

The spread of business-like approaches into the non-profit sector: Causes, consequences, and conclusions for organizing practice

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The spread of business-like approaches into the nonprofit sector: causes, consequences, and conclusions for organizing practice

By Florentine Maier

Abstract:

This synopsis presents the research agenda of the habilitation, which centres on the spread of business-like approaches into the nonprofit sector. A theoretical contextualization of the research is given by discussing its relationship to institutional theory on rationalization. The connections between the contained publications are explained, which range from foundational work on the state of research and alternatives to being business-like, to causes for the spread of business-like approaches, to consequences and practical applications. The main research contributions (in particular the most important typologies, frameworks and propositions developed in the articles) are summarised and the research needs and practical implications are reflected on. It is concluded that the effects of business-like instruments depend on the way they are used. They can contribute to exacerbating problems of capitalism in ways that are often not intended by their users. Or they can be tools to support other kinds of social and economic change. The synopsis concludes with a formal assessment of the included publications according to the relevant habilitation guidelines.

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1 Introduction

The cumulative habilitation at hand – in accordance with the guidelines of the Department of Management of WU Vienna University of Economics and Business – comprises five articles in leading academic journals and four book chapters that contribute to the interrelated fields of organization studies and nonprofit management studies. The habilitation examines the causes and consequences of the spread of business-like approaches into domains previously reserved for other forms of organizing, which have often been regarded as more suitable for the nonprofit sector. To investigate these issues, a number of theoretical approaches are used that are particularly suitable for closing research gaps left by institutional theory, notably drawing on the works of Luhmann (e.g. 1991), Czarniawska (e.g. 2005), Potter and Wetherell (e.g. 1987), and Laclau and Mouffe (e.g. 2001). The overall concern behind the choice of these theoretical approaches is to explore contradictions: between business-like and other ways of organizing, and between consequences of nonprofit organizations becoming business-like from various perspectives. The overall thrust is to gain insights that are useful for organizing practice, and thus at the same time critical of managerialism and managerialist at a meta-level: How should nonprofits organize themselves to efficiently and effectively contribute to social and environmental sustainability, and – to include another matter – to strengthen their emancipatory potential? The habilitation approaches this question in the attitude of Alinsky (1971:14), insisting that the search for such answers of practical relevance should be persistently undertaken, precisely because each answer and solution will inevitably create new questions and problems.

The remainder of this synopsis is structured as follows: In the following section 2, the major theoretical context of the habilitation project is presented by discussing different strands of institutional theory on rationalisation. Section 3 provides an initial overview of the specific habilitation project, including a brief explanation of the connections between the included publications. Afterwards, the most important research contributions of each publication are discussed, put into context and reflected upon. Finally, in section 4, the included publications are formally evaluated on the basis of the applicable habilitation guidelines.

2 Theoretical context: institutional theory on rationalization, world culture and hybridity

This habilitation deals with the spread of business-like approaches in the nonprofit sector, with causes and consequences of this development as well as with their implications for organizing practice. In section 3 of this synopsis these contributions are discussed in detail. Before going into detail, however, an overview of the most relevant theoretical contexts is given. The research included in this habilitation contributes to the ongoing discussion in organization and management studies on the nature, causes and consequences of rationalisation.

The big questions underlying this debate have been at the heart of sociology from the outset: What is rationalization? Why is it happening, and with what effects? Rationalization with its ever-changing variants has fascinated sociologists for over a century: from Max Weber's analysis of disenchantment and instrumental rationality (published in the beginning of the 20th century, for recent editions see Weber, 2005, 2011), to Habermas' (1981) understanding of communicative rationality, to Boltanski's and Chiapello's (2005) analysis of "artistic" re-enchantment of the spirit of capitalism, to name but a few.

In organization studies and management studies, rationalization is a prominent subject of institutional theory, where it has been in the focus of ground-breaking work by Meyer and Rowan (1977) and DiMaggio and Powell (1983). Studies on the role of international nonprofit organisations in spreading rationalisation soon also played an influential role in this research (e.g. Boli and Thomas, 1999). In the last ten years or so, a deepened research interest in the internal changes of nonprofit organizations has also developed. The becoming business-like of nonprofit organizations is understood as a form of rationalization (see, for example, Hwang and Powell, 2009; Bromley and Meyer, 2017).

With the spread of institutional theory in organization studies, it has become generally accepted in the research community that the dissemination of business-like approaches in the nonprofit sector can be explained by applying theses of institutional theory (see, for example, Dart, 2004; Alexander and Weiner, 1998; Moody, 2008; Bromley and Orchard, 2016; Hwang and Bromley, 2015; Barman and MacIndoe, 2012). To give a complete overview of all research that does this, in all its nuances, would be a task beyond the scope of this synopsis.

The important point for the contextualisation of this habilitation is the understanding that institutional theory conveys of the broader implications of nonprofit organizations becoming business-like: How does it relate to developments in society as a whole? In particular, the strands of institutional theory that focus on world culture and professionalization on the one hand, and institutional logics and hybridization on the other, provide important insights in this regard.

Research on world culture and professionalization shows that nonprofit organizations are not just passive objects of rationalization, but also its active drivers and results. In its empirical studies, this research typically does not examine the structures and practices of specific nonprofit organizations, but the emergence and growth of various types of modern organizations at the population level over time (e.g. Bromley and Meyer, 2015). An important finding of this research is that with the beginning of the neoliberal era there has been a kind of Cambrian explosion of organizations: a great social change that entails unprecedented founding rates of formal organizations in all areas of social life (Bromley and Meyer, 2015:16). In addition, previously distinct social structures such as charitable and religious groups, family businesses and government agencies are being reshaped as organizations (Bromley and Meyer, 2017). The first signs of this expansion became apparent after the Second World War. For example, in the 1950s, catholic orders were for the first time listed in the “Yearbook of International Organizations” (see Bromley, 2010), as they adopted the template of modern organizations. “Earlier, it simply did not make sense to think of the church and its internal bodies, as organizations.” (Bromley and Meyer, 2015:17) It is argued that rationalization – characterized by scientism, rights and empowerment discourses, and an explosion of education – is the cultural foundation of these changes, and that these cultural changes are transmitted through professionalization, especially expanded professionalism in law, accounting and management (J. W. Meyer and Bromley, 2013; Hwang and Powell, 2009). Nonprofit organizations, especially at the international level, have been playing an important active role in these developments (Boli and Thomas, 1999) by promoting human rights (e.g. Hafner-Burton and Tsutsui, 2005), science (e.g. Schofer, 2003), education (e.g. Bromley, 2010), environmental protection (e.g. Frank, Longhofer, Schofer, 2007), and even the professionalization of nonprofit management itself (e.g. Lee, 2010).

These arguments from institutional theory have been supported by many quantitative studies and certainly provide an instructive explanation and contextualisation of the kind of changes in the nonprofit sector that this habilitation is about. However, this explanation must not be understood as deterministic. Opposite developments – a backlash against the cultural changes described above – are also under way. How these developments will play out in the coming decades is unclear and will depend not only on the kind of cultural transmissions that are in the focus of world culture theory, but also on future levels of existential security, the cultural backlash of groups who sense decline, and on demographic developments (for an extensive analysis of these issues see Inglehart, 2018; Inglehart and Norris, 2017).

While research on world culture and professionalization looks at dominant institutional pressures and understands them as a homogenising rationalizing force, the strand of institutional theory that deals with institutional logics and hybridization has a different focus: The heterogeneity of institutional environments is brought to the fore, and it is examined how organizations deal with this heterogeneity in their practices and internal structures. Environments are understood as – to a greater or lesser extent – characterized by plural institutional logics, i.e. “socially constructed, historical patterns of material practices, assumptions, values, beliefs and rules” (Thornton and Ocasio, 1999:804). From this theoretical perspective, being business-like is understood through more fine-grained concepts: Thornton and Ocasio identify seven ideal type institutional logics (Thornton, Ocasio, Lounsbury, 2012:73), out of which the rationalization process described by world culture theory is closely related to four: market logic and corporate logic, but also state logic and professional logic. The other three ideal types of institutional orders revolve around family, community, and religion. Lu Knudsen (2012) delineates six types of institutional logics: She finds that nonprofit organizations may enact at least four institutional logics – democracy, family, religion, and professions – and in addition to that need to adapt to institutional logics of capitalism and the state. Studies focusing on social enterprises tend to confine themselves to two institutional logics: commercial and social welfare (Fitzgerald and Shepherd, 2018; Mair, Mayer, Lutz, 2015).

