mission objectives and business goals, and it shows how the business goals will support mission objectives. This plan serves as the organization's roadmap for ensuring the mission is sustained and the business goals support the mission.

Through this study, I revealed this organization does not experience mission drift and mission tension because the board, the staff, and the ex-offenders are deeply committed to accomplishing the mission. As previously mentioned, this was evident in

the data. When mission is a priority and business goals are aligned with the mission, the embedded, nonprofit, WISE can avoid mission drift and mission tension.

The overall social implication is that embedded, nonprofit, WISEs can provide valuable services to vulnerable populations. Clients of these organizations do not have to be negatively affected by business goals. This is significant in terms of social change because this information can aid nonprofit leaders who are interested in creating embedded, nonprofit, WISEs but are unsure if they can accommodate both mission and business without experiencing mission drift and mission tension. In addition, leaders of embedded, nonprofit, WISEs experiencing mission drift and mission tension can use the findings to assist them in alleviating mission drift and mission tension.

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## Appendix A: Letter of Cooperation



## Letter Of Cooperation

Teresa Jeter

[Teresa.Jeter@att.net](mailto:Teresa.Jeter@att.net)

(765) 749-1143

Date: December 29, 2015

Dear Teresa Jeter,

Based on my review of your research proposal, I give you permission to conduct the study entitled: **Exploring Mission Drift and Tension in a Nonprofit Work Integration Social Enterprise**, at RecycleForce. As part of this study, I authorize you to interview participants who meet your selection criteria. I approve and release for your analysis board meeting agendas, strategic plans, and annual reports generated between 2006 – 2014.

I understand that participant recruitment will be based on being associated with RecycleForce for a minimum of one year as a member of the board or as a staff member. I also understand that our executive director will identify potential participants, provide their contact information to you, and that you will mail them consent forms that have the procedures and terms for participation. There will be stamped, self-addressed envelopes for consent forms to be returned to you within five business days of receipt. Individuals' participation will be voluntary and at their own discretion. Participants will have the right to withdraw from the study at any time without any negative consequences.

I understand that you will conduct and audio record face-to-face interviews at RecycleForce, or at another agreed upon location, for approximately 30 minutes to one hour. Phone interviews are also an option for participants that request them and that these interviews will last 30 minutes to one hour. Participants will have an opportunity to review their interview transcripts for accuracy and that they can provide feedback and offer additional information to you. I understand that you will schedule a date and time to present your research findings at RecycleForce.

We understand that we reserve the right to withdraw from the study at any time if our circumstances change.

I understand that the collected data will remain entirely confidential and may not be provided to anyone outside of the student's supervising faculty/staff without permission from the Walden University IRB. I understand that the data will be locked in a file in your home office for a period of five years. Once five years have expired the data will be destroyed.

Sincerely,

A handwritten signature in blue ink, appearing to read "Thomas E. G.", written over a horizontal line.

Authorization Official

RecycleForce, Inc.

## Appendix B: Informed Consent Form

Dear [Participant Name]:

My name is Teresa Jeter and I am a doctoral student at Walden University. I invite you to take part in a research study about RecycleForce. You have been identified as a potential participant by the board president and the executive director because you are either a board member or a staff member who has been with RecycleForce for a minimum of one year. This form is part of the research process to obtain “informed consent” and to assist you in understanding the procedures and terms of this study.

### **Background Information:**

The purpose of this qualitative case study is to explore how an embedded nonprofit work integration social enterprise experiences mission drift and mission tension.

### **Procedures:**

#### ***Informed Consent***

If you agree to be in the study, you will be asked to sign and return a copy of this consent form in a stamped, self-addressed envelope. You will receive a copy of this form for your records. You will be contacted so that arrangements can be made to meet with you at RecycleForce or at another mutually agreed upon location for your face-to-face interview. If you prefer to have a telephone interview, I will call you to schedule a date and time for your telephone interview.

#### ***Interview***

You will participate in one interview that will last anywhere from 30 minutes to one hour. You will be asked questions about your understanding of your organization’s mission and business. You will be recorded with a digital recorder and notes will be written during your interview. Sample questions include:

What is the mission of RecycleForce?

How does the staff and board sustain social mission programs when donors, donations, and commercial income fluctuate?

### **Terms:**

Your participation is **voluntary**. If you decide not to be in the study, there will be no negative consequences. If you decide to participate, you can change your mind any time during the study. If you withdraw from the study, data collected from your interview will not be included in the findings and the data will be destroyed.

There is no unforeseeable risk that will occur as a result of your participation. Potential benefits could include your reflection over your organization's work and the satisfaction of participation in research that can lead to helping other nonprofit social enterprise organizations. There will be no compensation in any manner as a result of your participation.

