# Mission Drift: What Leads and How to Avoid

**Autoria**

Fernanda Golbspan Lutz  - Felutz@hotmail.com
Prog de Mestr em Admin e Negócios/Faculdade de Admin, Contab e Economia - PPGAd/FACE/PUCRS - Pontifícia
Universidade Católica do Rio Grande do Sul

MAIRA PETRINI - MAIRA.PETRINI@PUCRS.BR
Prog de Mestr em Admin e Negócios/Faculdade de Admin, Contab e Economia - PPGAd/FACE/PUCRS - Pontifícia
Universidade Católica do Rio Grande do Sul

**Resumo**

Hybrid organizations differ from other organizational forms as they have a financial mission besides their social aim. They blend the practices of traditional for profit with traditional nonprofit. In their cases, both logics (social and financial) are important to be achieved and play a central role for their survival. As such logics are often contradictory, they are always expose to the risk of prioritizing their financial over their social missions. Mission drift may be seen as a change in the preferences and behaviors of the organizations, usually not as a rational conscious choice. To better understand the origins of mission drift and how hybrid organizations can deal with such dilemmas, we went after the concept in other organizational areas, such high reliability organizations and nonprofit enterprises. We present a compilation of reasons why organizations drift from their aims and mechanisms to help them to avoid it or overcome it.

# Mission Drift: What Leads and How to Avoid

**Abstract**

Hybrid organizations differ from other organizational forms as they have a financial mission besides their social aim. They blend the practices of traditional for profit with traditional nonprofit. In their cases, both logics (social and financial) are important to be achieved and play a central role for their survival. As such logics are often contradictory, they are always expose to the risk of prioritizing their financial over their social missions. Mission drift may be seen as a change in the preferences and behaviors of the organizations, usually not as a rational conscious choice. To better understand the origins of mission drift and how hybrid organizations can deal with such dilemmas, we went after the concept in other organizational areas, such high reliability organizations and nonprofit enterprises. We present a compilation of reasons why organizations drift from their aims and mechanisms to help them to avoid it or overcome it.

**Keywords:** Hybrid Organizations; Mission Drift; Social Enterprises; Deviations

## Introduction

Organizations are built and structured on the pillars of their missions, which connect their actions and identities, guiding their members to represent it. Their missions should embody why an organization exists and what is its purpose (Grimes, Williams, & Zhao, 2019). Still, one of the main challenges that enterprises face is to lose sight of them, what we call a mission drift. Mission drift may be seen as a change in the preferences and behaviors of the organizations, usually not as a rational conscious choice (Copestake, 2007). This can happen in all types of organizations, such as nonprofit enterprises, traditional companies and governments, which may fail to align their goals (Young, Jung & Aranson, 2010).

The issue takes on an even more important dimension in Hybrid Organizations (HOs), which differ from other organizational forms as they have two goals to achieve: social and financial. They generate income with a business model focused on solving social or environmental issues, dealing with the duality of creating social impact alongside financial sustainability, blending the practices of traditional for profit with traditional nonprofit (Haigh et al., 2015). In their cases, both logics (social and financial) are important and play a central role for their survival. As such logics are often contradictory, they are always expose to the risk of prioritizing their financial aims over their social missions (Ebrahim, Battilana & Mair, 2014). In this article, we argue that the creation of social value in a financially sustainable way, reaching scale and leveraging commercial contracts, is the ideal model for such organizations. However, we understand that there are tensions to maintain the two purposes in equilibrium and concerns regarding the effectiveness of these companies. The achievement of economic performance enables the social mission when properly handled and that's why well-managed enterprises can reinforce both goals. Societies' problems may be sources of innovations and new businesses models, depending on the lens of the viewer.

A growing number of studies have discussed the strategies to prevent HOs from mission drift (Ebrahim et al., 2014; Ramus & Vaccaro, 2017; Young & Kim, 2015). To better understand the phenomena and how they can overcome it, we went after related concepts in other fields, such as failure and mistakes. Take, for instance, it has been more than a decade that authors are writing and studying about the commercialization of nonprofits and their preoccupations to drift away from their main objectives (Weisbrod, 2004). The lack of governments grants and a decrease in donations are among the main

reasons why such organizations are searching for other sources of revenues. However, the profit goal may lead them to drift from their social missions as business activities promote changes in their management practices (Dart, 2004; Dees, 1998; Young & Kim, 2015).

As Wood (2010) states, all organizations may change over time, but they must have flexible process and structures to remain resilient and preserve their cultural and strategic features. In this sense, the paper begins by examining approaches related to high reliability organizations as an example of resilient, adaptable and flexible organizations, which are able to manage the unexpected (Pettersen & Schulman, 2019). By bringing up others approaches, we hope to shed light into the discussion. The next section explains the occurrence of drift in Nonprofits and is followed by the drifts in HOs. We then present two frameworks with the main situations that trigger mission drift and the mechanism we found in the literature to avoid it. We conclude the paper with a discussion to move forward in the topic by addressing how ventures can handle such challenges.

