

Competing Institutional Logics and the Dynamics of Institutionalization:  
A Comparative Case Study of Nonprofit Work Integration Social Enterprises

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## Abstract

By virtue of their hybrid identity as both nonprofit human service organizations and commercial businesses, work integration social enterprises (WISEs) are subject to institutional pluralism, creating tensions between mission and market. These tensions are embodied in the dual role of clients, who are constituted as both service recipients and instruments of production. Drawing linkages between institutional logics and political economy perspectives, this paper develops and tests a theoretical model that seeks to explain the conditions under which clients are commodified. Comparative analysis of a theoretical sample of WISEs suggests that relative embeddedness across human service and business fields, the distribution of power across social service and production units, and the extent to which the service unit is closely coupled to the production unit combine to determine how clients are constructed and treated in the organization.

Work integration social enterprises (WISEs) are nonprofit human service organizations that provide employment opportunities and job training to people with employment barriers. Although the work experiences function primarily as a component of their social services, WISEs also produce and sell products or services on the market. Thus the social enterprise functions as both social service and revenue generator. In pursuing the “double bottom line,” the WISE is frequently heralded as a potentially self-sustaining economic model in which the market is cleverly harnessed in service of a social mission (see, e.g., Borzaga and Defourny 2001; Brozek 2009; Schorr 2006). In fact, it is often noted that commercial earnings in excess of operating costs can cross-subsidize other social programs, rendering additional social value (Alter 2006).

Institutional theory departs from this prevailing economic model to provide a more complicated portrait of WISEs. Viewed through an institutional lens, pursuit of the “double bottom line” positions WISEs in two organizational fields—human services and market—governed by competing institutional logics, or sets of organizing principles that provide organizations and individuals with means, motives, and identities (Friedland and Alford 1991, p.248). Consequently, WISEs must assume dual institutionally-derived identities. In the human services field the WISE’s identity is that of a human service organization. Stakeholders interact with the organization because they support its social mission and, consistent with a logic of social service, the organization justifies its work experiences as therapy for clients. By contrast, within the context of the market the WISE, in its ideal form, is a business; work experiences are production jobs; and clients are instruments of production who help to generate goods or services that are exchanged for money. While some business customers may engage in exchange

relations with the WISE as a means of supporting the social mission, others may adhere to the market logic, holding the WISE accountable to standards of quality, efficiency, and price that prevail in the market—standards that the WISE may struggle to meet given that it “employs” clients with barriers to work.

In the face of competing logics, WISEs run the risk of subordinating the therapeutic purpose of the work experience to its production function. When a market logic prevails, clients become *commodified* and their value as instruments of production supersedes their role as service recipients. Figure 1 illustrates the contrasting treatment of clients under a logic of social service and a market logic.

<Figure 1 about here>

In contrast to the “win-win” metaphor implicit in the prevailing economic model of social enterprise, then, the metaphor is now one of political and ideological struggle between irreconcilable sets of cultural meanings and associated practices. Yet subordination to market meanings, while a distinct threat, is not the only possible outcome of institutional conflict. As WISEs derive their core identity in the field of human services and (at least outwardly) justify their work experiences in therapeutic terms, we might expect the logic of social service to prevail some of the time. In addition, as Kraatz and Block (2008) have argued, institutional conflict opens the possibility not only for subordination of one institutionally derived identity or another, but also for compartmentalization of rival identities or the balance between identities.

Despite an awareness of institutional conflict for WISEs (see, e.g., Adams and Perlmutter 1991; Cooney and Shanks 2010; Foster and Bradach 2005; Gronbjerg 2001; Netting, McMurtry, Kettner, and Jones-McClintic 1990; Tuckman and Chang 2006; Weisbrod 2004) there has been surprisingly little effort to assess its theoretical and empirical implications. I am particularly

interested in the implications of cognitive institutional conflict—that is, conflict between institutional logics that are constitutive of individuals and organizations. The specter of cognitive institutional conflict raises the following questions: Under what conditions do WISEs subordinate their preferred logic of social service to a market logic? That is, when do they preserve their core identity as a human service organization, and when do they become a de facto business? When do they construct and treat their clients as service recipients, and when do they commodify their clients?

Drawing linkages across institutional logics and political economy theories, this article develops a theoretical model that attempts to answer these questions. Through a comparative case study of WISEs, I then present an empirical evaluation of the causal hypotheses derived from the model. I conclude the paper by offering some theoretical and practical implications of the study. My aim is to both theoretically and empirically advance understanding of the institutional and political influences on WISEs and the consequences for clients.

