**Change Can Be Good:
A New Perspective on Mission Drift**

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Abstract

While "mission drift" suggests that mission change is an inherently negative process for nonprofits, this paper challenges this limiting assumption by introducing a broader and more value-neutral approach to organizational change. Against the notion that change involves mission abandonment, the paper shows how positive change in the form of "mission adaptation" can occur in nonprofit organizations. The research refines the traditional concept of mission drift by introducing two forms of drift: programmatic and administrative drift. Using resource dependence theory, the study derives propositions on how resource diversification, government funding, and competition affect a nonprofit's potential for programmatic and administrative drift. A pilot qualitative study of 52 Canadian charities illustrates the plausibility of the propositions and sets up a new way of thinking about mission change. The paper concludes with a new conceptual framework explaining mission change and discusses its managerial implications for nonprofits.

Introduction

Mission drift is a concept that is often used yet rarely analyzed in the nonprofit literature. Authors tend to assume that their readers, be they scholars or practitioners, have an intuitive understanding of what mission drift means. In this paper, I refine the concept of mission drift by proposing two forms of drift: programmatic and administrative drift. I then use resource dependence theory to derive propositions on the influence of resource diversification, government funding, and competition on these two forms of mission drift. I establish the plausibility of these propositions through a qualitative pilot study of 52 Canadian charities. This paper demonstrates that by focusing on "mission drift," a value-laden negative term, we have ignored how the conditions that increase the likelihood of mission drift can also result in positive mission change for proactive nonprofits. I end this paper with a new, more balanced framework of mission change.

Mission Drift

Mission drift occurs when an organization's resources and activities are diverted from its formal goals. Minkoff and Powell (2006) note that mission drift encompasses both accommodation (becoming more conservative because of institutional pressures) and proactive change (becoming more militant because of internal pressures). But mission drift, whether conservative or militant, is extreme. Reorientation, a broadening of mission without sacrificing the original intent, is another possible path when nonprofits are faced with changing environments that threaten their survival (Minkoff and Powell 2006).

I identify two mechanisms – administrative and programmatic drift – which can lead to two different forms of mission drift (see Figure 1). *Administrative dominance* results from administrative drift - when administration and fundraising displace an organization's programmatic efforts. *Programmatic opportunism* occurs when the organization suffers from programmatic drift and adopts programs that are not in line with its mission to ensure its financial survival. Overall, mission drift is somewhat similar to concepts of goal displacement and goal subversion employed in the organizational literature, but has a broader scope. This paper focuses specifically on the conditions under which a nonprofit's mission is displaced.

[INSERT FIGURE 1]

Robert Merton (1957, 199) defines goal displacement as a "transference of the sentiments from the *aims* of the organization onto the particular details of behavior required by the rules" [original emphasis]. The focus of the organization is deflected from purposive goals to organizational maintenance. Goal displacement is often involuntary, occurring as incremental changes take place within an organization. Goal displacement is different from goal diversion (Warner and Havens 1968), which occurs when the initial goal is replaced by a new one because it is unattainable. Mission drift combines these elements of goal displacement and of goal subversion. The key interest in this paper is not *what* displaced the formal goals of the organization, such as routines (goal displacement) or a more easily attainable goal (goal diversion), but under what conditions such a shift occurs.

Resource Dependence Theory and Mission Drift

Minkoff and Powell (2006) explain that mission drift can be triggered by various factors, including external stakeholders (funders), internal stakeholders (staff or volunteers) or changes in an organization's broader environment (new government policy for instance). This paper develops propositions specifically on the influence of institutional funders on nonprofit mission drift. As such, resource dependence theory seemed especially well suited as a starting point.