But regardless of the exact number and naming of institutional logics in these studies about hybridity, the difference to world culture theory is clear: In world culture research the focus is on a unidirectional transformation towards one generic type of agentic and rationalist organization. Ascribing organizations agency in this process is considered by world culture scholars as part of the overall cultural expansion of actorhood. In contrast, research based on the institutional logics approach emphasizes that a plurality of institutional logics exists and will persist in permanent permutations. Some nonprofits are confronted with only one kind of normative expectations and thus only one institutional logic, but it is not unusual for nonprofits to operate in environments where they face a plurality of institutional logics. In these cases, in order to gain and maintain legitimacy, they must become hybrids. Contradictions between institutional logics offer nonprofit organizations leeway to creatively elaborate and reconstruct these logics (Skelcher and Smith, 2015). The organisations are understood as having agency that – socially constructed or not – is real.

This habilitation owes important insights to both of these strands of institutional theory. In all the included articles, the fundamental understanding of what it means for nonprofit organizations to become business-like has been inspired by world culture research. The theorization of alternatives to being business-like and discussions of practical implications are clearly inclined towards the institutional logics strand of institutional theory.

However, institutional theory is not used as a theoretical approach in any of the articles. The topic of alternatives to becoming business-like could have been examined through the theoretical lens of institutional logics, as was indeed done in later articles by M. Meyer and Maier, 2015, and M. Meyer and Maier, 2017. However, in the article by Maier and Meyer (2011) the topic was examined through a discourse theoretical lens, because this seemed more suitable in methodological terms in view of the exclusive use of interview data.

Three of the included articles address research gaps left by institutional theory. The article by Dey, Schneider and Maier (2016) examines some affective reasons for the spread of business-like approaches. These are not within the scope of institutional theory but can be addressed with poststructuralist theory of hegemony. The two articles aiming to rather comprehensively understand the effects of certain business-like approaches (Maier, Schober, Simsa, Millner, 2015; Maier, Barbetta, Godina, 2017) could not rely on institutional theory because institutional theory is selective about the kinds of effects that it can take into view: Repercussions on nonprofit organizations' institutional environment, deliberate acts of institutional entrepreneurship, the legitimacy of nonprofits, and even nonprofits' survival chances depending on their degree of legitimacy are within the scope of various branches of institutional theory. Other important questions, for example about effects on service provision or on nonprofits' functions as social capital builders, as voices of marginalized groups, and as parts of civil society that are important for healthy democracies are clearly beyond the scope of institutional theory.

Institutional theory has remained agnostic about these issues, arguing that questions about the effects of increasing cross-sectoral similarity on the efficiency of nonprofit organisations and on the common good are normative and therefore not the task of academic research (Bromley and Meyer, 2017:942). In fact, "efficiency" and "the common good" are very abstract normative concepts that depend on the values of the observer. However, I would argue that these questions can be approached on a more concrete level with scientific methods, can be empirically investigated, and can to a relatively large extent – albeit not completely – be freed from value judgements, which should be reflected upon and made explicit. Still, I agree that institutional theory should not be used to do this. The reason however should not be problems with value judgements, but a desire to preserve institutional theory as a theory with meaningful contours (in line with warnings about the over-extension of institutional theory by R. E. Meyer and Höllerer, 2014). The studies on effects of nonprofits becoming business-like therefore use other theoretical and methodological approaches, to be explained below, that are more suited to their specific research questions.

3 *The habilitation project at a glance*

The research agenda presented in this habilitation can be divided into four phases, each of which deals with a specific aspect of the spread of business-like approaches into the nonprofit sector (see Figure 1). It begins with a systematic review of the state of research on nonprofits becoming business-like, and a discourse analysis to develop a typology of non-business-like as well as business-like ways of organizing. The next step is a study on causes of the spread of business-like approaches, focusing on affective dynamics that foster the popularity of a particular notion of social entrepreneurship. This is followed by investigations of positive as well as negative consequences of two specific business-like tools used in the nonprofit sector or at its borders to the for-profit sector: social return on investment (SROI) analysis and social impact bonds (SIBs). The habilitation project concludes with four book chapters that show

what applying this body of knowledge in organizing practice to enhance nonprofits' capacities to contribute to emancipation and sustainability may look like. Figure 1 provides an overview of these relationships between the publications. It should be noted that due to the nature of research work, the years of the texts' publication do not exactly correspond to their position in the research agenda.

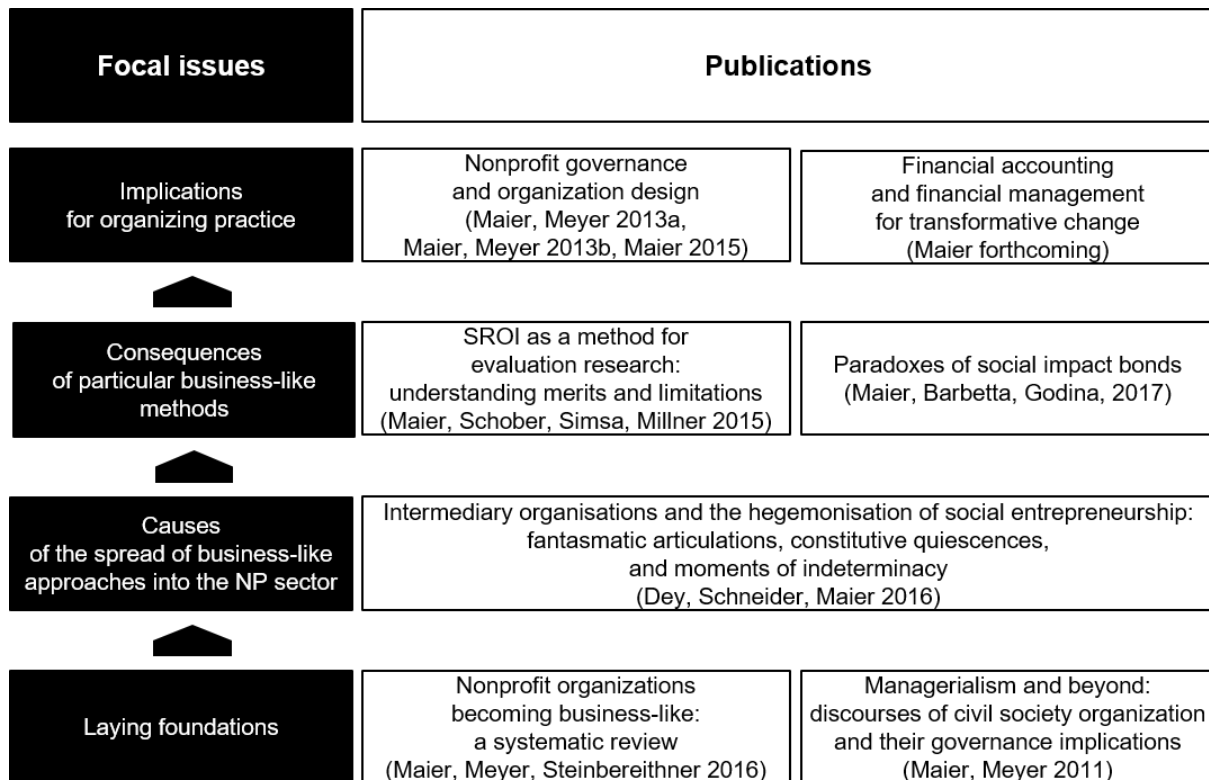


Figure 1: The research agenda in synopsis

The following subsections discuss these research articles and book chapters, focusing on research results and contributions. Connections between the texts are pointed out and implications for further research and organizing practice are reflected on. To ensure the necessary background understanding, also a short summary of the research methods is given for each journal article.

3.1 Laying foundations: state of research and alternatives to being business-like.

Soon at the beginning of this habilitation project it became clear that the research efforts on the consequences of nonprofits becoming business-like were hindered by two limitations of previous research. First, research on the topic was scattered across different literature strands, with different terminologies and little consensus in the scientific community about what was already well researched and what were important research gaps. Secondly, there was hardly any comprehensive analysis about the counterparts to being business-like. This created an obstacle to the analysis of consequences of being business-like. It was apparent that a nonprofit organization, to paraphrase Watzlawick's famous axiom, "cannot not organize", thus alternatives to being business-like needed to be conceptualized in terms of their own positive contents. It was also apparent, especially from the research on institutional logics discussed above (e.g. Thornton and Ocasio, 2008) that there was more than one alternative to

being business-like, that different ways of not being business-like were distinct from being business-like as well as from each other, and that it was by no means obvious how different ways of organizing would differ in their consequences for various stakeholder groups, the nonprofit organization itself, or society at large. To lay the groundwork for overcoming these obstacles was the purpose of the first two research articles presented in this habilitation, to be discussed in the ensuing subsections.