## Theoretical Framework

At the core of the framework is the insight, drawn from institutional theory, that organizations are deeply influenced by the structuring logics that govern the fields in which they participate. If the institutional logics that organize fields are broadly conceived as “rules of the game,” then WISEs operate in two different games structured by varying and sometimes conflicting rules, meanings, and interests (Bourdieu and Wacquant 1992; Kraatz and Block 2008; Thornton and Ocasio 2008). However, the degree to which WISEs are influenced by the field depends on their exposure to field-level logics. Given the constitutive nature of institutional logics, the main hypothesis is: The greater the exposure to a market logic, with its emphasis on profit, productivity, and efficiency, the greater the risk of displacement of the mission-motive of

work experience and the role of clients as service recipients. Exposure to a market logic will increase the likelihood that the work experiences are construed as production jobs and clients are viewed as production workers.

### *Service Logic*

I start by proposing that the service logic will influence the degree to which the organization is exposed to a market logic. At the organizational level, the service logic is constituted by a set of normative assumptions about the clients and practices that embody these assumptions (Hasenfeld 1983; Mohr and Duquenne 1997). It socially constructs clients in terms of the types of problems they are thought to have, what should be done to address these problems, and the desired outcomes of the intervention (Hasenfeld 1983). In WISEs, an important symbolic aspect of the service logic is the organizational construction of the capabilities of the clients as production workers. Clients who are viewed as able-bodied are more likely to be constructed by the organization as production workers and exploited as such, while those thought of as less able-bodied are likely to be construed as inappropriate for market participation and are thus less likely to be commodified.

The selection of material practices (i.e. the work experience model) to meet the perceived needs of clients is another dimension of the service logic. When the work model exposes clients to business customers the organization may experience strong incentives to commodify clients. For example, they may select the more productive clients for the work experiences to appease the production demands of customers, who interact directly with clients. In work experiences that are buffered from direct exposure to customers, the organization may have more control over the work environment and may therefore experience less pressure to commodify client workers.

### *Relative Embeddedness across Fields*

While the service logic provides the rationale for the business enterprise and the degree to which clients are directly exposed to customer demands, we must also consider the organization's relations with its environment and especially its relative embeddedness across market and human service fields. The model of embeddedness developed in this paper views institutional pressure as generated in the relationships between field participants who may have divergent interests (Bourdieu and Wacquant 1992; Wooten and Hoffman 2008). Therefore, I focus on the field, not in totality, but as experienced by the WISE. That is, recognizing that fields are heterogeneous, I pay attention to the nature of the institutional pressures imposed by the field members with which the WISE interacts.

In addition, the bifurcated nature of the organization's environment is likely to be replicated in its internal structure through the creation of different organizational units to manage disparate institutional pressures in the human service and business fields. Indeed, a key characteristic of the internal structure of WISEs is the existence of a social service unit and a production unit whose relations to each other will echo and replicate the external relations of the organization (Cooney 2006; Nyssens 2006). Thus I focus on the embeddedness of each unit in its respective field.

*Embeddedness in the market.* To assess the WISE's embeddedness in the market, I differentiate between field members that enforce a market logic and field members that attenuate the market logic by recognizing and respecting the social mission of the organization. When the production unit operates in what it experiences as a market dominated field, the buyers or customers expect to receive the goods and services at a competitive price and quality, and delivered as explicated by a specific contract. That is, the relationship is that of seller and buyer. Moreover, the production unit faces competition from other commercial providers to whom the

customers can turn if they are dissatisfied with the product or service. When the WISE connects to a market dominated field, it is embedded in the market.

When the production unit experiences a market moderated business field, the customers enter into the exchange to support the social mission of the organization. They are less concerned with contractual obligations of price and deliverables. They recognize the value of the services or products for the clients served by the organization. Competition is attenuated because the customers are less likely to turn to competitors unless the products or services fail to meet some minimal expected standards. I expect that the market logic will be more attenuated within the production unit in such settings. I view WISEs that are connected to a market moderated business field as weakly embedded in the market.

*Embeddedness in the human services field.* I also differentiate between social service units that are strongly or weakly embedded in the human services field. Such embeddedness is expressed by having contracts and other types of exchange relations (e.g., referrals, collaboration) with service providers that the unit can mobilize on behalf of the clients, or by having stakeholders, such as foundations or government contractors, that impose a social service logic on the organization by, for example, demanding evidence of progress toward specific social goals.

