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Paper Title: Theorizing Three Brands of Entrepreneurial Nonprofits

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Summary of Research

The paper contributes to theory about hybrid nonprofits by analyzing three cases of mixed-form nonprofits operating in workforce development; and offering a conceptual framework that helps explain advantages and disadvantages of entrepreneurial strategies among nonprofit organizations with strategic orientations characterized by market, bureaucratic, and community characteristics. Combining quantitative and qualitative data over a six year period, the study is relevant to researchers and policymakers interested in understanding strategy alternatives and performance parameters among multi-sectoral mixed-form organizations.

Description

In recent years, public policy and other economic changes have transformed local landscapes of public service delivery signaling not only a retrenchment of the welfare state but also reveal an increased reliance on competitive market-based mechanisms for resolving public policy dilemmas. Whether called “privatization,” “marketization,” “commercialization,” “new public management,” or “market-based governance,” many researchers suggest that such changing public policies increasingly rely on notions of competition in government practices as a means to spur efficiency, effectiveness, and innovation (Barzelay 2001; Donahue 1989; Donahue and Nye 2002; Gruening 2001; Kettle 1997; Weisbrod 1998). In this evolving environment, organizational and policy processes among public and nonprofit organizations are increasingly complicated by blurred boundaries between governmental, public, and nonprofit orientations. Taken together, these transformations contribute to shaping an environment for public and nonprofit organizations featuring varied interdependent relationships (e.g., partnerships, networks, alliances), competition, and dynamic complexity. Consequently, inter-related public and nonprofit organizations often demonstrate a blending of characteristics featuring attributes from public, nonprofit, or market organizations. This phenomenon challenges theoretical and managerial conceptions of public and nonprofit management and organizational processes that emphasize distinct organizational types. This paper contributes to theory about public and nonprofit relations by critically reviewing literature regarding mixed-form organizations; presenting three cases of public/nonprofits operating in the workforce development arena; and offering a conceptual framework that helps explain the advantages and disadvantages of entrepreneurial strategies among public/nonprofit organizations. The paper used a multi-method approach combining qualitative and quantitative data that were analyzed to develop three comparative, historical case studies of One-Stop Career Centers in Boston. Each Career Center was operated by an organizational partnership characterized by a distinctive governmental, nonprofit, or market orientation. Qualitative data were collected via three waves of 50 semi-structured interviews with representatives of the career centers, public agencies, nonprofit organizations, and private sector employers during 1998, 2000, and 2002. A second method was a textual analysis of annual organizational documentation assembled by the over-seeing Boston Workforce Investment Board as part of each One-Stop’s charter review process that includes strategic plans, program budgets, customer satisfaction surveys, employer focus groups, and annual monitoring reports by the WIB. Quantitative data was collected from annual review documentation reports as well as the One-Stop Career System’s administrative information system that contains customer databases and placement data.

Findings of the study include: 1) identifying key characteristics of “entrepreneurial” strategies as contrasted with conventional governmental “bureaucratic” and nonprofit “community” orientations; and 2) specifying the advantages and disadvantages of the different strategic orientations regarding service delivery, program innovation, and outcomes. The study is relevant to researchers, policymakers, and managers of public and nonprofit organizations interested in better understanding strategy alternatives and performance parameters among multi-sectoral mixed-form organizations.