Resource dependence theory holds that organizations are open systems that depend on other organizations in their environment for the resources they need to survive. As their environment changes, organizations have to adapt their activities. But how does resource dependence theory contribute to a study of mission drift? Pfeffer and Salancik (1978, 24) argue that it is incorrect to interpret mission as a defining characteristic of organizations: to survive, organizations will alter their goals and participate in activities unrelated to their mission whenever necessary. Thus, mission drift is not only normal but expected. Below, I advance three propositions about mission drift derived from resource dependence theory.

1. *Revenue diversification*

Based on this theory, when an organization possesses resources that are critical to another organization, especially if substitutes are not available, it has power over the latter. The dependent organization is subjected to the preferences of the more powerful and should attempt to minimize its dependence by finding other resource providers (diversifying). There are two dimensions to resource diversification: the number of funding sources a nonprofit depends on, and the distribution of revenue across these different sources. A modified Hirschman-Herfindahl index (HHI) has been used in the nonprofit literature to calculate the diversification of a nonprofit's resource streams (donations, earned income, grants, and such) (see for instance Chang and Tuckman 1996; Hager 2001; Carroll and Stater 2009). Because I am concerned with variation within a single resource stream here, the HHI does not apply technically, but the inherent concept of resource diversification is the same.

In the particular context of mission drift, if a nonprofit depends on a single (or few) institutional funder for most of its monetary resources, the funder is in a position to control the nonprofit. It may be able to impose new activities or new goals, potentially leading to programmatic drift. The funder does not have an incentive to induce programmatic drift *per se*. However, its mission is not identical to that of the nonprofit and it has to answer to its own stakeholders (Jones 2007). Even if they agree on a particular activity, the two actors do not share all the same objectives. In an attempt to satisfy its stakeholders, the funder may try to move the nonprofit's programs closer to its objectives, resulting in "mission dilution" for the nonprofit (Minkoff and Powell 2006, 606). For example, a foundation may encourage a successful food bank grantee to start a career counseling service for recipients in an attempt to attack the root cause of their food bank reliance: unemployment. Although laudable, such activity may move the nonprofit's resources away from its own goals.

It is important to note that administrating numerous grants can be demanding for a nonprofit's management so some organizations, especially smaller ones, may deliberately choose to depend on one or few donors (and risk programmatic drift) to avoid administrative drift.

Proposition 1a: Nonprofits with a highly concentrated institutional funding base are more susceptible to programmatic drift.

Proposition 1b: Nonprofits with a highly diverse institutional funding base are more susceptible to administrative drift.

[INSERT FIGURE 2]

Figure 2 depicts the relationships detailed above. When a nonprofit depends on few funders or when few funders control most of its revenue, they can dictate its programmatic choices. As the nonprofit diversifies its funding, no one institutional funder can control it and the potential for programmatic drift decreases (illustrated by solid line). However, as the number of funders increases, the nonprofit has to fulfill more requirements and reporting procedures, increasing its potential for administrative drift (illustrated by dashed line). At first, adding an additional funder increases the administrative burden significantly. As the nonprofit relies on more funders, the administrative burden continues to grow, but more slowly since some reporting requirements are duplicated and the nonprofit can create economies of scale.

Yet, highly concentrated funding sources do not have to lead nonprofits to programmatic drift. One way in which funders may shift nonprofits' programs is through the introduction of outcome measurements. By focusing on specific outcomes, funders can shape nonprofit practice, making certain activities more acceptable than others and potentially leading to programmatic drift. However, nonprofits can push back and negotiate. Benjamin (2008) finds that some nonprofits challenge their funder's outcome measurement requirements. In one of her case studies, nonprofits had to "develop affordable housing" to be considered high performers by their funder's metric. Yet, a grantee explained that focusing on minor home repair rather than housing development would produce a greater impact in that neighborhood (Benjamin 2008, 213). The nonprofit could have changed its activities to please its funder. Pushing back is risky, but it may also bring the funder's expectations in line with the nonprofit's objectives. Both parties adapt some of their practices, leading to a more positive relationship.