### Organizations' Drifts

Complex environments may lead organizations to move away from their initial missions as they handle their internal and external challenges (Selznick, 1957). In such manner, the civil aviation have used the term "drift" for a long time to refer to the failure in complex systems, and how it may emerge even in successful organizations. Snook (2002) explains that people tend to adjust their attitudes when rules don't accommodate their demands, which can drive them to drift in relation to larger objectives. The practical drift illustrates how a system softly departs from its original mission, slowly shifting far from the baseline. In this context, Vaughan (1996) presents the term "normalization of deviance", in which performance deviations are normalized over a period of time, even with evidence of errors. Environment and political decisions change the structures and cultures of behavior, tolerating such deviations.

It is important to notice that organizations may face conscious shifts in their behaviors and practices, as they experience competition to survive in dynamic markets and may be only adapting from their previous positions, which is different from drifting. Copestake (2007) calls the attention to differ drift from pragmatism. When an organization has new goal without changing its elemental preferences is pragmatism, but the ignorance of actual outcomes or changes in preferences to achieve them is mission drift.

In this process, it may occur a reliability drift, an unseen and unrecognized change, in which people have no understanding of their practices and effects on the system. High reliability organizations (HROs) are a great example of organizations with the resilience and flexibility to handle such drifts. They are usually linked to the administration of potentially dangerous technical systems which may drive into catastrophes but are also recognized by having the capability to identify early warnings and consider the uncertainties as daily activities, managing the unexpected (Pettersen & Schulman, 2019).

According to Dekker (2016) failure is always an option in all kinds of systems. An adaptive behavior occurs in many directions, but it will only be observable as a retrospective outsider, after it already happened. This trajectory is just visible from the outside or when is looked back as the failure may occur when enterprises are thriving, without errors or breaking rules. For him, the drift into failure may happen in two ways: as conscious choice, which may result from uncertainty and intense competition or it can happen in small steps. The repeated and automatic attitudes that once made sense, become unreflective and taken for granted decisions that produce different outcomes, in a continuous adaptation of conflicts and norms with constant deviation from its original

objective. As organizations and their leaders experience success, they believe that small deviations are a new way of conducting their businesses. Consequently, the drift is normalized. In this sense, Gioia (1992) recalls the Pinto Fire and how value systems apparently flip flop when attached to scripts that drive the actions and perceptions of leaders and employees. Organized structured knowledge, like a "script" built on normal situations, guides the appropriate behavior of decision makers, so they do not have to think about each new situation as it has already worked out previously. In the long term, practices that were not formerly structured simply fit into norms without conscious judgments.

Vaughan (1999) investigated organizational deviance according to the high reliability theory, which focus on safe systems, process and prevention. He identified that routine nonconformity, mistake, misconduct and disaster usually occur based on its environment, organizations characteristics and choices. The deviance may be an event, an activity or a circumstance, which deviates from formal objectives and standards, and produces negligible or unexpected outcomes. It may occur even when the organization is having optimal results. The segregation of knowledge, a "structural secrecy", increases the chance of mistakes. Division of labor and hierarchy lead to incomplete information and hinder the detection of deviations. Instead of institutional strategies to prevent such actions, organizations justify the deviance by analyzing individuals' behaviors in retrospect with narratives that ease and legitimate the actions.

The following table summarizes the studies approached about drift and deviance in traditional and high reliability organizations.

Table 1 - Reasons organizations drift

| Reasons | Authors |
| --- | --- |
| Normalization of errors, attitudes slowly shifting | Vaughan (1996); Dekker (2016) |
| Segregation of knowledge, division of labor, hierarchy and ignorance of actual outcomes | Vaughan (1999); Copestake (2007) |
| Unreflective and taken for granted decisions and Reliability drift | Dekker (2016); Pettersen and Schulman (2019) |
| Ignorance of actual outcomes of their practices | Copestake (2007) |
| Behaviors based on scripts without conscious judgments | Gioia (1992) |

Source: elaborated by the authors.

We theorize about drifts as ignorance of outcomes, changes of preferences, results from uncertainty or even as conscious choices. It can happen in slow normalizations of activities and practices, shifting the organizations from their prior objectives. After all, the results may lead organizations to failure and compromise their survival. However, social enterprises are specially challenged to maintain stability as they have dual missions, which are usually conflicting and demand constantly examination from their leaders to not drift toward one goal at the expense of the other. In their cases, it may cause the loss of support, their failure, a change in their mission or a whole transformation into a new direction.

**Drifts in Nonprofits**

There is a common belief that traditional nonprofit culture is based on altruistic and nonfinancial missions and, consequently, businesses practices may threaten their society-oriented values. Nonprofits that regularly compete for grant funding, need to do it responsibly and appropriate to their missions. This market logic and professionalization are one of the main reasons why they usually drift from their original purposes (Dolnicar, Irvine & Lazarevski, 2008). The generation of income may compromise the donations

3

and investments and it requires a counterbalanced of all revenues to remain viable. At the same time, business-like activities represent profit motivations, managerial tools, structured activities, cut losses and differentiation of resources (Dart, 2004).