3.1.1 The state of research on nonprofit organizations becoming business-like

<p><u>Text 1:</u> Maier, Florentine, Meyer, Michael, Steinbereithner, Martin (2016) Nonprofit Organizations Becoming Business-Like: A Systematic Review. <i>Nonprofit and Voluntary Sector Quarterly</i> 45 (1), 64-86</p>
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The first research article of this habilitation (Maier, Meyer, Steinbereithner, 2016) is a systematic review of the hitherto fragmented research landscape on the becoming business-like of nonprofit organizations. Its aims are to clarify the terminology, summarize the state of scientific knowledge about nonprofits becoming business-like, and identify important research gaps.

It should be stressed that this literature review focuses on a specific aspect of the spread of business-like approaches to the nonprofit sector in order to keep the task manageable within the confines of a journal article: It focuses on nonprofits that adopt practices and ideas from the business world while remaining active in typical nonprofit fields of activity (e.g. social services or advocacy), or venturing into areas where profit-oriented businesses predominate (e.g. hotels or retail). What remains unconsidered in this literature review is all research on social enterprises with only a partial constraint on the distribution of profits (in contrast to nonprofit organizations with a strict non-distribution constraint) and on profit-oriented enterprises that enter areas previously reserved almost exclusively for nonprofits and philanthropists.

Moreover, it should be noted that a spread in the opposite direction is also taking place: Social enterprises with a partial constraint on profit distribution are also becoming involved in typical profit-oriented areas, and profit-oriented businesses are adopting practices of corporate social responsibility and environmental sustainability. In this sense, there is not only an expansion of business-like approaches into the nonprofit sector, but also of nonprofit approaches into the business world and, generally speaking, a blurring of boundaries and proliferation of new forms.

Methods

In terms of research methods, the study follows best practices for systematic reviews (Tranfield, Denyer, Smart, 2003) to cover all English-language academic articles, as well as important research monographs and edited books in this field of research up until July 2014. In a three-stage procedure, beginning with a scoping study and comprising two iterations of keyword-based searches and snowballing, 599 relevant publications were identified. All of these publications were read and coded according to their research questions, key concepts, theories and research methods.

Findings

The review produced two important results: First, a map and clarification of key concepts was developed (see visual summary in Figure 2). It becomes apparent that the becoming business-like of nonprofit organizations is a complex phenomenon that must be broken down into its specific aspects in order to enable adequately nuanced and empirically grounded research.

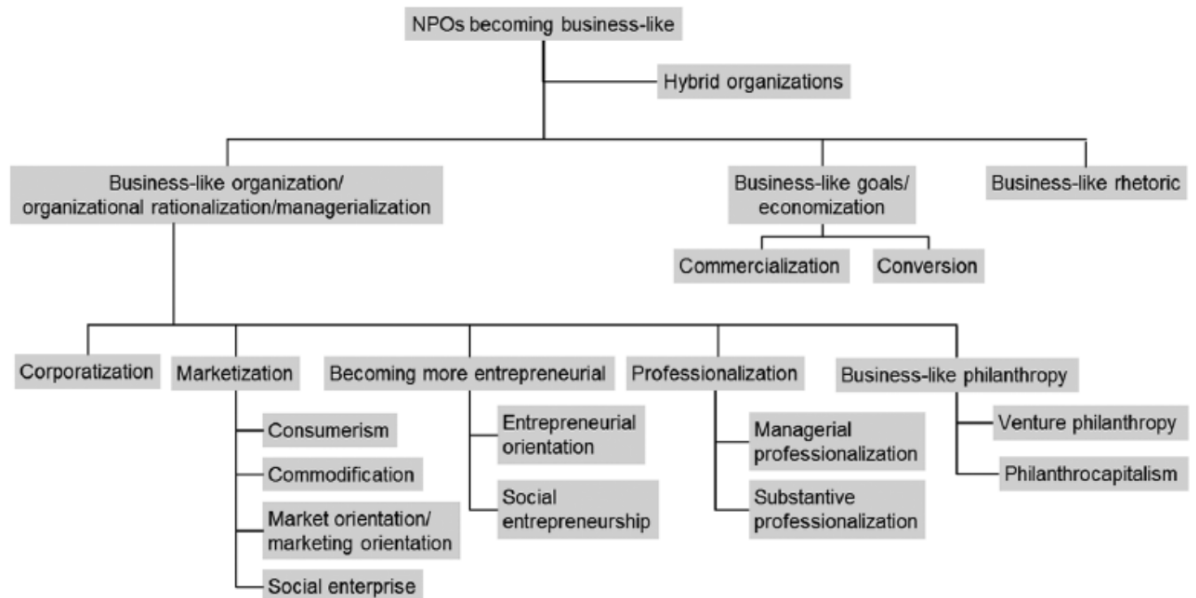


Figure 2: Key concepts in research on nonprofit organizations becoming business-like (source: Maier, Meyer, Steinbereithner, 2016)

The second important result of this review is a framework to systematize research on nonprofit organizations becoming business-like, based on three kinds of research foci: causes of nonprofits becoming business-like, organizational structures and processes of becoming business-like, and effects of becoming business-like. For each of these focal areas, the state of research is summarized and important research gaps are identified.

Out of these three focal areas, causes of becoming business-like have been researched most extensively. Qualitative and quantitative research methods have been used to identify causes in the organisation's environment, within the organisation and at the interface between the organisation and its environment (i.e. in the way in which the organisation reacts to environmental conditions). A variety of theories and perspectives have fruitfully been applied, ranging from macro-level explanations rooted in institutional theory or critical discourse analysis, to meso-level analyses that investigate the impact of New Public Management and neoliberal reforms on nonprofit organizations, to micro-level analyses focusing on the interest-driven actions of particular actors. Only a few potential causes remain relatively unexplored, such as endogenous organizational dynamics and affective dynamics.

Research into the organisational structures and processes of nonprofit organisations that are becoming or have become business-like can be divided into two subgroups: Studies examining the prevalence of certain business-like forms, and studies on how organizations deal with the differences between business-like and other approaches. Regarding the prevalence of particular business-like forms, for some forms and parts of the nonprofit sector this has been assessed and documented rather extensively (e.g. healthcare providers in the U.S. converting from nonprofit to for-profit status); on others little research has been

published (e.g. on economization, in the sense of nonprofits increasingly being driven by monetary concerns). Research on how nonprofits handle the differences between business-like and other approaches in their internal structures and processes has been thriving in recent years, with many qualitative studies published on this issue. These studies present a dazzling variety of phenomena within nonprofit organizations, ranging from harmonious integration of business-like and other approaches, to conflicts and resistance. Recent research on these issues has become more sophisticated, moving from single case studies and snapshots to multiple case studies and longitudinal studies, aiming to identify what sorts of conditions tend to foster what sorts of organizational arrangements and outcomes.

Finally, with regard to the effects of nonprofit organizations becoming business-like, the review shows that research is characterised by polarised and inconclusive findings. Especially effects on the financial situation of nonprofits are quite well understood. For example, many quantitative studies have shown that market orientation improves the financial situation of nonprofits, and that commercialization can also be successfully used for this purpose. Extending beyond this strictly financial perspective, however, research findings are more complicated, and also much patchier. In a nutshell, much qualitative evidence suggests that becoming business-like tends to alter the way how nonprofits fulfil their roles as service providers, advocates and community builders in society. Whether becoming business-like also encourages a quantitative reduction – or from a normative perspective a deterioration – of advocacy and community building in favour of service provision is empirically unclear; many theoretical arguments have been put forward that it is the case. The effects on power relations, knowledge, and subjectivities are well documented. Studies investigating these effects build on Foucault, Bourdieu, critical theory, and world culture theory, among others. Most of the results of this research coincide with what has also been found in critical research on rationalisation in the business world, in the public sector and in private life. Original insights were gained especially through studies on hybridization, e.g. how hybrid organizations challenge traditional economic assumptions or challenge simplistic dichotomies between business-like and non-business-like knowledge and subjectivities. A common feature of research on the effects of becoming business-like is the tendency to focus on effects in only one dimension and then use these to draw overall conclusions about the desirability of business-like approaches. Moreover, studies focusing on rather negative effects of becoming business-like almost exclusively use qualitative methods, while studies on rather positive effects make use of the entire methodological spectrum.