Similarly, highly diversified funding sources do not necessarily lead nonprofits to administrative drift. Institutional funders are becoming increasingly aware of the administrative burden they put on nonprofits and are working toward streamlined applications and reporting processes (see Project Streamline (http://www.projectstreamline.org/) for an example). Nonprofits themselves can also reduce their potential for administrative drift by investing in staff and management training in the short term. Nonprofits are often reluctant to invest in such skill-building because they believe that their resources would be better used by focusing on programmatic concerns. Yet, neglecting investment in management capabilities results in incremental losses of time and resources that can be damaging to the mission in the long run.

2. Government Funding

Governments usually have to attend to the demands of larger and more varied constituencies than nonprofits. As a result, when government funding is a major source of revenue for a nonprofit, the latter may expand programs to answer government demands for accessibility beyond the nonprofit's target population, leading to programmatic drift. Salamon (1995; see also Frumkin 2005) describes the process as "vendorism," the distortion of mission in the pursuit of government funding. In such a case, the nonprofit risks becoming a mere service provider for the government, losing its autonomy and jeopardizing its innovativeness. Government funding has been demonstrated empirically to encourage nonprofits to take on programs incompatible with their mission (Smith 1999; Froelich 1999).

Government funding, although more accessible than funding from foundations for instance, can also have major administrative consequences for nonprofits. Because governments operate through elaborate standardized procedures, they can modify nonprofits' internal structures by increasing professionalization and bureaucratization (Grønbjerg 1993; Froelich 1999; Smith and Lipsky 1993). Nonprofits literally become more similar to the government as a result of external pressures (DiMaggio and Powell 1983). The costs of these governmental administrative requirements can be high, leaving fewer resources to work on programs and thus causing administrative drift.

Proposition 2: Nonprofits relying on government funding are more susceptible to both forms of mission drift.

[INSERT FIGURE 3]

Figure 3 is a modified version of Figure 2. The gray lines were presented in Figure 1 while the black lines show the relationships specifically for nonprofits relying on the government for some of their funding. These nonprofits are susceptible to the same pressures as nonprofits that rely on other institutional funders: as they diversify their revenue sources, their programs are less likely to be co-opted, but their administrative requirements increase. However, because of the additional pressures usually associated with government funding, government-funded nonprofits' potential for programmatic and administrative drift tends to be slightly higher at all levels of resource diversification.

Yet, nonprofits do not always have to risk programmatic drift to answer the demands of governments. Governments provide nonprofits with financial resources, but in exchange they also receive critical resources: the nonprofit's efficacy, expertise, legitimacy and capacity (Saidel 1991; Ostrander and Schervish 1990). Nonprofits can turn government reliance on them into an advantage. For instance, Bennett and Savani (2011) note that, by providing the government with expertise, nonprofits under government contracts were able to shape its programmatic objectives and performance measures. This example illustrates that nonprofits, by making some limited changes to their programs, can bring government priorities closer to their own and be better positioned to achieve their mission than they were initially.

Similarly, attending to the government's extensive administrative demands does not necessarily lead to administrative drift. As suggested by Christensen and Ebrahim (2006), the state's request for frequent detailed reporting can emphasize item counting over addressing actual clients' needs. Yet, positive outcomes are possible. For example, to reduce the administrative burden on its staff, one nonprofit director negotiated with auditors to combine forms and make them more usable for employees (Christensen and Ebrahim 2006, 201). The staff also reported that they were "quite willing" to engage in time-consuming reporting as long as it served the nonprofit's goals (Christensen and Ebrahim 2006, 202). This suggests that nonprofits could reduce their administrative drift potential by reframing tedious reporting in terms of how it helps the organization achieve its goals. Shifting the focus away from government accountability toward organizational success can lead employees to stop seeing reporting as outputs for some funder, and instead to see how these outputs are related to long-term outcomes for their organization (Ebrahim 2005).