You will be assigned a letter of the alphabet so that your identity will remain confidential for the purposes of this study and for the possibility of future publication. Your personal information will not be used for any purposes outside of this research project.

***Participant Feedback***

Your interview will be transcribed and you will receive a copy of it by email to review for accuracy.

If you would like to correct or clarify any part of your interview or if you want to provide additional information, you will have five days to contact me by email or telephone. (See my contact information below.) I will note your information and store it with your transcribed interview.

All collected data will be stored in a secure place, in a locked file cabinet, in my home office for five years. I will be the only person to have access to your stored data.

You can contact me, Teresa Jeter, between 9 a.m. and 5 p.m., M-F at (765) 749-1143 or by email at [Tjete001@waldenu.edu](mailto:Tjete001@waldenu.edu) if you have questions during or after the study.

You can contact Dr. Leilani Endicott, a Walden University representative, if you want to talk privately about your rights as a participant. Her phone number is (612) 312-1210. Walden University's approval number for this study is 01-25-16-0027450 and it expires on January 24, 2017.

Place the entire form in the return envelope within the next 3–5 days.

**Statement of Consent:**

*I have read the above information and I feel I understand the study well enough to make a decision about my involvement. By signing below, I consent to participate according to the terms above.*

---

Participant Name (Print)

---

Participant Name (Signature)

---

Date

---

Researcher Name

---

Date

## Appendix C: Interview Questions and Protocol

Interview Date: _____	Title: _____
Participant: (Identify by Alphabet Letter) _____	Interview Location: _____
Length of Time at RecycleForce: _____	Interview Duration: _____

### **Interview Questions:**

Board member interview questions:

1. What is the social mission of RecycleForce?
2. In what ways do board decisions on generating income relate to the attention, time, and resources needed to focus on the social mission of job training and counseling?
3. What ways do board decisions help to balance the recycling and selling electronic scrap metal business goals with the job training and counseling program goals?
4. How do board decisions help sustain social mission programs when donors, donations, and commercial income fluctuate?
5. How does the board recognize when the organization is meeting its social mission objectives of job training and counseling?

Staff interview questions:

1. What is the social mission of RecycleForce?
2. How does the staff manage implementing the job training and counseling programs while implementing the recycling and selling electronic scrap metal businesses?
3. How does staff assist in balancing the recycling and selling electronic scrap metal goals with the job training and counseling program goals?
4. How does the staff sustain social mission programs when donors, donations, and commercial income fluctuate?
5. How does the staff recognize when the organization is meeting the job training and counseling program goals?

### **Interview Protocol:**

1. Take descriptive notes during the interviews and take reflective notes after the interviews.

2. Ask participants if they want to share any additional thoughts after their interviews.
3. Remind participants that their identity and information will be kept confidential.
4. Remind participants that they will have an opportunity to review the transcript of their taped interview.
5. Thank the participant for participating in the study.

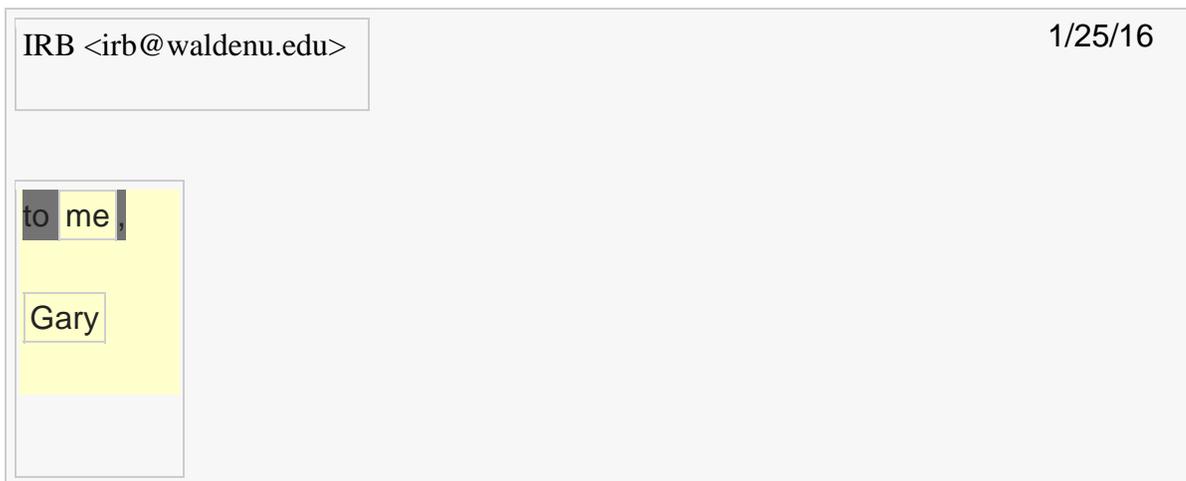
### Appendix D: Document Analysis Protocol

1. I will collect and review information from secondary data such as organization annual reports and board meeting agendas that were generated between 2006 and 2014, the timeframe in which RecycleForce has existed. I will look for information that offers insight into how board members managed both mission and business demands. I will look for any decisions that outline strategies for managing both mission and business goals. I will examine the board agendas to determine any trend in board decision making that prioritized mission more than business or business more than mission. I will study the board agendas to determine whether tensions or conflicts arose between board members due to business growth opportunities or mission expansion opportunities.