*Relative embeddedness.* If embeddedness determines the organization's exposure to field level logics and their expression in the organization, then the degree to which the market or the social service logic becomes dominant depends on the strength of embeddedness of the production unit in the market vs. the strength of embeddedness of the social services unit in the social service field. That is, when the production unit is strongly embedded in the market while the social services unit is weakly embedded in the human services field, the market logic will



become more dominant. Conversely, when the social services unit is strongly embedded in the human services field while the production unit is weakly embedded in the market, the social service logic is likely to dominate. When both units are embedded in their respective fields, a political struggle will ensue as to which logic will become dominant and will be settled by political and economic factors as noted below.

### *The Political Economy of the Organization*

Conflict between field level logics is played out internally in the interactions and power struggles between the units representing the fields in which the organization participates (see, e.g. Crimmins and Keil, 1983; Perlmutter and Adams, 1990; Adams and Perlmutter, 1991; Massarsky and Beinhacker, 2002; Cooney, 2006). When both units – social services and production – are highly embedded in their respective fields, their logics compete with each other for dominance. Following a political economy perspective (Wamsley and Zald 1973; Pfeffer and Salancik 1978) I propose that the resulting dominance of either logic will depend on the power position of each unit within the organization. Such power is a function of the importance of the unit to the maintenance and survival of the organization, particularly its dependence on the resources mobilized by the unit (Pfeffer and Salancik 1978; Salancik and Pfeffer 1974 ). Specifically, the greater the dependence of the organization on revenues from the unit, the more dominant the unit will become in the organization. In their study of community mental health centers that diversified into drug treatment, for example, D’Aunno, Sutton, and Price (1991) demonstrated that greater dependence on funding from the mental health field was positively related to greater isomorphism with the mental health sector. Therefore, when the organization is highly embedded in both the market and the social service fields, exposure to the market logic is greater when the production unit has a power advantage over the social services unit within the

organization. Conversely, when the organization depends more on the revenues of its social services, the social services unit and its service logic will become dominant.

### *The Moderating Role of Organizational Form*

Finally, I propose that the processes and outcomes of power struggles over competing logics are conditioned on the organization's form. First, the organization can manage external conflict by compartmentalizing the logics in separate units (Kraatz and Block 2008).

Compartmentalization avoids conflict between units by buffering the less powerful unit from the logic upheld by the more powerful unit, allowing the less powerful unit to express the logic of the field in which that unit is embedded (Weick 1976). Now, the conflict shifts onto the client, who must assume dual identities in the organization as a production worker and a service recipient. It is the client rather than the organization that now needs to negotiate environmental contradictions. Alternatively, when the logics compete and the units are tightly coupled (i.e., integrated), the two units must compete for dominance. The greater the power advantage of one unit over the other, the more likely that the logic that structures that unit will become hegemonic within the organization and the more likely that the organization will subordinate the conflicting logic.

The full model is provided in Figure 2.

<Figure 2 about here>

## Methods

To test the causal model, I employed a comparative case study approach. I selected a purposive sample of twelve WISEs located in two large metropolitan areas to maximize

variability along the causal dimensions of the theoretical model. Organizations were identified through searches in various websites such as Guidestar and informants in the field of social enterprises. Persons in charge of the production and service sides were interviewed by a research team composed of the author, a research associate, and two research assistants using a semi-structured interview protocol. All interviews except one included a tour of the production facilities. Interviews, which lasted from two to five hours, were audiotaped and transcribed. The research team visited four of the sites on more than one occasion. The research team also collected archival data on all organizations, including brochures, articles about the organizations, financial reports, strategic plans, financial data from IRS tax returns, and annual reports. For the purposes of the analysis, all causal conditions and outcomes were coded as binary variables.

I define *service logic* along two dimensions. First, clients are defined as disabled when eligibility for services is based on a diagnosis of cognitive, mental, or physical disability. They are defined as able-bodied when eligibility for services is based on social barriers to labor market participation (e.g., homelessness, poverty, or criminal history) but not disability. The variable is coded 1 for able-bodied and 0 for disabled. Work model is operationalized as exposed when clients have direct contact with suppliers or customers (1) and as not exposed when clients do not directly interact with suppliers or customers (0).

I operationalize *embeddedness* in the market as the degree to which the members of the business field with which the production unit interacts enforce a market logic. To ascertain whether the WISE was embedded in the market, the study team asked questions such as: What kinds of expectations do your customers have? Is it easier or more difficult to meet these demands? What would happen if you didn't meet customer expectations? Do you experience much competition in the business field? I scored the variable as 1 for embedded and 0 for not

embedded. Embeddedness in the human services field is operationalized as the degree to which social services organizations with which the social service unit interacts reinforce a social service logic, and is also scored 1 for embedded and 0 for not embedded.