3. Competition

All organizations face uncertainty in their external environment (Pfeffer and Salancik 1978). The extent of uncertainty is determined by an organization's interdependence and conflicts with other actors. If all nonprofits in a particular sector have their own niche, not having to compete directly with one another for funding or clients, the probability of mission drift is low. Mission drift is likely to arise when there is intense competition between nonprofits (or nonprofits and firms) to attract donors (Cooley and Ron 2002). This competition can be the result of two factors: the overall level of funding in the sector may be decreasing or higher numbers of nonprofits may increase overall demand for funding. In both cases, resources become scarcer and each nonprofit's funding potential is diminished.

In such a situation, nonprofits will feel pressured to adapt to the needs of funders to survive against competitors, potentially leading to programmatic drift. Since new competitors are likely to join *because* of funding opportunities and thus to have already tailored their activities to the needs of funders (Cooley and Ron 2002; Henderson 2002), nonprofits who were already active have to follow suit even if it means drifting from their mission. Administratively, nonprofits that operate in an environment perceived as competitive are also likely to spend more time and resources on fundraising and grant applications (Steinberg 1987; Tuckman 1998).

Proposition 3: Nonprofits in a more competitive environment are more susceptible to both forms of mission drift.

[INSERT FIGURE 4]

As illustrated in Figure 4, I do not expect the relationship between competition and mission drift to be strictly linear. At lower levels of competition, nonprofits are unlikely to change their behavior drastically following a change in the competitive environment. Only when perceived competition reaches a certain threshold (which may be different from nonprofit to nonprofit depending on their risk aversion) will nonprofits will feel threatened and behave accordingly. From that point on, they are more likely to tailor their programs to the needs of institutional funders, increasing the potential for programmatic drift, and to spend more time on grant applications, thereby also increasing the potential for administrative drift. In the long run, this can become problematic if nonprofits choose not to reallocate their resources to the mission when they are doing well financially because they remain concerned about future uncertainty.

Yet, the uncertainty surrounding a competitive environment does not automatically lead to mission drift. For instance, McCarthy and Zald (1977) theorize that social movement organizations will produce narrower goals and strategies when they are created in a context of intense competition. This process is analogous to product differentiation in for-profit corporations. The same reasoning can apply to extant nonprofits: when faced with a particularly competitive sector, nonprofits may actually narrow their mission, and through that process carve themselves a niche, rather than drift away from their mission in an attempt to broaden their appeal.

Similarly, competition may force nonprofits to become leaner administratively, as nonprofits that demonstrate that they are the most efficient are more likely to receive the favor of institutional funders. Nonprofits may also form collaborations with other nonprofits (for instance through administrative coordination (Bunger 2012)) or with for-profit firms to increase their competitiveness. Froelich (2012) details how incoming competition from a large for-profit firm spurred a nonprofit hospice toward positive change and growth, despite the personnel's initial fear that the competitive threat "could affect [their] ability to carry out [their] mission" (2012, 245). Instead of focusing on becoming more "businesslike," the nonprofit hospice took the opportunity to learn important lessons from its for-profit competitor while still remaining true to its values. Far from leading to mission drift, the operational changes actually led to a refinement of the hospice's mission.

Pilot Study of Canadian Charities

In the second half of 2011, I consulted with 52 charities selected randomly from the Canada Revenue Agency's (CRA) online charity directory (http://www.cra-arc.gc.ca/chrts-gvng/lstngs/menu-eng.html) to assess the plausibility of the propositions presented above. I excluded religious charitable organizations – such as churches and mosques – as they tend to have different patterns of funding from the rest of the nonprofit population. Although benefit-to-the-community charities are overrepresented, the sample approximates the national distribution of the four charity types in the Charity Directory (welfare, health, education, and benefit to the community). The organizations also show a range of budgets (see Table 1) and receive funding from various institutional sources, such as government (federal, provincial and local), foundations, and corporations.