Nonprofits' strategies and choices to maximize the impact of their missions are different from the ones to maximize economic gains and, as they try to achieve both, they face challenges such as competition among other nonprofits, the need to rely on revenues to survive, a different entrepreneurial culture in the sector and partnerships with corporate companies which may lead them to drift (Young et al., 2010).

In recent decades, nonprofits have been behaving more like for business enterprises, but also face operational and cultural demands as they engaged in commercial activities. Such practices may bring benefits as they have tax advantages, volunteers, donations and discounts although their leaders must have the capacity to manage obstacles, like the lack of skills, managerial capacity and credibility in such markets. They may also face political resistance and difficulties to integrate skills and values of the new employees. Commercial activities do not need to be profitable to be beneficial, they may improve the organization in many forms, as long as they are constrained by the purpose mission. However, such tactics sometimes do not work and cost the achievement of their social goals (Dees, 1998). New economic or social contexts, substitution in leaderships and adjustments in public policies may call for an adjustment in an organizational mission (Young & Kim, 2015).

Nonprofits that benefits for their legal status, such as governments grants, donations and tax incentives may become "unfair" competition with for profits. Weisbrod (2004) demonstrates his concerns about the engagement in business activities, which demands energy, time and resources and may be a distraction from the main mission of an organization. Donors may feel the same and give up of an enterprise that finds other sources of revenues.

In spite of that, Jones (2007) explains that commercial activities are only one among the several sources of mission drift. Even foundations and governments have their owns objectives and choose which causes to fund. Their support can drive an organization to shift from its mission to be aligned with their funders. He cites three sources of drift in nonprofit: the abdication of their social mission in order to receive grants, the focus on projects different from their missions, and the focus in private interests of their board members. In this line of though, the author explains that the argument of business activities leading to mission drift makes no sense, as nonprofits should also abstain from government and foundation support.

The discussion about drifts in nonprofits is summarize in table 2, indicating the main causes (and its authors) we believe they may turn away from their missions.

Table 2 - Reasons Nonprofits drift

| Reasons | Authors |
|---|---|
| Businesses practices that distracts from social | Dees (1998); Weisbrod (2004) |
| Difficulties to integrate skills and values of employees | Dees (1998) |
| Decrease in donations and competition among nonprofits | Dart (2004); Young, Jung and Aranson (2010) |
| An entrepreneurial culture in the sector | Young, Jung and Aranson (2010) |
| Partnerships with corporate companies | Young, Jung and Aranson (2010) |
| Substitution in leaderships | Young and Kim (2015) |
| Changes in public policies, economic and social contexts | Young and Kim (2015) |
| New projects different from their missions | Jones (2007) |
| Private interests of their board members and funders | Jones (2007) |

Source: elaborated by the authors

As previous studies have shown, the drift is not always deliberated and may occur in different situations that leads it to deviate from its original outcomes. The reasons may come from different origins, such as changes in their contexts, leaderships, competition, donations, partnerships and values divergent from their employees and board members. Consequently, organizations need to make arrangements, regardless of their measures be attached to their missions. In some situations, they have to deal with trade-offs to achieve their goals and survive in markets. All kinds of enterprises need to make efforts and stablish mechanisms to maintain their focus on their goals. Still, dual minded organizations usually have an extra concern to not drift.

### Drifts in Hybrid Organizations

Hybrid Organizations (HOs) have become alternatives for economic development and improvement of quality of life of low-income population and vulnerable groups. Their social mission and financial missions are equally important and defined at their inception. Therefore, HOs' context of institutional plurality provides elements of multiple, often conflicting institutional logics, constantly dealing with the challenge to not drift too much toward one logic, which is a risk to their legitimacy (Mair, Mayer & Lutz, 2015). This creates ambiguity about their strategies, conflicting demands, value dispositions and accountability to divergent stakeholders. Therefore, the alignment of their missions and distinct stakeholders' interests is one of the main difficulties that they face as they use market logics' tools to solve society's issues with the ability to diffuse acceptance throughout their consumers, competitors and the whole industry in a multi-stakeholder commitment. They operate in a fine line between the effectiveness in both kinds of activities and the reconciliation of the expectations of the two goals may turn them into fragile organizations (Ebrahim et al., 2014; Hoffman, Badiane & Haigh, 2012; Santos, Pache & Birkholz, 2015). Besides institutional plurality and the pressures HOs received from their environment, Wolf and Mair (2019) identified other two main sources of mission drift for hybrids: organizational development (how to balance their social and commercial goals, specifically when they growth, need to restructure and adapt to new challenges) and resource dependence (high dependence on a resource provider, like a donor or investor).

Organizations that seek to carry out social outcomes through commercial ventures face tensions in distinct dimensions, such as performing (in their divergent outcomes), organizing (from opposite internal dynamics), belonging (in conflicting groups) and learning (in disparate time of growth and scale). The tensions and inconsistencies may persist and remain in their management practices over time (Smith, Gonin & Besharov, 2013). Pirson (2012) studied the shared value creation of hybrid businesses models and concluded that organizations have strong difficulties to balance financial and social goals. Over time, there is always a primacy of one objective, weakening on the shared-value strategies. As a result, he suggests that the longevity of these models remains in doubt in the long term.