*Power advantage* refers to the relative degree to which the organization depends on the social service and production units for financial resources. For example, if the production unit represents 30 percent of the total budget and the service unit represents five percent of the total budget then the production unit has the power advantage. I define power advantage as either “social service unit” or “production unit.” In all cases the revenues provided by the two units differed by at least 30 percent.

*Coupling* is operationalized as the extent to which the production and social service units integrate their services. The organizational units are tightly coupled when the two units are in regular communication about clients’ case plans. For example, they may attend weekly meetings to discuss their shared clients, collaborate on case plans for the clients, and problem solve together when client issues emerge at either the workplace or social service setting. The production and social service units are loosely coupled when they interact little if at all during the client’s tenure in the work experiences. The variable is scored 1 for tightly coupled and 0 for loosely coupled.

To measure *client commodification* I identified the organization’s practices as displayed in Figure 1. Organizations exhibited practices that primarily fell in the commodified or de-commodified categories and were classified accordingly. To assess the degree of client commodification the study team asked questions such as: Do clients often have trouble performing the work? In what ways? If clients have problems with their work experience, who

deals with it and what happens? The variable is scored as “commodified” (1) and “decommodified” (0).

The author, the research associate, and the two research assistants coded the variables separately and checked for inter-rater reliability, which was about 80 percent. We then discussed and recoded the discrepant cases.

### *Qualitative Comparative Analysis*

I used Qualitative Comparative Analysis (QCA) to assess how the variables combined to affect the outcomes (Ragin 1987). In contrast to quantitative methods, which generalize the influence of causal variables across a large number of cases, QCA is appropriate for the comparison of a small number of cases. It is more concerned with the different combinations of causal values that exist and their relationship to the outcome than with the number of instances of each combination. In fact, when cases have the same combinations of causal values they are coded together and treated as one “case” because they are identical. While quantitative methods have linear and additive assumptions, QCA relies on Boolean algebra which is conjunctural in its logic. It is appropriate for ascertaining the multiple causal pathways to reach any outcome of interest. QCA also simplifies complexity by dropping irrelevant factors. For example when two Boolean expressions differ in one causal condition but reach the same outcome, the causal condition that distinguishes the two expressions can be thought of as irrelevant and is dropped to create a more parsimonious combined expression.

### **Findings**

The first step in QCA is to ascertain whether the independent and dependent variables are present or absent for each of the cases in the study. Table 1 shows the causal conditions and outcomes for each of the cases in the comparison. The clients are either “commodified” in

which case the outcome is coded 1 or “decommodified” in which case the outcome is coded 0. Six organizations commodified their clients and six did not commodify their clients.

<Table 1 about here>

Next, I turn to the results of the QCA which examines the causal conditions that combine to produce the two outcomes.

### *Commodification*

Table 2 shows that four pathways led to commodification. Against expectations, there is no clear relationship between service logic, exposed work model, and client commodification. However, the analysis supports the main hypothesis that exposure to a market logic increases the likelihood that the clients are commodified. Embeddedness in the market is present in all four pathways, suggesting that it is a necessary condition (i.e., a condition that must be present for the outcome to occur).

<Table 2 about here>

I expected that embeddedness in the market would be both a necessary and sufficient cause of client commodification when the social services unit is weakly embedded in the human services field. Yet, the first and second pathways, which combine embeddedness in the market and an absence of embeddedness in the social service field, also include power advantage to the production unit. This suggests that embeddedness in the market is necessary but not sufficient and that it combines with power advantage to the production unit to produce the outcome when

the organization is not embedded in the human service field. I also expected that decoupling is not necessary in such cases, given the absence of isomorphic pressure from the social service field. This seems to be the case. In the first pathway the units are decoupled and in the second pathway they are tightly coupled, suggesting that either condition will lead to commodification. The first two pathways encompass two out of the six organizations that commodified their clients.

An example of the second pathway is WS, which provides work experiences to ex-offenders referred from a state prisoner reentry program. Although the ex-offender may experience various personal problems, WS does not officially categorize them as “disabled” and they do not receive mental health or rehabilitative services in-house. The program provides three month transitional work opportunities through the operation of a production facility that is a certified supplier to the auto industry. From what I observed, much of the work on the production floor is dangerous and physically demanding, requiring heavy lifting, driving forklifts, using toxic chemicals, and working at a fast pace with heavy machinery. Yet, the work model is “not exposed” because the clients do not come in direct contact with customers and their demands. Clients also receive case management services from workers who have been hired as part of the contract with the prison reentry program.