Implications for further research and organizing practice

For the practice of nonprofit organizing, the findings from this literature review imply that there are no short and simple answers as to whether and how business-like approaches should be adopted by nonprofits. Clearly, nonprofit organizations have some agency on deciding whether they want to adopt such practices, but strong external pressures are also present. More importantly, nonprofits have considerable room for manoeuvre when it comes to deciding in what particular ways and combinations to implement business-like approaches. The available evidence suggests that some organizations manage to do this in ways that engage all important stakeholders and support the organization's original mission, whereas others stumble into serious internal conflicts or experience mission drift. Especially for the financial situation of nonprofits (including aspect such as fundraising revenue and venture philanthropic investments), the benefits of business-like management practices are well

documented. At the same time, there are theoretical arguments and empirical evidence that great caution must be exercised to avoid mission drift and power shifts that undermine the mission of the organizations.

Regarding implications for further research, the literature review shows that the field presents ample opportunities and needs for further research. Out of these, some have been pursued further within the habilitation project at hand: The studies on affective dynamics behind the popularity of social entrepreneurship (Dey, Schneider, Maier, 2016), on merits and limitations of SROI analysis (Maier, Schober, Simsa, Millner, 2015), and on paradoxical merits of SIBs (Maier, Barbeta, Godina, 2017) address research gaps identified in the literature review.

Regarding the causes of nonprofit organizations becoming business-like, the literature review shows that they are already quite well understood. One of the few less researched causal explanations (dealt with at the time of the review only by Lorimer, 2010) concerns the affective desires of the actors involved. This issue is taken up in the article by Dey, Schneider and Maier (2016), which examines affect as a driving force behind the growing popularity of a particular notion of social entrepreneurship

Regarding consequences of becoming business-like, the literature review shows that previous research has mostly focused on only a particular kind of consequences, using findings about these to draw conclusions about the desirability of business-like approaches in general. The articles on SROI analysis (Maier, Schober, Simsa, Millner, 2015) and SIBs (Maier, Barbeta, Godina, 2017) attempt to address business-like methods from more comprehensive perspectives, considering manifold consequences at different levels of analysis, including ambivalences and tensions between the outcomes for various stakeholder groups.

With regard to the consequences of business management, the literature review points to a lack of quantitative research that takes into account possible negative or ambivalent consequences. It remains to be seen whether more such studies will be published soon, but based on recent publications (e.g. Horvath, Brandtner, Powell, 2018) and studies in the academic pipeline it is to be expected. In any case, there remains a dire need for more studies designed in such a way as to be able to detect and assess the magnitude of negative as well as positive consequences. The methodological challenges of doing so are considerable. One important methodological precondition for such research is the conceptualization – and the quantitative operationalization – of business-like as well as non-business-like forms of organizing. The study on alternatives to being business-like (Maier, and Meyer, 2011), to be discussed in the following subsection, was undertaken with this aim in mind.

3.1.2 Alternatives to being business-like

<p><u>Text 2:</u> Maier, Florentine, Meyer, Michael. (2011) Managerialism and Beyond: Discourses of Civil Society Organization and Their Governance Implications. <i>Voluntas. International Journal of Voluntary and Nonprofit Organizations</i> 22 (4): 731-756</p>

A second foundational step for the research agenda of this habilitation was to more clearly conceptualize alternatives to being business-like, in the study by Maier and Meyer (2011). In previous research on consequences of nonprofit organizations becoming business-like, there had been hardly any comprehensive analyses of the counterparts to being business-like. It was

apparent that a nonprofit organization “cannot not organize”, to paraphrase the famous tentative axiom (Watzlawick, Beavin, Jackson, 1967). Thus, alternatives to being business-like needed to be conceptualized in terms of their own positive contents. Previous research, notably the research on institutional logics discussed above (e.g. Thornton and Ocasio, 2008) and conventions theory (e.g. Boltanski and Thévenot, 2006), suggested strongly that there was more than one alternative to being business-like in nonprofits, and that they were distinct from being business-like as well as from each other. But apart from that, previous research was rather unspecific about the characteristics of these alternatives. Most importantly, it was by no means obvious whether different ways of organizing would have different or the same effects when abandoned in exchange for more business-like approaches. This obscured important nuances about the consequences of becoming business-like.

The study of discourses of nonprofit organization (Maier and Meyer, 2011) was an attempt to remedy this shortcoming. Focusing especially on the governance arrangements within nonprofit organizations, this study examines from a discourse theoretical perspective (in the tradition of Potter and Wetherell, 1987) what different forms of organizing can be found in the nonprofit sector, and what particular notion of organizational governance each of them implies.

Method

The study is based on semi-structured interviews, each involving two or more representatives of nonprofit organizations, at least one of whom had to be a senior member of the organization. These interviews were conducted with leaders, staff or members of nonprofits located in Austria in 2008/2009. The nonprofits were selected based on considerations of theoretical sampling, informed by a review of literature on different ways of organizing, aiming to cover as broad a range of approaches as possible. Altogether, interviews with representatives of 16 nonprofits were conducted, leading to theoretical saturation of analytical categories. Data collection and analysis proceeded in parallel. The key analytical strategy for identifying different discourses of nonprofit organization was to isolate text passages in which the interviewees themselves distinguished between different ways of organizing, for example differentiating between their own organization now and previously, their own organization in contrast to other organizations, or differences between parts of their organization. Extending from these distinctions, and applying them to all of the interview data, a comprehensive and parsimonious typology comprising five discourses of organization was developed.

Findings

The key result of the study are five discourses of organization: a managerialist discourse, a domestic discourse, a professionalist discourse, a grassroots discourse and a civic discourse. For each of these discourses, key messages and governance implications are spelled out.

The managerialist discourse revolves around topics of efficiency, effectiveness, and innovation. It affirms the rational management cycle of defining goals and strategies, developing appropriate measures, implementing these measures, evaluating, and continuously improving. The nonprofit organization is viewed as an independent actor who acts strategically towards other organizations as competitors or partners. The organization is populated by managerialist subjects, first and foremost managers, but also customers, investors, entrepreneurial employees, etc. Its notion of time is fast-paced, future-oriented,

anticipating and pursuing ongoing change. In terms of organizational governance, it emulates the practices of large for-profit organizations, focusing on the interplay between executives and the governing board.

The domestic discourse of organization is perhaps the alternative to managerialist discourse that is most widespread in practice. It is rooted in the fourth sector of family and private life. It emphasizes the daily necessities of work and affirms simple rules and decisions based on intuition. It respects seniority; paternalistic or maternalistic patterns among the workforce as well as towards clients prevail. Authentic idealism is the main criterion for the selection of personnel. Communication channels are flexible; there are few formal reporting obligations. Its notion of time is erratic: periods of extreme time pressure and personal sacrifice alternate with periods of leisurely pace during which employees have plenty of time to cultivate their personal relationships. Organizational decisions are not so much oriented towards the future but towards the values of the past and the demands of the present. Its governance system is based on informal means such as empathy and trust.

The professionalist discourse is often strong in organizations active in research, medicine or education, but also in fields where voluntary labour is predominant, such as sports, firefighting, paramedics and arts. This discourse is primarily oriented to the technical and substantive quality of work, to standards that cannot be determined solely by the organisation but are set externally (e.g. by professional associations). The distinction between experts and laypersons is crucial for the organisation. Personnel selection is based on professional criteria; personnel decisions involve the judgement of peers. The staff's commitment to the organisation is lower than that to their professional identity. Time is evenly paced: Even if the operative work is fast (e. g. the doctor in the emergency room or the striker in the soccer match), the professional keeps a cool head. Similar to managerialist discourse, the idea of permanent improvement of practices is a guiding principle for decision-making. In terms of governance, external peers from the same profession are the main addressees. Accreditations, rankings, participating in competitions, and closely observing the activities of other organizations in the field are characteristic elements of professionalist governance.

The civic discourse is characterized by ideals of representative democracy. The degree of mass support for the organization (for example membership figures) is perceived as important performance indicator. Time schedules in the organization are synchronized with the dates of elections and committee meetings. Ideas about organizational governance are central to civic discourse, as it prescribes sophisticated systems of checks and balances, comprehensive sets of formal rules, and formal monitoring mechanisms.