Holt and Littlewood (2015) believe that the demonstration of impact and the understanding of their positive effects are critical factors for stakeholders and the achievement of missions in long-terms. However, as HOs constantly limit the profit distribution and reinvest the surpluses, they still embrace their purposes in the manner of nonprofits. In this way, Staessens et al. (2018) investigated social enterprises' dimensions of performances to understand the possibilities of mission drifts. Organizations that focused on economic activities were not only more financial effective but also more socially effective. A greater emphasis on commercial outcomes enabled a better social

performance. Companies that overemphasize social outcomes may lose of sight of their commercial viability, which, over time, disconcerts the improvement of both performances. Two types of drifts are identified: the "reverse", which happens when companies only care about the social outcomes once they achieved their financial results, but the reductions in their financial objectives are not compensated by developments of their social aims; and the "lock-in", when enterprises pay too much attention to the social mission but are unable to improve their social and financial results over time.

For Ebrahim et al. (2014) the dual mission is not necessarily aligned and is constantly contradictory, yet its fail may threaten their own existence. They discussed the role of organizational governance to avoid mission drift and defined two types of HO. The first is the "differentiated hybrid", which separates the social e commercial activities. The profits are gain by the sale of products and services and are used to help beneficiaries (who are not their clients). These organizations need to keep an eye on the pressures to invest more resources into their commercial activities than the delivery of social impact. The second type is the "integrated hybrid", in which beneficiaries and customers are the same. Here, the social benefit is created directly through their products or services, but their risks arise when they separate their activities, like a commercial good that does not reach a proposed group. In order to attend their multiple stakeholders (e.g., beneficiaries, funders, employees, investors), they are challenged with diverging interests and must ensure that their objectives are complementary instead of contradictory.

Scott and Teasdale (2012) emphasized how failure in organizations is not widely researched and relies on large datasets or individual narratives. The authors call the attention to the need of adequate and complete studies, which comprehends the wider environment of organizations. Based on a case study of a social enterprise, they present the reasons of its failure: rapid growth; inconsistent strategy; failure of payments from the government; poor governance (board without skills and time, lack of administrative and governance structures); external environment; and unsustainability of projects.

Despite the diversity of types of social enterprises, all of them have the challenge to deal with the multiple and conflicting demands that emerge from their dual purposes. The risk of companies to drift their aims in order to pursue their objectives and efficiency has always follow the organizational life and, especially the hybrids forms, may lose sight of their social objective in their efforts to generate revenue (Battilana, 2018). In detail below, we present Table 3, which recapitulates the reasons proposed by the investigated authors.

Table 3 - Reasons HOs drift

| Reasons to drift | Authors |
|---|---|
| Institutional plurality | Mair, Mayer and Lutz (2015) |
| Singular resource dependence | Scott and Teasdale (2012); Wolf and Mair (2019) |
| Reconciliation of the conflicting demands from stakeholders | Mair, Mayer and Lutz (2015) |
| Balance social and commercial goals | Wolf and Mair (2019) |
| Contradictory missions competing for resources | Ebrahim, Battilana and Mair (2014); Pirson (2012) |
| Overemphasize social outcomes and loose commercial viability | Holt and Littlewood (2015); Staessens et al. (2018) |
| Inconsistent strategy and management practices | Scott and Teasdale (2012); Smith, Gonin and Besharov (2013) |

Source: elaborated by the authors

In line with what we proposed, the preceding discussion frames the main reasons we understand organizations drift from their goals. On the one hand, we comprehend that all enterprises can shift their missions towards different goals, but the reasons may differ if they are traditional, nonprofits or hybrid models. On the other hand, as we identified the reasons which they shift from their initial purposes, we recognized that there are reasons common to more than one specific type of enterprise. In a changing world, some of the challenges that traditional organizations face, are familiar to the ones nonprofits or hybrids have to deal. For this reason, we constructed the following framework, with the reasons we believe may be familiar to all kinds of ventures.

This unified frame suggests that some sources of drifts of nonprofits and traditional enterprises found in the literature previous presented may also be familiar to hybrids organizations. Changes in public policies, economic and social contexts does not affect only nonprofits. Young and Kim (2015) found such reason of drift in their studies but it can be applied to most enterprises, as they are constantly dealing with external institutions, clients and governments. We also believe that leaderships, proposed by the same authors as a source of drift, have considerable effects in all organizations. In relation to the traditional organizations, the segregation of knowledge, division of labor, hierarchy and ignorance of outcomes that Vaughan (1999) identified in his studies of high reliability organizations may confuse employees and leaders in distinct sectors, leading enterprises to deviations. The lack of conscious judgments found by Goia (1992) is an important factor to be attentive as organizations avoid failure.