2. Reviewing annual reports will provide another opportunity for me to confirm or contradict interviewee responses as well as show the progress of the organization over the years. These reports are published each year on the organization's website. I will look at the financial overview for each year and determine the funding sources and their contributions, as well as how the funding was allocated. I will examine the annual reports for information about mission accomplishments and business accomplishments. Overall, examining annual reports can provide another way to substantiate or contradict participant responses.

To determine	Check for
Mission Drift	<ol style="list-style-type: none"> <li>1. How funds were allocated (how much money was diverted from mission goals)</li> <li>2. How time was apportioned (the amount of time diverted from mission goals)</li> <li>3. How energy/effort was given (the amount of energy/effort diverted from mission goals)</li> </ol>
Mission Tension	<ol style="list-style-type: none"> <li>1. How diverted funds from mission goals stained mission goals</li> <li>2. How diverted time from mission goals stained mission goal</li> <li>3. How diverted energy/effort from mission goals stained mission goals</li> </ol>

## Appendix E: IRB Approval

**Dear Ms. Jeter,**

This email is to notify you that the Institutional Review Board (IRB) has approved your application for the study entitled, "Exploring Mission Drift and Tension in a Nonprofit Work Integration Social Enterprise."

Your approval # is 01-25-16-0027450. You will need to reference this number in your dissertation and in any future funding or publication submissions. Also attached to this e-mail is the IRB approved consent form. Please note, if this is already in an on-line format, you will need to update that consent document to include the IRB approval number and expiration date.

Your IRB approval expires on January 24, 2017. One month before this expiration date, you will be sent a Continuing Review Form, which must be submitted if you wish to collect data beyond the approval expiration date.

Your IRB approval is contingent upon your adherence to the exact procedures described in the final version of the IRB application document that has been submitted as of this date. This includes maintaining your current status with the university. Your IRB approval is only valid while you are an actively enrolled student at Walden University. If you need to take a leave of absence or are otherwise unable to remain actively enrolled, your IRB approval is suspended. Absolutely NO participant recruitment or data collection may occur while a student is not actively enrolled.

If you need to make any changes to your research staff or procedures, you must obtain IRB approval by submitting the IRB Request for Change in Procedures Form. You will receive confirmation with a status update of the request within 1 week of submitting the change request form and are not permitted to implement changes prior to receiving approval. Please note that Walden University does not accept responsibility or liability for research activities conducted without the IRB's approval, and the University will not accept or grant credit for student work that fails to comply with the policies and procedures related to ethical standards in research.

When you submitted your IRB application, you made a commitment to communicate both discrete adverse events and general problems to the IRB within 1 week of their

occurrence/realization. Failure to do so may result in invalidation of data, loss of academic credit, and/or loss of legal protections otherwise available to the researcher.

Both the Adverse Event Reporting form and Request for Change in Procedures form can be obtained at the IRB section of the Walden website:

<http://academicguides.waldenu.edu/researchcenter/orec>

Welcome from the IRB - Research Ethics & Compliance ...

[academicguides.waldenu.edu](http://academicguides.waldenu.edu)

The Institutional Review Board (IRB) is responsible for ensuring that all Walden University research complies with the university's ethical standards as well as U.S

...

Researchers are expected to keep detailed records of their research activities (i.e., participant log sheets, completed consent forms, etc.) for the same period of time they retain the original data. If, in the future, you require copies of the originally submitted IRB materials, you may request them from Institutional Review Board.

Both students and faculty are invited to provide feedback on this IRB experience at the link below:

[http://www.surveymonkey.com/s.aspx?sm=qHBJzkJMUx43pZegKlmdiQ\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=qHBJzkJMUx43pZegKlmdiQ_3d_3d)

Sincerely,

Libby Munson

Research Ethics Support Specialist

Office of Research Ethics and Compliance

Email: [irb@waldenu.edu](mailto:irb@waldenu.edu)

Fax: [626-605-0472](tel:626-605-0472)

Phone: [612-312-1283](tel:612-312-1283)

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