[INSERT TABLE 1]

The theory suggests that institutional funders' demands may be conducive to mission drift, as attending to funder requirements may constrain nonprofits' ability to implement programs. For instance, Ebrahim (2003: 96) notes that nonprofits collect some of the information that donors demand symbolically – this information is only a signal to the donors and is never actually used by the nonprofit to improve its performance. The purpose of information collection becomes to maintain funding and thus to survive as an organization, not to fulfill the organization's charitable mission. I asked nonprofits whether the information they collect for reports to funders is also used in their own program evaluations. 12 respondents answered that most of the information is used in both, 12 that some of the information is used in both, and 15 that their organization collects separate information for funders. The fact that more than a third of participating organizations collect separate information for funders highlights the potential for tension between nonprofits' normative and material interests.

However, conditions associated with higher potential for programmatic and administrative drift do not necessarily lead to negative mission change for nonprofits. For instance, 15 respondents indicated that at least one funder had tried to impose a new activity or modify an existing activity of the nonprofit, making them vulnerable to programmatic drift. Yet, of those 15 nonprofits, only 3 complied with the request (and one organization returned to its original structure after realizing the change was not successful). Others mentioned that they had "negotiated a mutually satisfactory solution" or that they refused because they were unwilling to "compromise our mission […] for the sake of satisfying a funder." Of course, it may be the case that some of these nonprofits said that they had not complied because of response bias (either to please me, the researcher (social desirability), or for other reasons such as protecting their organization), but this still shows that nonprofits are not powerless in their relationship with funders and do not have to accept mission drift passively.

I also found initial support for the proposition that nonprofits dependent on the state for resources are more at risk of mission drift. Part of the rationale for this proposition was that governments tend to impose more severe requirements and more bureaucracy on nonprofits, thus increasing the risk for administrative drift. When asked if some types of funders systematically demand more reporting than others, 26 respondents out of 46 answered “yes,” and 20 of those respondents mentioned provincial or federal governments. Other answers included foundations, corporations, and organizations such as United Way/Centraide.

Yet, a majority of respondents (34 out of 52 or 65%) thought that institutional funders’ requirements were appropriate, not excessive. One person noted that major institutional funders for the arts across Canada have now created a consolidated online management system to facilitate grant applications to multiple agencies and reduce the administrative burden on nonprofits. She also explained that, in the case of her nonprofit, government funders are generally allies: “In fact, government agencies do not decide whether we receive a grant, everything is decided by peers. Government agencies often help us in the peer-reviewed process by clarifying issues for reviewers, and laud some of our activities.” Institutional funders are aware of the administrative requirements they create for nonprofits and are working toward less burdensome arrangements, which is likely to reduce administrative drift.

Competition also appeared to be potentially critical in terms of mission drift to the respondents. When I asked how easy or hard it is to obtain funding for an organization like theirs compared to five years ago, almost all of the respondents who answered it was harder argued that it was because of increased competition (cuts in government funding, more organizations competing for the same money). Some of the other responses included changes in funder priorities and a declining economy. As Table 2 shows, nonprofits having a harder time getting funding now than before are also more likely to have trouble balancing the demands of funders with mission achievement than their counterparts, which suggests that competition for funding can indeed encourage mission drift. One respondent noted that "bottom line, it always goes back to the dollar. Every other community organization is competing for that money." The pressures associated with organizational survival can make it hard to stay focused on the long-term goals of the nonprofit.

[INSERT TABLE 2]

In contrast, many respondents did not seem to see other nonprofits as competitors vying for the same funds and threatening their own success. Indeed, they were more likely to answer that other nonprofits were helpful in achieving balance between administrative duties and mission fulfillment. One respondent mentioned that "Similar organizations make us think about our own activities but in doing so, we may be exposed to new ideas. Also, working together with other groups broadens our reach and allows us to use our resources more effectively." Another respondent highlighted the potential for joining together and producing joint events or common fundraisers. In that sense, competitors were seen in a much more positive light than resource dependence theory would suggest, both reducing the potential for administrative drift and fostering positive program changes through fresh ideas.