Figure 1 – Unified framework
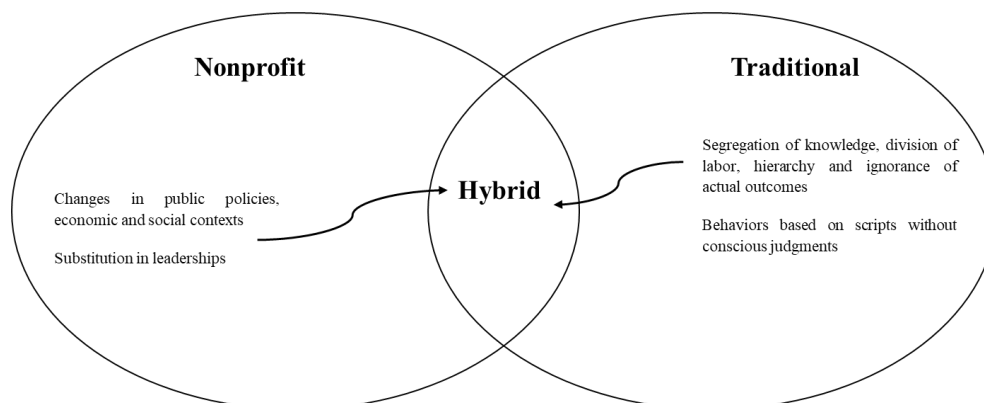


Source: elaborated by the authors

Young and Kim (2015) state that all organizations are dynamic and, even the ones with clear values, strategies, resources and legal structures, are always adapting to external demands and managing with inner tensions. Even large corporations may drift too much attention to social causes related to its social responsibility programs. For this reason, we can assume that drifts may occur in organizations, governments' agencies, departments or a whole industry, as the result of opposite values, goals or external demands. It must be studied and identified, so organizations can learn, adapt or correct their mistakes and avoid failures.

### How to avoid mission drift

We presented HROs as organizations with adaptability, resilience and flexibility to manage and regulate drifts in a continuous search for improvement. It does not mean that they do not have to deal with deviances, but they are able to adapt. Their practices

vary from detailed assessment, constant revision of performance, integration of knowledge, openness to critiques and networks for shared information. These organizations develop warning mechanisms and controlled measures to avoid unwanted results. They rely on methods such as mindfulness, trust, sensemaking, communication and cooperation (Pettersen & Schulman, 2019).

A growing body of the literature has approached the mechanisms HOs rely on to cope with mission drift. Grimes et al. (2019) explain the concept of mission work as how organizations intentionality react to perceptions of shifts in their purposes and repair such divergences between their image and their actions. It is a strategic attitude to address the audience understandings of the organization's authenticity and responsiveness. To this extent, Ramus and Vaccaro (2017) investigate how stakeholder engagement, added to social accounting, helps enterprises to stand between wealth and impact generation. They suggest that, in spite of triggering social awareness, social accounting alone is not enough to support enterprises that moved away from their original missions. It needs to be combined with the reintroduction of their forgotten motivations, through a stakeholder engagement in the following steps: selecting stakeholders to help them deliberate their social priorities; dialoguing to define actions and perceptiveness of such values and implementing such values into their activities. These measures enhance the internal agents to incorporate such forgotten values and demonstrate it to their external actors in an attempt to get recognition and acceptance. It is important to identify partnerships coherent with their values, skills and capabilities in a move toward a more balanced status. The management of their internal and external demands will ease the attachment of their mission and social culture in multi-stakeholder commitments.

Organizations that engage in multiple missions need to develop capabilities to manage their key stakeholders to support their activities, in a productive stability, by training their managers in business and nonprofit methods; hiring employees with the appropriate skills; developing a new culture that blends both missions and minimizing cultural conflicts (Dees, 1998).

Governance is also an important mechanism to help enterprises to handle the demands from multiple stakeholders. The performance measurement criteria in financial and social objectives are distinct and may create ambiguities, therefore, governance can foster the legitimacy through external stakeholders and help organizations to innovate and deal with pressures in creative ways, developing opportunities in the divergent institutional spheres. The social legitimization occurs with the support of powerful organizations and actors, who give opportunities to social enterprises to thrive. Sometimes, the multiple logics can bring distrust and threaten this legitimacy. Then, hybrids may have to adopt a single logic in their governance practices, or selectively couple elements of several institutional logics not previously prescribed by only one (Mair et al., 2015). Likewise, Ebrahim et al. (2014) believe that organizational governance is a critical role to settle and maintain the objectives and needs of accountability in social enterprises (for what and to whom they are accountable). It can avoid mission drift when it is able to inspect the social and financial strategies, keeping an eye on the performance and, at the same time, being accountable to its beneficiaries, managing the ambiguities previously mentioned by Mair et al. (2015). Leaders must identify what strategies are appropriate and viable for their contexts, as social enterprises have mix characteristics of business and charity in a variety of forms, addressing their demands in specific ways. Battilana et al. (2017) propose a hybrid organizing approach to successfully achieve the dual purposes. The maintenance of a hybrid culture should manage conflicts in four steps: establish and monitor the social and financial objectives (by informing their goals to their stakeholders in a clear and explicit way); organize the

enterprise to support it (by reviewing their activities and structures); hire employees that adopt it (who understand, embrace and contribute to both fields); and have a leadership that practices it (someone who manages the tensions from divergent views, engaging boards and making decisions for both missions).