By virtue of its contracts with automobile manufacturers, WS is firmly embedded in the market. WS’s main customer places enormous pressure on its contractors to bid low, and in response, the organization constantly searches for efficiencies. The manager of the production unit indicated that the facility could lose the contracts at any time. He repeatedly remarked that the biggest customer treats WS just like any other contractor. He said, “They ask for things that are impossible” and, “They give us no special consideration.” By contrast, the case management

program for ex-offenders is only weakly embedded in the human service field. The case managers have backgrounds in criminal justice and interact mostly with the prisoner reentry program and parole. Thus, the program is an extension of the criminal justice system rather than the human service field.

At WS, the production facility, which accounts for over 50 percent of the revenues, has the power advantage over the reentry case management program, which accounts for about five percent of revenues. The case management services are tightly coupled with the production unit. The case managers monitor clients' performance in the production facility in weekly visits, and encourage clients to engage in job search throughout their tenure in the program.

Clients in the reentry program are commodified. The vice president of production ensures quality control by encouraging clients to report unproductive behavior of other clients, and by providing "strong supervision." The production facility manager explained that he conducts time studies every day and implements strict quality control procedures. He noted that workers need to be "fast and good." By this he meant that they need to work at a fast pace to meet deadlines, but they also need to meet quality standards. If clients are unable to meet performance standards they are shifted to other positions to meet the efficiency needs of the production facility. If clients exhibit behavioral issues such as the inability to be supervised, anger in the workplace, absenteeism, or otherwise disturbing the work environment, they are "released" early. According to the vice president of production, these clients, lacking other means of financial support, often end up back in prison. She maintained that such clients fail in the work experiences because are "not ready" to live on the outside. Reentry case managers did not report advocating for a more therapeutic model. Rather, they maintained that they work with the production unit to encourage clients to be as hard-working and efficient as possible.



While non-productive workers are released, productive workers can apply for the “long term transitional program” and stay on with the production facility past the three month time limit. Periodically full time supervisor positions open up and the long term transitional workers may apply for them. The production facility manager figured that about 11 out of the 70 workers on the floor were from the prisoner reentry program. He said that about eight were long term because they “did such a good job.”

When the organization is embedded in both the market and the human service field and the social service unit has a power advantage, I expected that loose coupling would be a necessary condition of commodification because it allows expression of the market logic in the production unit. The third and fourth pathways support this expectation. The third pathway combines embeddedness in the market with embeddedness in the social service field, a disabled target client group, power advantage to the social service unit, and loose coupling between production and social service units. The fourth pathway is identical to the third except that the disabled client group is replaced by an exposed work model. Together the two pathways encompass four out of the six organizations that commodified their clients.

An example of the third and fourth pathways is MA, which targets economically vulnerable persons with mental illness. A Deli and catering service offer work experiences that expose clients to customers, such as over the counter serving breakfast and lunch and running the cash register. The business field is a mix between market dominated and market moderated. On the one hand, many of the business customers, such as other social service agencies, public agencies, and schools, are not particularly market oriented and seem to engage in exchange relations with MA to support its social mission. However, long term relations are disrupted

when the customers retain new management who view the organization through a market lens.

When asked if the catering business ever lost customers, for example, the manager said,

“Absolutely. Because of poor services. Sometimes they give us overwhelming orders. [Name of company] is one of those. They will probably come back to us. So often, they get new administrators [who don’t support MA’s mission]. I believe last year they were just not happy with our catering.”

The case management side is embedded in the social service field. Case managers are part of a team of mental health providers including psychiatrists, financial planners, community integration specialists, nurses, and counselors at the Department of Rehabilitation. The power advantage rests with the case management side, as most of the organization’s multi-million dollar budget comes from grants and contracts to support the social and mental health services.

Finally, the social service and production units are decoupled. While many clients are actively involved in both mental health therapy and work, the manager of the production unit notes that contact between the social services unit and businesses is kept to a minimum to prevent the social services from interfering with what goes on in the work place:

“We try to separate what is going on in the businesses from everything else that goes on, in terms of the social work activities here and supports that are given...um... because we want to teach them the real world work skills.”

On the production side clients are commodified and a market logic prevails. According to the manager of the production unit, “We need to be able to say that we take our business so seriously [that] we do more, we expect more, and we get more.” By “expect more,” the manager meant that clients are held to the same standards as any worker:

“When they come to the bosses, the bosses treat them like any other [employees]. We expect them to show up to work on time, have their uniforms clean—hair—all that. And we expect certain behaviors as well. If they violate any of those areas, they can be warned, maybe. It depends on what it is. And the bosses, like any other bosses, have complete discretion to do whatever. They can be sent home for a day, suspended for a day or two, or they can be fired.”