A final factor that seemed important with regards to mission drift among charities in the sample, but that was not among the original propositions presented here, was the respondents' perception of funders. To determine if nonprofit officials perceived that funders are more interested in performance measures than in the long-term success of programs, I asked respondents whether they agreed or disagreed (5-point likert scale) with the following statement: "Funders do not care about our long-term mission, only about their short-term requirements." As Table 3 shows, respondents who agreed with this statement were much more likely to believe that their nonprofit's mission has the potential to be compromised because of compliance with funding requirements than respondents who were neutral or disagreed. This finding is not surprising from a resource dependence perspective. Pfeffer and Salancik (1978) note the importance of the "enacted environment" of organizations, or the way in which the environment is interpreted by the organization. To plan for the future, organizations can only infer from the past, which may or may not be accurate, but will affect their actions nonetheless. If nonprofits perceive that institutional funders are not interested in results outside of the measurable indicators included in progress reports, they may choose to focus on the interests of resource providers instead of focusing on their mission (Ebrahim 2005). One issue with this finding is that it raises the question of causal direction. Respondents may have a negative perception of funders *because* their organization's mission has been compromised by funders in the past. Nevertheless, there seems to be a clear association between the two.

[INSERT TABLE 3]

In sum, the pilot study, although limited, showed both the negative and positive influence that institutional funders can have on mission. Although many nonprofits are (rightfully) worried about mission drift and how external stakeholders may encourage it, they also recognize that positive outcomes are possible if they adopt the right strategies.

Discussion and Conclusion: Moving Beyond Mission Drift

The three theory-driven propositions I presented above and the results of the pilot study both illustrate how a narrow understanding of mission drift as inherently problematic for nonprofits is misguided. When faced with a changing external environment, nonprofits can respond in a counterproductive way by setting aside the principled goals upon which they were created, but they can also generate productive change and reinvigorate their mission. Change can be good. Nonprofits too often consider their mission to be a sacred statement that should never change and forget that mission management can be crucial in the process of strategic adaptation. The implication of this study, in the words of Peter Drucker, is that mission should always come first, but leaders have a duty "to revise the mission, to refocus it, and to build and organize, and then abandon" (1990, 47). As programs change and as administrative tasks are performed, the mission should always be remembered, but not glorified. It should evolve with the nonprofit.

Therefore, instead of continuing to focus on the commonly used term "mission drift," I propose an amended framework that highlights both negative and positive forms of mission change. At the beginning of this paper, I suggested that mission drift could result in *administrative dominance*, the displacement of principled goals by administrative tasks, and in *program opportunism*, the choosing of program activities based on financial motivations. In Figure 6, I add a new element of productive change based on the examples and findings presented above. I suggest that mission adaptation, as opposed to mission drift, could result in *administrative realignment*, a short-term focus on administration to better achieve mission in the long run, and in *program adjustment*, the choosing of program activities and the refining of the mission based on an evolving environment. As we have seen above, nonprofits can use a variety of strategies to foster positive mission adaptation: they can negotiate with institutional funders, find ways to simplify reporting and better integrate it with their activities, cooperate with fellow nonprofits, and more. Mission change is a process that should not be assigned a normative value in and of itself: it can be good or bad depending on a nonprofit's choices and actions.

[INSERT FIGURE 5]

Although this paper offers some empirical support for this rethinking of mission drift, future research should focus on conducting more rigorous empirical testing of the current propositions and on developing systematic propositions for positive mission adaptation. Considering that this paper centered around the influence of specific external stakeholders - institutional donors - scholars should also work on developing additional theoretical propositions regarding the influence of nonprofits' other stakeholders and shifts in the broader external environment (such as new legislation) on mission change.