Finally there is the grassroots discourse of organization, with important roots in the 1960s social movements. It centres on autonomy and consensual decision-making. Grassroots discourse encourages the setting of far-reaching goals (e.g.: "changing the economic and social order") that offer little orientation for practical decision-making. A common approach is thus to demonstrate the attainability of these goals with prefigurative organizing practices in the here and now: The organization organizes itself in the way it would like society to organize. The temporal focus is on the present. Due to this prefigurative orientation, governance issues are of central importance for grassroots discourse and are addressed in a distinctive way: The organization is primarily accountable to members who contribute their work. Unlike in civic governance, it is not representation but direct participation in decision-

making that matters. Members have to align with all decisions made in the organization. In principle, every member is entitled to question all decisions. Grassroots democracy provides many mechanisms meant to ensure accountability, such as rules for domination-free discussions (e.g. lists of speakers, time limits for speech, rules for bias-free language) and various methods for finding consensus. Organizational openness is affirmed; it is claimed that everyone who is interested can participate in the organization and contribute their views.

Implications for further research and organizing practice

In two subsequent publications (M. Meyer and Maier, 2012, 2015) reflections on the implications of these research results for organizing practice and the future of nonprofit governance have been outlined. For organizing practice, a key question is whether emulating a particular organizational discourse, or particular combinations, would be advisable for nonprofit organizations under certain circumstances. It was beyond the scope of the study to systematically examine this question, but the data suggests a strong tendency in line with recent research on the structural heterogeneity of organizations (Grandori and Furnari, 2013): It seems that nonprofits that mainly model themselves after one single discourse, be it managerialist or other, tend to have difficulties with sustainability, with realizing their missions, and with satisfying the expectations of all relevant stakeholders. Nonprofits that combine elements of different discourses into a balanced arrangement seem to have stronger links with a broader range of stakeholders and to be working towards their missions in more effective and durable ways. Reliance on more than one discourse seems to increase nonprofits' adaptability to dynamic environments. Moreover, it appears that more than one combination of discourses can be effective under similar conditions (in line with what Grandori and Furnari, 2013, describe as "fuzzy set configurationism"). The resulting advice would be that nonprofits should be reflective about alternative possibilities of organizing, and mix and match them sensibly in alignment with their goals and environments. This is probably safe advice to give in any case, but more empirical research to rigorously investigate this proposition would be desirable.

The typology of multiple alternatives to business-like organizing lays a foundation for examining effects of becoming business-like in more nuanced ways. There are good reasons to expect that different effects of becoming business-like will occur, depending on whether the organization in questions starts out from a predominantly professionalist, civic, grassroots, or domestic way of organizing. Conducting such research, and developing the necessary instruments for quantitative research on this issue will be an important task for the future.

A further need for research, which becomes evident when looking at the typology of discourses of organization, is that some aspects of alternative discourses have been worked on and integrated into mainstream management knowledge by management research and organization studies (e.g. domestic ideas on charismatic leadership, professionalist ideas on continuous improvement, grassroots ideas on teamwork), while others have received less attention. Above all, ideas of civic and grassroots discourse on organizational democracy have remained little researched in management studies to date. There is little scientific evidence on how to create sustainable systems of far-reaching organisational democracy, i.e., systems in which members or workers actually have the power to elect the leaders of the organisation and to make binding strategic decisions. The fact that many organizations with such democratic governance structures have existed for decades or even centuries while others

have abandoned or their democratic structures or have closed down shows that this topic leaves much room for further research.

3.2 Causes of the spread of business-like approaches into the nonprofit sector: affective drivers of the popularity of social entrepreneurship

Text 3: Dey, Pascal, Schneider, Hanna, Maier, Florentine. (2016) Intermediary Organisations and the Hegemonisation of Social Entrepreneurship: Fantasmatic Articulations, Constitutive Quiescences, and Moments of Indeterminacy. *Organization Studies* 37 (10), 1451-1472.

The causes for the spread of business-like approaches in the nonprofit sector are a relatively mature field of research. However, one topic that until recently has received little attention is the role of affect in this process. In poststructuralist theory, and more recently, also in other strands of the social sciences, affect refers to more than emotions. Affect refers to all kinds of influence, movement and change. Recent research has used the concept to investigate how people are moved and what attracts them, emphasizing embodiment, pain and pleasure, feelings and memories. "How do social formations grab people?" (Wetherell, 2012:1f.) is the big question in this field of research.

The study by Dey, Schneider and Maier (2016) sheds light on this little-explored aspect of the spread of business-like approach. Using social entrepreneurship, in particular intermediary organisations that promote social entrepreneurship, as the case in point, the study examines how some of these intermediaries succeed in elevating a specific understanding of social entrepreneurship to hegemonic status, while other intermediaries with different understandings are less successful. The study examines this question using affect-oriented extensions of the poststructuralist theory of Laclau and Mouffe (see, for example, Laclau and Mouffe, 2001).

Method

The study draws on multiple kinds of data: texts from the websites of Austrian intermediary organizations in the field of social entrepreneurship are used to identify various understandings of social entrepreneurship. Data on the number of affiliates of these intermediary organizations is used to assess to what extent they are able to attract other actors who are willing to be identified with their understanding. Data on mass media mentions is used to assess to what extent they are able to attract attention among the general public.

Findings

The results show that there are three different understandings of social entrepreneurship in Austria, each of which uses the term "social entrepreneurship" but fills it with different meanings: Social entrepreneurship as everyday heroism on the basis of pragmatic solutions, as state-sponsored work integration, or as spiritual post-capitalism. Only the first version generates a large number of affiliates and media reports.

The close analysis of website texts, using affect-based understandings of hegemonisation as theoretical backdrop, enables the identification of three affective dynamics that produce this result: Firstly, the hegemonic version of social entrepreneurship is full of fantasmatic articulations. A fantasmatic articulation makes false promises about the possibility of achieving a state of fullness and harmony that in reality is inaccessible. In the

hegemonic version of social entrepreneurship, this is done by describing social entrepreneurs as belonging to an illustrious elite in which nonetheless everybody is welcome to participate. Moreover, social entrepreneurship is described as enabling a world in which serious problems are eliminated, but this social change will be enabled by applying managerialist and technical solutions that do not cause any painful conflicts. Secondly, the hegemonic version of social entrepreneurship uses constitutive quiescences, as it is silent on issues that would cause anybody to feel offended or disappointed. In contrast to the marginal articulations of social entrepreneurship, it does not mention any limitations to the power of social entrepreneurship, and does not name any culprits for the social or environmental problems that it aims to resolve. Thirdly, the hegemonic version of social entrepreneurship contains important moments of indeterminacy: It neither clearly defines the scope or methods of social entrepreneurship, nor any details about the kind of new social order that it aims to create. This turns social entrepreneurship into a positively connoted floating signifier that is eligible to all sorts of readings and affective investments.

Implications for further research and organizing practice

In the article, conclusions for research that critically engages with social entrepreneurship and alternative forms of organizing are put forward, which may be even more relevant today than at the time of writing the article: Research that aims to establish counter-hegemonic articulations of alternative forms of organizing needs to emulate political tactics that have been proven effective in case of hegemonic articulations. Basically, it needs to be pragmatic and affectively appealing at the same time. This means, firstly, to use common vocabulary, connect to the common sense of the target group, and point out how to move forward in concrete and feasible steps. Secondly, this means focusing more on conveying a positive vision of the kind of improvement that such an approach will bring rather than on its inevitable contestabilities, gaps and problems.

3.3 Consequences of particular business-like methods: social return on investment analysis and social impact bonds as cases in point

It was found in the literature review (Maier, Meyer, Steinbereithner, 2016) that few studies examined consequences of becoming business-like with an approach that would enable noticing ambivalences within these consequences. Hence, the articles by Maier, Schober, Simsa and Millner (2015) and Maier, Barbeta and Godina (2017) are attempts to develop such an approach. These articles focus on two specific business-like tools – social return on investment analysis and social impact bonds – to conduct a nuanced examination of their merits and limitations.

What these instruments have in common is that they are surrounded by management hypes: Just as social entrepreneurship is fantasmatically charged, i.e. associated with unfulfillable promises (Dey, Schneider, Maier, 2016), social return on investment analysis and social impact bonds are fantasmatically charged: In their entirety, the merits attributed to these instruments are too good to be true all at once. This does not mean that these instruments have no merit at all, but if applied inappropriately, they clearly pose the risk of diverting funding for nonprofit organizations to purposes where impacts are easy to measure and monetary or easily monetizable impacts occur. Both articles carefully analyse these questions, pointing out how the instruments can be used without thwarting the missions of

nonprofits and what kinds of use are likely to lead to mission drift. In the following subsections, the studies will be discussed one by one.