The production side alerts the client’s case manager when the client is terminated, to help the client adjust to the termination and to create a new case plan. As they exit the work site, then, the client switches from worker to service recipient and is now viewed through a therapeutic lens. Therefore clients, who must manage dual identities as a production worker and a service recipient, shoulder the burden of environmental conflict. According to the manager, termination can be very upsetting to the clients. As she noted,

“When they are terminated...we will go back at some point of the day and call their case worker and say, ‘this is what happened. We need your help.’ It is our responsibility to let the case worker know that we need support and this person needs support. If it is pretty urgent, we will call right away, and say ‘[The client] is going to downstairs. We terminated him. We need to intercept them before they leave the building, because this is very urgent.’”

### *Decommodification*

Table 2 shows three pathways leading to the decommodification of clients. In contrast to expectations there is no clear relationship between service logic, exposed work model, and client decommodification. Consistent with expectations, embeddedness in the social service field is a

necessary condition of de commodification. In the first pathway it combines with a disabled target client group, an exposed work model, and power advantage to the social service unit. Analogous to the results for commodification, then, embeddedness in the human service field in the absence of market embeddedness combines with power advantage to the social service unit to bring about de commodification. Three of the six organizations that de commodified their clients encompassed this pathway.

An example of the first pathway is provided by SS, which provides housing, educational programs, mental health treatment, and work experiences for persons with mental health diagnoses. SS operates a kitchen and convenience store which are integrated into their main service location. On-site mental health case managers refer interested clients to the work experiences, where they first receive an orientation and a two week rotation through the various jobs. Then, clients decide whether they want to work and select their preferred position.

SS is embedded in a market moderated business field, where customers enter into the market exchange to support the social mission of the organization. Asked to describe the customer base, the director of the production unit said, “Quite a few businesses down the street come in most every day. We have some people who just walk in off the street... [Customers] can write it off for charitable donations. They are contributing to the community. It makes them feel better, you know, because they are supporting SS.” The case management unit is heavily embedded in the social service field. Case managers are responsible for monitoring the clients’ overall case plan, including the work experience, and they run therapy groups on a daily basis. They interact with a larger team of service providers which collaborates to provide a package of services ranging from life skills coaching, supported employment training and placement, psychiatric services, medication support, transportation, computer training, art studio, and

socialization. Power advantage lies with the social service unit, which accounts for most of the organization's multi-million dollar budget.

As expected when the social services unit is strongly embedded while the production unit is weakly embedded, the social service logic dominates and clients are decommodified. By allowing the clients to sample the various work experiences and then select for themselves, the organization tries to ensure that work experiences meet the specific service needs of clients. Further, the managers in the production unit view non-productive behavior as an occasion for skill building rather than as a threat to productivity and cause for termination. Clients may be diverted from the work experience if they have therapeutic issues that require additional social services, but they are rarely fired. As noted by the production manager:

“The only really different between our employment and outside employment is [that we use] consequences as guide... So, if the client crashes and burns here...we'll pull him off the schedule...we can get him connected with case services...we going to give them help that they need...[clients] are not going to get fired for their mental health breakdown. They are going to get fired if they steal from me, but they are not going to get fired because they did not show up for three days. But my hope is that these things happen here so that I can teach them skill sets to [do well in the outside world].”

A second pathway combines embeddedness in the social service field with an able-bodied client group, a work model that is not exposed to customers, power advantage to the social service side, and tight coupling.

The third pathway is similar to the second pathway except that the organization is also embedded in the market. The pathway supports the expectation that when the organization is

embedded in both the market and the human service field and the social service unit has the power advantage, tight coupling enables the expression of the social service logic on the production side, resulting in decommodification of the clients.

An example of the third pathway is AB, which operates a plant that provides work experiences, such as packaging and light assembly, for persons with mental and developmental disabilities. The production unit operates in what it experiences as a market dominated field, where many of the customers expect to receive the goods and services at a competitive price and quality, and delivered as explicated by a contract. As the executive director explained, “We have rush jobs. Sometime we have to get [the orders] out...sometimes staff helps out, myself included.” Moreover, the production unit faces competition from other sheltered workshops and, increasingly, from for-profit businesses. Although many customers have done business with the organization for years, it is not unusual for AB to lose contracts to the competition.