In a divergent view, Pache and Santos (2013) explain that most enterprises are not be able to choose which logic to follow but may need to adopt the prevailing market logic to initially gain legitimacy and acceptance, overcoming the institutional constraints and using them in their favor. Regardless of whether they are traditional or hybrid, all organizations need support and, at least in some ways, to meet the conflicting prescriptions imposed by the business logics. Pirson (2012) has the same view, that the endurance of such enterprises relies on a focus at one, not several goals, as this multiplicity may decrease performances and rise conflicts among employees.

As a response to such institutional pressures, Wolf and Mair (2019) found three interrelated mechanisms to support social enterprises: they must defined a purpose aligned to the multiple institutional constrains, have the commitment with their resource dependencies and coordinate their small wins according to internal and external demands. These proactive practices guide enterprises on how to mobilize multiple claims towards their shared missions, bridging their activities to the internal and external environment, in the direction of its main purposes. In line with this, Staessens et al. (2018) indicate to connect the conflicting objectives, allocating and prioritizing the attention between them, constantly reinforcing both.

Young and Kim (2015) applied concepts from resiliency theory to explain the conditions in which social enterprises stayed focused on their missions or drift to other states. They found that leadership plays a prominent role on identifying problems and managing the intended balance. The frontier of social and market goals may push the organizations to new ways of doing businesses achieving greater results in both spheres. Organizations need to find the right harmony in their goals to survive and stabilize their internal structures with the market opportunities.

As these enterprises have acquired capacity to address societal problems, we observe that academic studies are still trying to define arrangements that prevent the notion of impact and revenues as the outcomes of different processes and how to interconnect these elements as opportunities to be explored. Many solutions were found in the literature and, depending on the context, enterprises may have different options to overcome such difficulties. An important point to be attentive is the intertwined of their missions, to not ostracize any of them, but continually reinforce it. Our analysis agree with Santos et al., (2015), that the obstacles may also be sources of innovation and creativity, and hybrids have the capacity to combine the best of both worlds. They can align profit and impact adopting business model innovations that develop and deliver valuable transactions, which promote their competing missions. HOs achieve that by restructuring value chains to reduce costs to include low income communities; selling products attached to others which are truly need; reaching customers who are not able to pay, providing them cheap or micro payments fees. They can develop cross segment enterprises, selling products in markets which traditional companies do not reach, recognizing and leveraging value spillovers with vulnerable groups. There are many formats to pursue the dual goals, but the risk of mission drift is generally higher when their clients and beneficiaries are not the same, with social interventions besides their commercial operations.

Young et al. (2010) call the attention to the need to identify the purpose of each activity and analyze if its related to economic or mission goals, so organizations can deal with their tensions. It is not an easy task as some activities are not separated or may serve

both missions, but, as they specify their aims, they will be able to stablish the direct and indirect impact of the decisions in specific financial and social outcomes, deciding on what they want to focus on. Each assignment have tradeoffs among social and market goals, and, with the appropriate measurements, organizations are able to balance and identify the degree of financial needs to accomplish the desired impact. Their managers and must have a clear focus, discipline and measurements to maintain the organizations' targets. A pricing policy is an alternative to counterbalance the distinct type of impacts. Software may weigh the missions and improve the decision-making processes. Another other option is simple metrics, such as Likert-type scales. These tools may help leaders to make choices according to the results they are seeking: higher revenues, mission-maximizing and mixed strategies.

As the strategies previous presented suggest, organizations may find various ways to manage their tensions with social and financial missions. The strategies have the power to prevent the drifts on the short or long run, according to the context and particularities of each enterprise. Based on the sources of drift we identified in former researches, we went after mechanisms for organizations to prevent it. Across the literature, we observed that authors have distinct propositions of how to help enterprises to stay focus on their objectives.

Table 4 - Mechanisms to avoid drift

| Mechanisms | How to apply it | Authors |
|---|---|---|
| Adaptability, resilience and flexibility | To constantly revisit performances, integrate information and feedbacks, develop warning mechanisms to avoid unwanted results. | Pettersen and Schulman (2019) |
| Mission work | Intentionality reactions to perceptions of shifts in their purposes, through authenticity and responsiveness. | Grimes, Williams and Zhao (2019) |
| Stakeholder engagement and social accounting | Reintroduction of forgotten motivations and demonstrate it to their external actors by selecting stakeholders; dialoguing to define actions and materializing values into activities. | Ramus and Vaccaro (2017) |
| Develop a new culture which blends both missions | To minimize cultural conflicts, developing capabilities, training managers in business and nonprofit methods and hiring employees with the appropriate skills. | Dees (1998) |
| Organizational governance and Accountability to the beneficiaries | To settle and maintain the objectives to inspect the social and financial strategies, keeping an eye on the performance and, at the same time, being accountable to its beneficiaries. Governance to handle the demands from multiple stakeholders. | Ebrahim, Battilana and Mair (2014); Mair, Mayer and Lutz (2015) |
| Leadership | Leaders must identify what strategies are appropriate and viable for their contexts, identifying problems and finding the right harmony with the market opportunities. | Ebrahim, Battilana and Mair (2014); Mair, Mayer and Lutz (2015); Young and Kim (2015) |
| Hybrid organizing approach | To maintain a hybrid culture by establishing and monitoring the social and financial objectives; organizing the enterprise to support it; hiring employees that adopt it; and a leadership that practices it. | Battilana et al. (2017) |
| Gain legitimacy | The legitimacy helps organizations to deal with pressures, developing opportunities in the divergent spheres, with the support of powerful actors. Organizations may adopt the prevailing market logic to initially gain legitimacy and acceptance, overcoming the institutional constraints or selectively couple elements of several logics. | Pache and Santos, (2013); Mair, Mayer and Lutz (2015) |