3.3.1 Merits and limitations of social return on investment analysis

Text 4: Maier, Florentine, Schober, Christian, Simsa, Ruth, Millner, Reinhard (2015) SROI as a Method for Evaluation Research: Understanding Merits and Limitations. *Voluntas. International Journal of Voluntary and Nonprofit Organizations* 26 (5): S. 1805-1830.

The study by Maier, Schober, Simsa and Millner (2015) aims to comprehensively assess the merits and limitations of social return on investment (henceforth SROI) analysis, and to illustrate how these may play out in practice. In addition, implications for the responsible and meaningful use of SROI analysis are discussed and suggestions for the further development of this method are made.

Method

In order to achieve this aim, a two-pronged approach is pursued: a literature review, and a systematic reflection on own experiences with SROI analysis. For the literature review, databases of academic journal articles and grey literature were searched for publications containing the terms “SROI” or “social return”. This resulted in 421 potentially relevant publications, which were imported into a reference management software, tentatively sorted into thematic groups, and searched for text passages referring to merits and limitations of SROI analysis. Summaries or short citations of relevant passages were then transferred into a program for generating mind maps. All authors collaborated to condense these into categories, resulting in an initial framework of merits and limitations of SROI analysis.

The second basis for the analysis was the practical experience with SROI analysis contributed by the second author, Christian Schober. At the time of writing the article, Christian Schober had been actively involved in ten SROI studies of nonprofit organizations and programmes of varying size and complexity at an institute for applied research on nonprofit organizations. The categories identified in the literature were used to analyse these studies, asking: How did the respective merit or limitation manifest itself in this particular case?

This assessment was done in the form of two structured face-to-face meetings between the authors and an additional SROI analyst from the institute for applied research, in which participants went through all the categories and debated what had happened with respect to them in each single case. On the basis of this assessment the authors searched for patterns across cases and made some adjustments to the initial framework. This resulted in a two-dimensional framework of merits and limitations of SROI analysis.

Findings

The main contribution of this article is a systematization of merits as well as limitations of SROI analysis, ranging from an interpretative-sociological perspective to a technical-instrumental perspective. For all merits and limitations from these different perspectives, it is discussed how they have played out in evaluation practice. It is shown that SROI evaluations come in many shapes: Depending on the commissioner, the reasons for commissioning, the resulting SROI figure, and many other factors, different consequences may ensue. Moreover,

it is necessary to differentiate between consequences from the nonprofit organization's own perspective, and consequences from the funder's perspective.

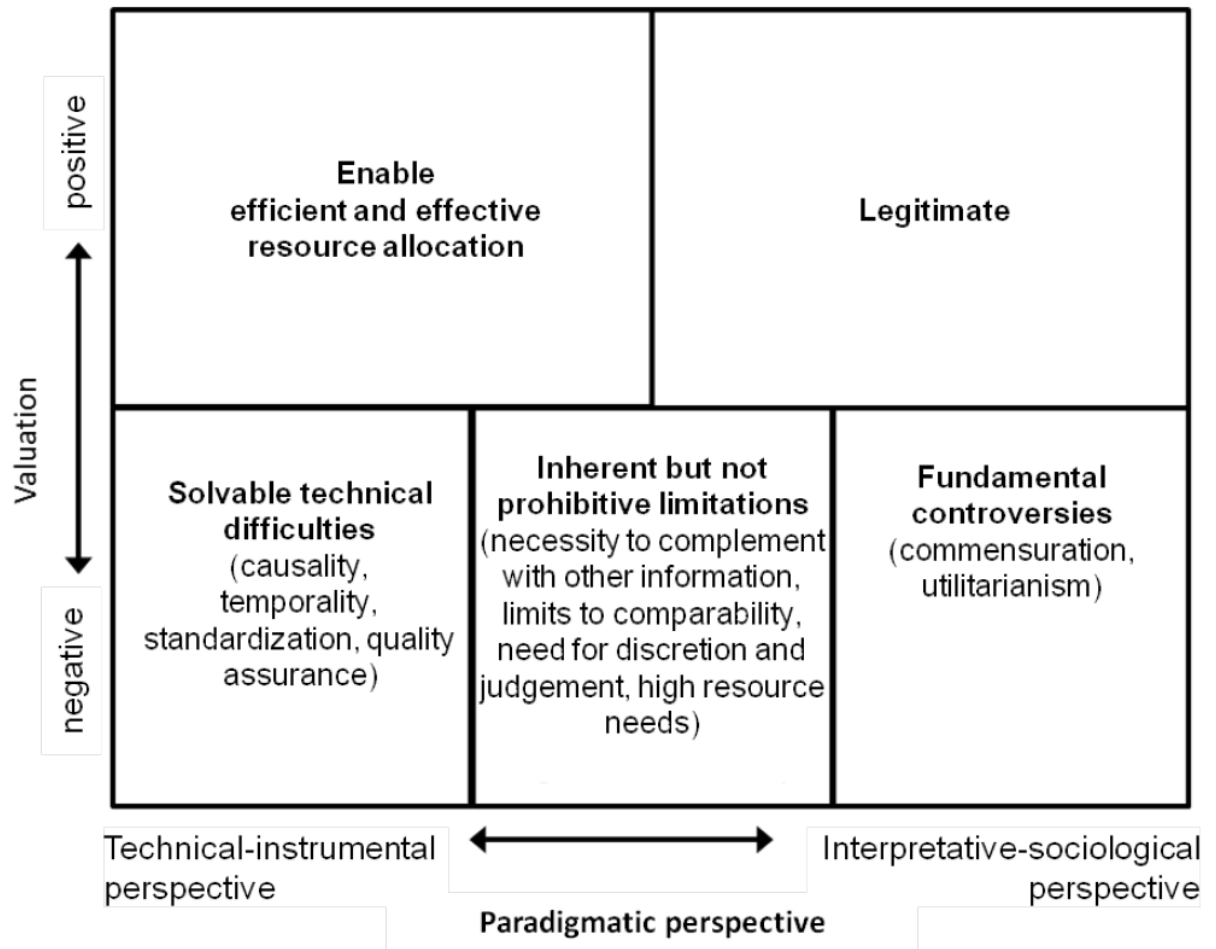


Figure 3: A systematisation of merits and limitations of SROI analysis (source: Maier, Schober, Simsa, Millner, 2015)

From the examined SROI analyses, it appears that the main strength of SROI analysis lies in its ability to provide business-like legitimacy to nonprofit organizations or their funders. In cases where the nonprofits themselves had commissioned the SROI analysis, it helped them to demonstrate the efficiency and effectiveness of their service provision, and possibly even to avert cuts in public funding. In cases where private philanthropists or CSR managers had commissioned the SROI analysis, it helped them to converse with their international philanthropic colleagues on an equal footing and to justify the benefits of their work in the business world. Enhancing efficiency and effectiveness of resource allocations can be a welcome side-effect of SROI analyses, more for the nonprofits themselves than for their funders. Fundamental controversies and criticism of SROI hardly play a role in actual evaluations.

Implications for further research and organizing practice

The article concludes with suggestions concerning the responsible and meaningful use of the SROI method as well as possibilities for further development of SROI methodology and for research about this topic. It is argued that while the main strength of SROI analysis is to provide business-like legitimacy, the legitimacy of the nonprofit sector in the long run depends not on a business-like façade, but on the value it creates for society by providing

beneficial services and products, by being an effective advocate for those whose voice would otherwise not be heard, and by providing a space for community building and the expression of shared values.

SROI analysis should thus be applied with keeping these long-term effects in mind. A responsible way of doing this may be to use SROI analysis to promote a society that is oriented towards social impact, for example calling on for-profit businesses to have their SROI analysed, or comparing the social impacts of different professions (such as in the widely publicized study by the New Economics Foundation that compares the SROI of bankers, childcare workers, hospital cleaners and tax accountants, see Lawlor, Kersley, Steed, 2009). Another option would be to use SROI as a communication tool to move the public debate about social services away from a focus on costs, towards a focus on social returns and impacts. Finally, if any of these two communication purposes can be combined with organizational learning, it may also justify SROI as an otherwise resource-intensive method of impact assessment. These instances for applying SROI analysis will be rather specific and limited to cases where the interest to understand the social impact generated by an intervention is complemented by a strong desire for impact-oriented communication in public relations or stakeholder management.