Meanwhile, AB is strongly embedded in the human services field. It contracts with Regional Center, which refers clients for the work positions and provides case management, transportation to and from the facility, and financial support, and with the Department of Rehabilitation, which provides funding and supported employment services. The case managers charged with addressing the social needs of client workers collaborate on therapeutic case plans with this network of service providers.

The power advantage lies with the social service side, which accounts for around 70 percent of revenues. As noted by the executive director, because the organization relies so little on the revenues from the production facility, the board of directors is not terribly concerned when the facility fails to meet prevailing efficiency and quality standards leading to the loss of

contracts. They are more concerned with meeting the expectations of stakeholders in the human service field, who encourage the facility to treat the clients as service recipients.

The case manager services are closely coupled with the production unit. Case managers are housed in an office in full sight of the production floor. They interact throughout the day with clients, a production supervisor, and floor supervisors. Together, the staff members keep the facility running while attending to the social and emotional needs of the clients, who are decommodified. As recounted by the executive director, if the work gets too hectic a client might start crying, at which point the production crew slows down the pace. The case manager leaves her door open and clients can come in at any time to talk with her about anything that is on their mind. As she explained, she monitors their emotional state and collaborates with their mental health counselors to help them succeed in the work positions. She said, “We want to keep them as long as we can here as this is something they look forward to doing. So, if it’s medication, [we] just go ahead and [recommend] an adjustment.” To prevent the clients from getting bored when the work gets slow, the floor supervisors organize activities such as bingo, a stroll around the grounds, or watching movies. When I visited the facility a floor supervisor was leading games of hangman and tic-tac-toe with clients who gathered around him in a circle. Turnover of clients is low. As a floor supervisor told me, “When clients come, they stay here. They have their friends here. It is a work program but it’s also social.” According to the executive director, a few of the clients had worked in the facility for over thirty years.

## Discussion

WISEs operate in two fields structured by conflicting institutional logics—social service and market. They must therefore assume competing institutionally derived identities as human service organization and business. An institutional logics perspective suggests that exposure to

a market logic threatens to undermine the therapeutic purpose of client work opportunities and may lead the organization to treat client workers as instruments of production rather than as service recipients with therapeutic needs. Yet progress toward an understanding of the processes through which commodification occurs is hampered by a dearth theoretically grounded empirical research. In this article I develop and conduct a preliminary test of a theoretical framework that specifies various combinations of causal factors that promote or discourage the commodification of clients in WISEs. I find strong support for some aspects of the framework and no support for others.

First, in contrast to expectations, I find little evidence that the expressed service logic is related to commodification of clients. I expected that clients who are viewed as able-bodied are likely to be constructed by the organization as production workers, while those thought of as less able-bodied are likely to be construed as inappropriate for market participation and in need of a protected work environment. I also expected that work models that expose clients to the demands of customers are more likely result in commodification when compared to work models that isolate their client workers from the demands of customers. To the contrary, I find examples of commodification when clients are constructed as disabled and/or work experiences are buffered from customer scrutiny and examples of client decommodification when clients are constructed as able-bodied and/or work experiences are exposed to customers.

Second, I find compelling support for the central role of field embeddedness in client commodification. WISEs commodified their clients only when they were embedded in a market dominated business field. Absent exposure to a field level market logic, WISEs treat clients as service recipients rather than as production workers. The analysis thus points to the primacy of



the organizational field as the origin of organizational practices and suggests that when field level logics find expression internally they supersede the organization's professed service logic.

Third, the analysis demonstrates that the distribution of power across the social service and production units is an important factor in determining commodification of clients. Although I expected that embeddedness in one field would be both a necessary and sufficient cause of client (de) commodification when the organization is weakly embedded in the competing field, I found that field embeddedness combines with power advantage of the related organizational unit to enable expression of the field logic in the organization. It appears that the resulting dominance of the logic depends partly on the increased dependence of the organization on the revenues generated by the unit that expresses the logic.

Fourth, the results suggest that WISEs often manage external conflict by compartmentalizing competing logics in separate units. Consistent with expectations, decoupling of social service and production units allowed expression of the less dominant logic by shielding it from the more powerful conflicting logic. Decoupling resolved the potential for conflict between units and pushed environmental contradiction onto the clients instead. At MA, for example, clients negotiated between identities as instrument of production (on the production side) and service recipient (on the social service side). By decoupling the production unit from social services, WISEs can respond to market pressures by commodifying the clients on the production side without interference from the social service unit.