| Purpose, commitment and coordination | A purpose aligned, commitment with their resource dependencies and coordinate their small wins according to internal and external demands will guide enterprises on how to mobilize claims towards their shared missions. | Wolf and Mair (2019) |
|---|---|---|
| Identify the purpose of each | Analyze if its related to economic or mission goals and the expected outcomes. Identify the degree of financial needs to accomplish the desired impact. | Young, Jung and Aranson (2010) |
| Business model innovations | Obstacles as sources of innovation and creativity, aligning profit and impact. | Santos, Pache and Birkholz (2015) |

Source: elaborated by the authors.

### Conclusion and insights from mission drift

The theoretical discussion previously approached, showed the many problems that HOs need to solve and a few opportunities to advance. On the one hand, failure may emerge even in successful organizations. However, on the other hand, we believe that cooperative leaders can manage these tensions and sustain organizational growth, mitigating the risks of drifts. As it was identified in the literature, mission drift may guide organizations to target on profitable, but less socially impacting choices. The capability to handle pressures needs to be central in the core of their businesses.

We presented high-reliability organizations with the purpose to understand how organizations, even with a high degree of control and structures to manage, may shift their practices and deviate from their objectives. We found that through resilience, adaptability and flexibility, they are able to avoid failure. In the context of HOs, drifts in their missions are not always easy to identify. It can be observed in the perception of the intentionality of the organizations. Consequently, strategic changes may turn them away from their original missions, resulting in judgements from the audiences, who consider it inconsistent. However, a change in the organization's actions can also lead to improvements when coupled with the appropriate strategies (Grimes et al., 2019). According to the context of each enterprise, financial performance may be an element which reinforces the social aim, by maximizing their earnings or the social impacts (Young et al., 2010).

As a field still under construction, hybrids are based on several concepts dealing with a complex and challenging environment. A growing number of studies has approached their challenges related to mission drift. As these organizations do not fit into any previously established category of organizational, sector or domain, the incorporation of opposite logics results in tensions between subgroups in each perspective (Smith et al., 2013). Organizations with social and financial missions bring new paths to the management of traditional enterprises and play an important role in the dissemination of conflicting missions (Porter & Kemmer, 2011). In this sense, Pache and Santos (2013) explained that the status of an organization (the "center" or "periphery" of a field) will influence on how it is impacted by the market and how it will manage its demands.

Organizations may have different destinies according to their strategies. They may fail as they pursue market survival; transform, by changing their missions, structures and legal forms; or slack, as they are not capable of balance the social and market missions effectively (Young & Kim, 2015). For this reason, they must increase their likelihood of being sustainable, developing business models, strategies, structures and an institutional support system that balances the risks of mission drift and financial insolvency (Battilana, 2018).

Our arguments focus on aspects related to governance mechanisms to ensure the overall direction and accountability of HOs. We highlighted reasons of its failure and

strategies which we found relevant to the purpose of this paper. Still, we see much room to continue this debate. Future studies may approach institutional theory to analyze solutions to the survival of social enterprises, through mechanisms and structures that allow the coexistence of competing logics. Empirical researchers can apply the developed framework to select the right strategies to its organization. Our knowledge about such mechanisms can be enhance and refined according to the advance of investigations on the topic. In summary, collaborative actions, aligning the stakeholder's values and comprehending the wider environment of organizations, will help them to maintain their dual objectives. Specifically, we theorize about mission drift focusing on practices to coordinate and balance the efforts of leaders. An organizational governance to guide the actions and chose the priorities should be a common concern for such enterprises. We hope that it brings insights to other researches and novel ways to help those who are struggling to achieve social impact and develop their market presence, making use of strategies to avoid drifts towards one mission.

**References**

Battilana, J. (2018). Cracking the organizational challenge of pursuing joint social and financial goals: Social enterprise as a laboratory to understand hybrid organizing. *M@ n@ gement*, *21*(4), 1278-1305.

Battilana, J., Pache, A. C., Sengul, M., & Kimsey, M. (2017). The Dual-Purpose Playbook. *Harvard Business Review*, *97*, 124-133.

Copestake, J. (2007). Mission Drift Understand It, Avoid It. *Journal of Microfinance/ESR Review*, *9*(2), 6.