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Figure 1. Two forms of mission drift

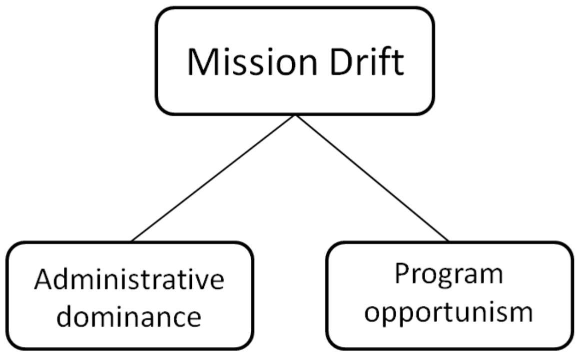

Figure 2. Stylized representation of Proposition 1

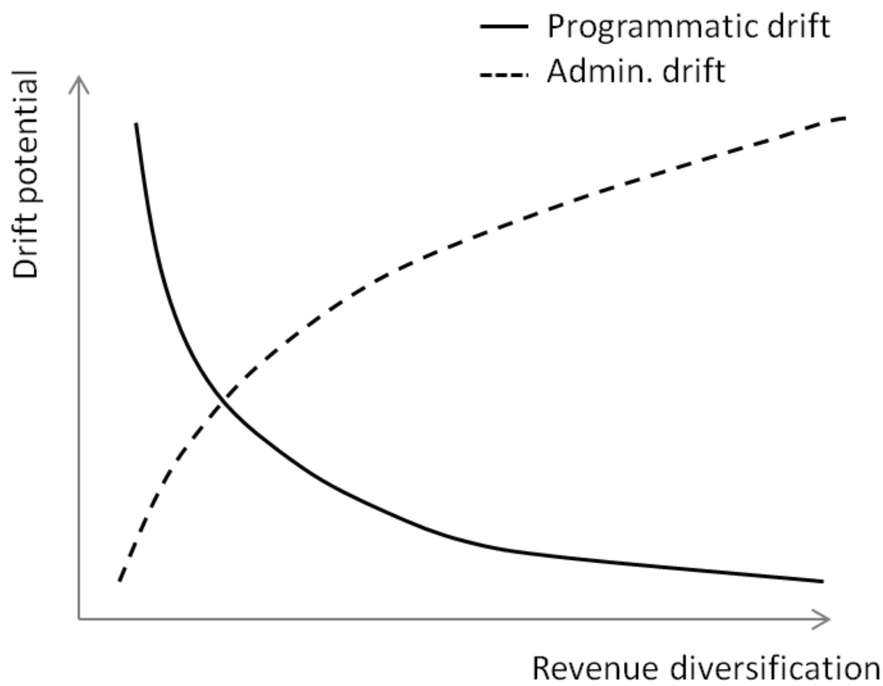

Figure 3. Stylized representation of Proposition 2

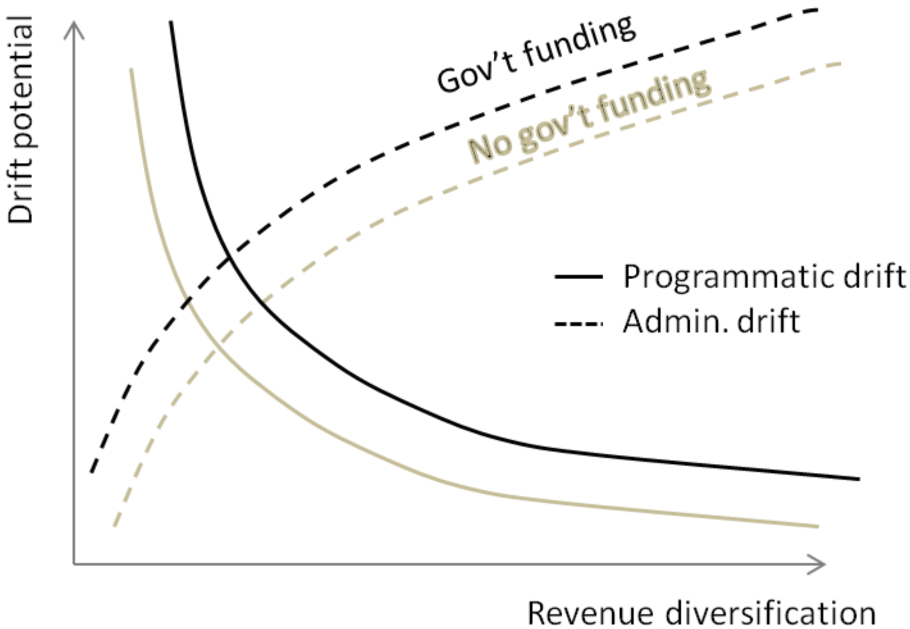

Figure 4. Stylized representation of Proposition 3

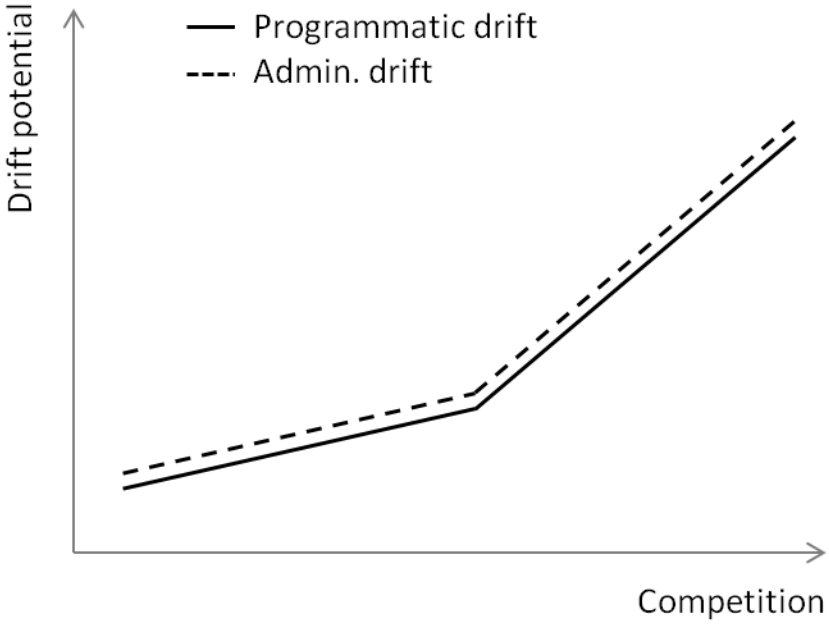

Table 1. Description of the sample

		Charity type			
		Benefit to community	Education	Health	Welfare
Size (revenue)	Small (less than $50,000)	9	5	2	1
	Medium ($50,000-499,999)	9	4	0	5
	Large ($500,000 and up)	4	3	4	6

Table 2. Competition and mission drift

		Does your organization ever have difficulty balancing funding management with its mission?			
		Never/Rarely	Sometimes	Often/Always	**Total**
Ease of getting funding compared to five years ago	Easier	6 (66%)	2 (22%)	1 (11%)	**9 (100%)**
	Similar	9 (69%)	3 (23%)	1 (8%)	**13 (100%)**
	Harder	8 (36%)	8 (36%)	6 (27%)	**22 (100%)**

Table 3. Perception of funders and mission drift

		Is there potential for your organization's mission to be compromised because of compliance with funding requirements?		
		Yes	No	**Total**
"Funders do not care about our long-term mission, only about their short-term requirements"	Agree	8 (62%)	5 (38%)	**13 (100%)**
	Neither agree nor disagree	3 (17%)	15 (83%)	**18 (100%)**
	Disagree	1 (7%)	13 (93%)	**14 (100%)**

Figure 5. A new framework to understand mission change