Concerning further research on SROI, the article calls for more academic publications that develop the methodology of SROI analysis, for making SROI reports more easily available to the interested public, and for studies that examine multiple SROI analyses (e.g. considering how they differ with regards to SROI ratios, legitimation effects, and improvements of efficiency or effectiveness). Reflecting on developments in the research field after the publication of the article, it appears that considerable progress in all three of these directions has been made in recent years.

3.3.2 Paradoxes of social impact bonds

Text 5: Maier, Florentine, Barbetta, Gian Paolo, Godina, Franka. (2017) Paradoxes of Social Impact Bonds. Social Policy and Administration

The study by Maier, Barbetta and Godina (2017) extends on the theme of assessing merits and limitations of a business-like tool (as in Maier, Schober, Simsa, Millner, 2015) and on the fantasmatic charging of business-like approaches (as in Dey, Schneider, Maier, 2016). In this study, is explored in which ways the claims concerning the merits of social impact bonds (henceforth SIBs) that are made in practitioner reports (produced by people and organizations involved in the creation and management of SIBs) are paradoxical and how these paradoxical claims are brought into coherence.

Method

The study uses a strategy of qualitative text analysis developed especially for this purpose, derived from Luhmann's (1991) and Czarniawska's (2005) theorizing on paradoxes and de-paradoxization: Using practitioner reports on SIBs as textual data, all passages within one such text that make claims about merits of the SIB method are identified. It is then examined to what extent these claims would be considered as incompatible according to generally accepted opinion (*doxa*), and by which de-paradoxifying arguments these incompatibilities are resolved within the texts.

Findings

The study shows that two paradoxes, or areas of tension, are pervasive in practitioner reports on SIBs: First, SIBs are meant to promote flexible but evidence-based services. Second, SIBs are meant to be a cost-saving way of transferring risks to private investors. These ideas are reconciled in the texts through a number of additional arguments, such as the involvement of philanthropic investors or the limitation of the flexibility of interventions financed by SIBs. Two examples of actual SIBs are discussed to show that some ways of creating consistent SIBs, such as the involvement of philanthropic investors, seem to work in practice but limit the area of applicability of SIBs and reduce their affective appeal. Others, such as limiting the flexibility of the interventions financed by a SIB, render the whole instrument absurd.

Implications for further research and organizing practice

The article concludes with a discussion on how positive aspects of SIBs can be preserved while their problematic aspects are mitigated. A more detailed discussion on this topic was published in another article (Maier and Meyer, 2017). In short, SIBs are neither a miracle cure for the financing of social policy nor the neo-liberal devil's handiwork. However, similar to SROI analysis, the scope for the responsible use of SIBs is limited. The key concern in this regard is to protect beneficiaries from becoming victims of economisation and rent-seeking and to protect taxpayers from profit-oriented investors who earn excessive returns. These concerns limit the applicability of SIBs to innovative programs for high-risk target groups with the support of investors who accept returns slightly below market levels.

When looking at existing SIBs, some of them are based on contractual arrangements that appear to safeguard beneficiaries' and taxpayers' interests, while for others this seems questionable. While there is already a considerable amount of normative literature that specifies what kinds of SIB contracts and interaction patterns would be conducive to the interests of beneficiaries and taxpayers, little is known on how to achieve such SIBs. More empirical research on the kinds of factors that influence bargaining outcomes and the lived realities of SIBs would thus be desirable.

3.4 Implications for organizing practice

The articles described above have made original contributions to research on how and why nonprofit organizations have become business-like and on the consequences of this development. They have some specific implications for nonprofit organizing practice, and general implications for the basic attitude towards meeting the challenges of nonprofit management. Basically, they imply that nonprofit managers should not naively copy concepts from the business world and – if possible – should prevent their organizations from finding themselves in situations where they are forced to passively adopt such concepts without room for adaptation. At the same time, the findings imply that a proactive and reflexive use of business-like approaches should be encouraged, especially if it involves situationally adapted hybridization and combination with non-business-like approaches. The following four book chapters enclosed in this habilitation represent efforts to disseminate these insights, as well as findings from many other scholars, to German- and English-speaking practitioner and student audiences.

3.4.1 Implications for nonprofit governance and organization design

The research on discourses of nonprofit organization (Maier and Meyer, 2011) and findings from the systematic literature review (Maier, Meyer, Steinbereithner, 2016) were taken up, synthesized and built on in three book chapters, which address German-speaking practitioners and students.

Text 6: Maier, Florentine, Meyer, Michael (2013a) Organisation von NPOs. In Ruth Simsa, Michael Meyer, & Christoph Badelt (Eds.), *Handbuch der Nonprofit-Organisation* (pp. 205-226). Stuttgart: Schäffer Poeschel.

The first of these book chapters (Maier and Meyer, 2013a) focuses on formal organizational structures and organization design in nonprofit organizations. It summarizes and explains research findings and concepts that, to a large extent, can be considered as classics of organization studies. Part of this book chapter deals with widely known general concepts, such as dimensions of organizational structure delineated by the Aston school (Pugh, Hickson, Hinings, Turner, 1968) and Mintzberg's five types of organizational structures (Mintzberg, 1983). It is argued that these are concepts of high relevance for nonprofits. Another part of the chapter deals with research that examines especially nonprofits. Given the chapter's focus on formal organizational structures and organization design, much of this research dates from the same period as the more widely known general classics, such as the distinction between hierarchical-bureaucratic as opposed to collectivist-democratic ideal types (Rothschild-Whitt, 1979), and the organizational life cycle model by Hasenfeld and Schmid (1989). Also the most important research findings on the effects of various formal organisational structures are summarised. In short, it can be said that higher levels of formalisation and professionalization, as well as strong integration into networks of organisations tend to strengthen the resilience of nonprofits, their capacity for innovation and the perception of their effectiveness (e.g. Smith and Shen, 1996; Osborne, 1998; Wollebaek, 2009). There is no one best business-like way how nonprofits should formalize, professionalize and network, but there are a few red lines how not to do it, such as failing to clarify the division of influence of various stakeholder groups (see Kushner and Poole, 1996:132).

Text 7: Maier, Florentine, Meyer, Michael (2013b) Nonprofit-Governance. In Ruth Simsa, Michael Meyer, & Christoph Badelt (Eds.), *Handbuch der Nonprofit-Organisation* (pp. 491-508). Stuttgart: Schäffer Poeschel.

The second of the book chapters (Maier and Meyer, 2013b) focuses on the organizational governance of NPOs. In this chapter, the typology developed in the article by Maier and Meyer (2011) is presented as a sensitizing concept for understanding the wide variety of options available for nonprofit governance. The main part of this chapter – after clarifying the term “governance” and highlighting key differences between corporate governance and nonprofit governance – deals with the instruments and methods most widely understood as central for nonprofit governance: governance documents such as bylaws and codices, governing boards, various concepts for structuring the work of governing boards (such as “policy governance” by Carver, 1996, and “governance as leadership” by Chait, Ryan, Taylor, 2011), and multilevel governance.

Text 8: Maier, Florentine (2015) Aufbauorganisation. In Rolf Eschenbach, Christian Horak & Michael Meyer (Eds.), *Management der Nonprofit-Organisation: Bewährte Instrumente im praktischen Einsatz* (pp. 198-210). Stuttgart: Schäffer Poeschel.

The third of the book chapters, finally, focuses on tools for designing formal organisational structures of nonprofit organizations (Maier, 2015). These are largely generic in nature and can be transferred quite easily from their original profit-oriented (or even military) context into the nonprofit context. They include key concepts of staff and line functions, organization charts and methods of analysing organization charts, job descriptions, and activity distribution charts. Specifics of nonprofit organizations, notably the special importance of governance structures, are pointed out where relevant.

Moreover, the chapter presents a normative model for designing democratic organization structures that has become quite fashionable in the nonprofit sector: sociocratic organization (Buck and Villines, 2007). The principles of this model are explained, and a critical assessment of the model, including reflections about its limitations, is put forward. Interestingly, the sociocratic model comes from a profit-oriented context (see Romme, 1999), but with its rather radical notion of participation differs greatly from mainstream management models. It is thus an example that underlines the value of complex conceptualizations of heterogeneous institutional environments, such as in research on institutional logics (e.g. Thornton, Ocasio, Lounsbury, 2012).

Finally, the scientific evidence for a minimum of formalisation and the potential benefits of tools originating from the business world are emphasized. It is stressed that in any case the organisational structures must be adapted to the particularities of the organization and its environment. This also applies to models that are not typically business-like, such as the sociocratic model, which also sees its share of unsuccessful implementations with the recent increase in standardization and systematic dissemination of the model (see for example Mont, 2018).