Dart, R. (2004). Being "business-like" in a nonprofit organization: A grounded and inductive typology. *Nonprofit and voluntary sector quarterly*, *33*(2), 290-310.

Dees, J. G. (1998). Enterprising nonprofits: What do you do when traditional sources of funding fall short. *Harvard business review*, *76*(1), 55-67.

Dekker, S. (2016). *Drift into failure: From hunting broken components to understanding complex systems*. CRC Press.

Dolnicar, S., Irvine, H., & Lazarevski, K. (2008). Mission or money? Competitive challenges facing public sector nonprofit organisations in an institutionalised environment. *International Journal of Nonprofit and Voluntary Sector Marketing*, *13*(2), 107-117.

Ebrahim, A., Battilana, J., & Mair, J. (2014). The governance of social enterprises: Mission drift and accountability challenges in hybrid organizations. *Research in Organizational Behavior*, *34*, 81-100

Gioia, D. A. (1992). Pinto fires and personal ethics: A script analysis of missed opportunities. *Journal of Business Ethics*, *11*(5-6), 379-389.

Grimes, M. G., Williams, T. A., & Zhao, E. Y. (2019). Anchors aweigh: The sources, variety, and challenges of mission drift. *Academy of Management Review*, *44*(4), 819-845.

Haigh, N., Walker, J., Bacq, S., & Kickul, J. (2015). Hybrid organizations: origins, strategies, impacts, and implications. *California Management Review*, *57*(3), 5-12.

Hoffman, A. J., Badiane, K. K., & Haigh, N. (2012). Hybrid organizations as agents of positive social change: Bridging the for-profit & non-profit divide. *Using a positive lens to explore social change and organizations: Building a theoretical and research foundation*, *131*.

Holt, D., & Littlewood, D. (2015). Identifying, mapping, and monitoring the impact of hybrid firms. *California Management Review*, *57*(3), 107-125.

Jones, M. B. (2007). The multiple sources of mission drift. *Nonprofit and Voluntary Sector Quarterly*, *36*(2), 299-307.

Mair, J., Mayer, J., & Lutz, E. (2015). Navigating institutional plurality: Organizational governance in hybrid organizations. *Organization Studies*, *36*(6), 713-739.

Pache, A. C., & Santos, F. (2013). Inside the hybrid organization: Selective coupling as a response to competing institutional logics. *Academy of management journal*, *56*(4), 972-1001.

Pettersen, K. A., & Schulman, P. R. (2019). Drift, adaptation, resilience and reliability: toward an empirical clarification. *Safety science*, *117*, 460-468.

Pirson, M. (2012). Social entrepreneurs as the paragons of shared value creation? A critical perspective. *Social Enterprise Journal*, *8*(1), 31-48.

Porter, M. E., & Kramer, M. R. (2006). The link between competitive advantage and corporate social responsibility. *Harvard business review*, *84*(12), 78-92.

Ramus, T., & Vaccaro, A. (2017). Stakeholders matter: How social enterprises address mission drift. *Journal of Business Ethics*, *143*(2), 307-322.

Santos, F., Pache, A. C., & Birkholz, C. (2015). Making hybrids work: Aligning business models and organizational design for social enterprises. *California Management Review*, *57*(3), 36-58.

Scott, D., & Teasdale, S. (2012). Whose failure? Learning from the financial collapse of a social enterprise in'Steeltown'. *Voluntary sector review*, *3*(2), 139-155.

Selznick, P. (1957). *Leadership in administration.* Berkeley, CA: University of California Press.

Smith, W. K., Gonin, M., & Besharov, M. L. (2013). Managing social-business tensions: A review and research agenda for social enterprise. *Business Ethics Quarterly*, *23*(3), 407-442.

Snook, S. A. (2002). *Friendly fire: The accidental shootdown of US Black Hawks over northern Iraq*. Princeton university press.

Staessens, M., Kerstens, P. J., Bruneel, J., & Cherchye, L. (2018). Data Envelopment Analysis and Social Enterprises: Analysing Performance, Strategic Orientation and Mission Drift. *Journal of Business Ethics*, 1-17.

Vaughan, D. (1996). *The Challenger launch decision: Risky technology, culture, and deviance at NASA*. University of Chicago press.

Vaughan, D. (1999). The dark side of organizations: Mistake, misconduct, and disaster. *Annual review of sociology*, *25*(1), 271-305.

Weisbrod, B. A. (2004). The pitfalls of profits.

Wolf, M., & Mair, J. (2019). Purpose, commitment and coordination around small wins: A proactive approach to governance in integrated hybrid organizations. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, *30*(3), 535-548.

Wood Jr, T. (2010). Organizações híbridas. *Revista de Administração de Empresas*, *50*(2), 241-247.

Young, D. R., Jung, T., & Aranson, R. (2010). Mission—market tensions and nonprofit pricing. *The American Review of Public Administration*, *40*(2), 153-169.

Young, D. R., & Kim, C. (2015). Can social enterprises remain sustainable and mission-focused? Applying resiliency theory. *Social Enterprise Journal, 11* (3), 233-259.