Although results provide strong support for some aspects of the proposed framework, the study cannot be generalized due to the small number of cases and the lack of a representative sample. Future research could test the model on a representative sample of WISEs. The sample also suffers from limited diversity, as all logical combinations of the causal variables are not

represented. For example, none of the cases combine embeddedness in the social service field, the absence of embeddedness in the market, and power advantage to the production unit. Although such combinations seem theoretically unlikely, the findings would be more robust if they were included. Finally, QCA uses Boolean algebra, which necessitates the use of binary data. All variables are conceived of as the presence or absence of events, processes, or structures, which can result in the loss of information. Commodification, for example, could occur in degrees, although in the organizations under study the clients were either clearly commodified or decommodified.

## Conclusion

The study demonstrates that a commitment to a social mission is no guarantee that the organizational practices will actually implement it. Supposedly, the clients in WISEs benefit from the therapeutic aspects of the work experience when these experiences are integrated with the array of social services the clients obtain. But when these aspects are endangered or disappear as the enterprise becomes captured by the market, the clients become workers. They lose the therapeutic services they rightfully expect from the organization. The challenge for WISEs, then, is how to protect their organization from exposure to a market logic. Study results suggest that how the leaders of the organization position the program in the two conflicting fields – human service and market – may have considerable impact as to which logic will prevail. Unless the organizational leaders and its stakeholders ensure that the organization is heavily embedded in the social service field and gives the social service unit a power advantage within the organization, the organization risks a mission drift toward commodification of the clients.

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Table 1: Presence or Absence of Causal Conditions and Outcomes for Work Integration Social Enterprises

Social Enterprise	Able-bodied	Exposed	Embedded: Market	Embedded: Human service field	Power advantage: Businesses	Power advantage: Social services	Tight coupling	Commodified
GL	1	0	1	1	0	1	0	1
WS	1	0	1	0	1	0	1	1
CR	1	1	1	0	1	0	0	1
MA	0	1	1	1	0	1	0	1
NH	0	0	1	1	0	1	0	1
GM	0	0	1	1	0	1	1	1
AB	0	0	1	1	0	1	1	0
LP	0	1	0	1	0	1	0	0
LC	1	0	0	1	0	1	1	0
HB	1	1	1	1	0	1	1	0
SS	0	1	0	1	0	1	1	0
PO	0	1	0	1	0	1	1	0

Table 2. Pathways and Outcomes\*

<u>Commodification</u>	Coverage
1. ABLE-BODIED*EXPOSED*EMBEDDED: MARKET*embedded: social*POWER ADVANTAGE: BUSINESS*power advantage: social*tight coupling	.17
2. ABLE-BODIED*exposed*EMBEDDED: MARKET*embedded: social*POWER ADVANTAGE: BUSINESS*power advantage: social*TIGHT COUPLING	.17
3. able-bodied*EMBEDDED: MARKET*EMBEDDED: SOCIAL*power advantage: business*POWER ADVANTAGE: SOCIAL*tight coupling	.33
4. EXPOSED*EMBEDDED: MARKET*EMBEDDED: SOCIAL*power advantage: business*POWER ADVANTAGE: SOCIAL*tight coupling	.33
<u>Decommodification</u>	
1. able-bodied*EXPOSED*embedded: market*EMBEDDED: SOCIAL*power advantage: business*POWER ADVANTAGE: SOCIAL	.5
2. ABLE-BODIED*exposed*embedded: market*EMBEDDED: SOCIAL*power advantage: business*POWER ADVANTAGE: SOCIAL*TIGHT COUPLING	.17
3. EMBEDDED: MARKET*EMBEDDED: SOCIAL*power advantage: business*POWER ADVANTAGE: SOCIAL*TIGHT COUPLING	.17

\*Lower case letters signify the absence of the causal condition. Upper case letters signify the presence of the causal condition.

Figure 1. Client Commodification

<i>When clients are commodified:</i>	<i>When clients are de-commodified:</i>
They are selected because they meet the needs of the enterprise	They are selected because the work opportunities meet their service needs
They are retained because they are productive workers	They are retained even if they are less productive, because they require training/experience
They are fired or dismissed because they are not productive, fail or violate work norms.	They are “graduated” from the work program when they become productive or otherwise no longer require the therapeutic benefits of the work experience
Their work experiences are determined by the needs of the business.	Their work experience is determined by their therapeutic needs
Their tasks, work schedule, and pay are determined by the requirements of the work site. Therapeutic issues are viewed as distraction from work.	They may be diverted from the work experience if they have therapeutic issues that require additional social services.
Ancillary social services are viewed as less important, especially if such services do not increase or interfere with productivity.	Ancillary services are viewed as just as important as the work experience

Figure 2. Full Model