3.4.2 Implications for accounting and financial management in nonprofit organizations aiming for transformative change

Text 9: Maier, Florentine, (forthcoming) Financial accounting and financial management for transformative change. In: *Reframing Nonprofit Management: Democracy, Inclusion and Social Change*, eds. Angela Eickenberry, Roseanne Mirabella, Billie Sandberg, Irvine, CA: Melvin & Leigh.

Research on SROI analysis, which is also form of monetary accounting (Maier, Schober, Simsa, Millner, 2015), and on SIBs, which are a form of financing for nonprofit organizations (Maier, Barbeta, Godina, 2017), is built on in the most recent book chapter included in this habilitation (Maier, forthcoming). This chapter is aimed at international practitioner and student audiences interested in nonprofit organizations that intend to – sooner or later, more or less radically – transform the current economic system to make it more socially and ecologically sustainable, often in combination with emancipatory goals.

Focusing on accounting and financial management, the chapter addresses a contentious issue involving more or less subtle pressures towards mission drift or mission re-interpretation: How should organizations that are critical of capitalism handle their monetary affairs? The chapter starts out with the observation that today “it is easier to imagine the end

of the world than the end of capitalism” (Jameson, 2005:199), which may also be due to overpowering definitions of capitalism. A rather minimal definition of capitalism is hence suggested, referring to a societal order shaped by the dominant concern of wealth invested in search for ever greater wealth (cf. Haug and Kühne, 2008). Such a definition opens up perspectives for nonprofit organizations, social enterprises and other kinds of organizations to work for gradual or partial transformations, re-transformations and conservations that are easier to imagine.

In this chapter, findings from academic research are used and referenced, but also illustrative case vignettes, checklists and normative arguments emerging from years of engagement at the interstices of academic research and organizing practice are put forward. The book chapter is thus an innovative attempt – more so than the abovementioned three German-language book chapters – to do what mainstream management textbooks do, but with an explicitly emancipatory and transformative intent, thus building on conclusions from Dey, Schneider and Maier (2016) on how to combine rational arguments with affective appeal to build counter-hegemonic knowledge about organizing.

The chapter begins with an analysis, based on previous research, of whether rational accounting methods support capitalism. The answer to this question is not a simple yes or no: historically, accounting was not only essential for the development of capitalism through its rhetoric, but also through its form of calculative rationality (see for example the analyses by Carruthers and Espeland, 1991; Vormbusch, 2012). Moreover, much of the accounting literature ideologically supports capitalism in the way it focuses on financial transactions (and not on social or environmental aspects), and in the way it is presented linguistically. For example, accounting textbooks regularly contain affirmative statements such as “profits ultimately belong not to the business, but to the owners, since the whole business belongs to them” or “all of this should help maintain [our country’s] position as the best place to set up and run a business” (see the analysis of accounting textbooks by Ferguson, Collison, Power, Stevenson, 2009).

It is argued that if the aim is to overcome capitalism not by falling back into a more primitive kind of economy but by developing an complex economic system that internalizes the ecological and social costs of human reproduction, then accounting must not only be maintained but further developed to fully integrate environmental and social externalities (Arrighi and Silver, 2010:61). In other words, the accounting of nonprofit organizations seeking this type of change will probably need to include not less but more sophisticated calculations than traditional business accounting. The main part of the chapter gives an overview of accounting and financial management that supports such an agenda: utilizing the emancipatory qualities of accounting (in particular supporting accountability and strategic action), minimizing complicity with capitalist dynamics, and actively safeguarding the missions of nonprofits through non-monetary accounting and adequate staffing.

The conclusion to this book chapter may as well stand as conclusion to the complete habilitation project presented here: The effect of business-like tools depends on the way they are used. They can be powerful tools to promote capitalist transformations, with effects that are not always intended by their users. But when used differently and in combination with other methods, they can also be powerful tools for promoting other kinds of social and economic change.

4 Formal assessment of included publications

For this cumulative habilitation, criteria as outlined by the habilitation guidelines of the Department of Management of WU apply (see Appendix). While these standards by no means predetermine the decision of the habilitation committee, they nonetheless qualify to tentatively evaluate the compiled research output. Overall, as argued in more detail below, all formal requirements are met.

The guidelines require at least four academic articles of high quality, not previously included in a cumulative dissertation, each paper including no more than three other co-authors. At least one scholarly text in single authorship needs to be submitted, which does not have to be a publication in a leading academic journal. All publications must have been published within the last 10 years; parental leave may be considered to extend this time period.

This habilitation includes five articles published in leading academic journals as well as four contributions to textbooks of high academic quality. All articles were published within fewer than seven years (with the first included article, Maier and Meyer, 2011, published online first on 9th of August 2011), during which time the applicant was on parental leave for 18 months, from 1st of March 2015 to 30th of August 2016).

The five articles published in leading academic journals are as follows (in chronological order of publication):

- Maier, Florentine, Meyer, Michael (2011) Managerialism and Beyond: Discourses of Civil Society Organization and Their Governance Implications. *Voluntas. International Journal of Voluntary and Nonprofit Organizations* 22 (4): 731-756
- Maier, Florentine, Schober, Christian, Simsa, Ruth, Millner, Reinhard (2015) SROI as a Method for Evaluation Research: Understanding Merits and Limitations. *Voluntas. International Journal of Voluntary and Nonprofit Organizations* 26 (5): S. 1805-1830.
- Maier, Florentine, Meyer, Michael, Steinbereithner, Martin (2016) Nonprofit Organizations Becoming Business-Like: A Systematic Review. *Nonprofit and Voluntary Sector Quarterly* 45 (1), 64-86
- Dey, Pascal, Schneider, Hanna, Maier, Florentine (2016) Intermediary Organisations and the Hegemonisation of Social Entrepreneurship: Fantasmatic Articulations, Constitutive Quiescences, and Moments of Indeterminacy. *Organization Studies* 37 (10), 1451-1472.
- Maier, Florentine, Barbeta, Gian Paolo, Godina, Franka (2017) Paradoxes of Social Impact Bonds. *Social Policy and Administration*

Information about journal rankings to assess the quality of these publication outlets is provided in Table 1.

Publication	Journal	Journal Rating of the WU Department of Management of Management 2016	SSCI Journal Impact Factor 2016	CABS Academic Journal Guide 2015	Scopus CiteScore 2016	VHB JOURQUAL 2015
Maier, Meyer (2011)	Voluntas. International Journal of Voluntary and Nonprofit Organizations	A	1,098	-	1.00	B
Maier, Schober, Simsa, Millner (2015)	Voluntas. International Journal of Voluntary and Nonprofit Organizations	A	1.098	-	1.00	B
Maier, Meyer, Steinbereithner (2016)	Nonprofit and Voluntary Sector Quarterly	A	1.852	-	1.92	B
Dey, Schneider, Maier (2016)	Organization Studies	A+	3.107	4	3.27	A
Maier, Barbeta, Godina (2017)	Social Policy and Administration	-	1.239	2	1.38	-

Table 1: Indicators of journal quality for articles included in the habilitation

The book chapters, two of which are single-authored, are as follows (in chronological order of publication):

- Maier, Florentine, Meyer, Michael (2013) Organisation von NPOs. In Ruth Simsa, Michael Meyer, & Christoph Badelt (Eds.), *Handbuch der Nonprofit-Organisation* (pp. 205-226). Stuttgart: Schäffer Poeschel.
- Maier, Florentine, Meyer, Michael (2013b) Nonprofit-Governance. In Ruth Simsa, Michael Meyer, & Christoph Badelt (Eds.), *Handbuch der Nonprofit-Organisation* (pp. 491-508). Stuttgart: Schäffer Poeschel.
- Maier, Florentine (2015) Aufbauorganisation. In Rolf Eschenbach, Christian Horak & Michael Meyer (Eds.), *Management der Nonprofit-Organisation: Bewährte Instrumente im praktischen Einsatz* (pp. 198-210). Stuttgart: Schäffer Poeschel.
- Maier, Florentine (forthcoming) Financial accounting and financial management for transformative change. In Angela Eickenberry, Roseanne Mirabella, & Billie Sandberg (Eds.), *Reframing Nonprofit Management: Democracy, Inclusion and Social Change*. Irvine, CA: Melvin & Leigh.

These book chapters have undergone review by the editors, and in some cases by other authors contributing to the book projects.

5 References

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