Being "Business-Like" in a Nonprofit Organization: A Grounded and Inductive Typology

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Little research has systematically examined the concept of being business-like in a nonprofit organization setting despite the increased importance of this concept in research, policy, and practitioner communities. Based on an in-depth qualitative case study of a single, Canadian, nonprofit human services organization, this article proposes that being business-like in a nonprofit setting can be understood in at least four distinct categories: as goals of programs, as organization of either program service delivery or organizational management, and as organizational rhetoric.

Keywords: *nonprofit; commercialization; business; typology; qualitative*

Few would dispute that nonprofits are both being asked and required to be more business-like in their operation and attitude. A plethora of recent publications exhort people in the nonprofit sector to be social entrepreneurs (Emerson & Twersky, 1996) or to implement "private sector strategies for social sector success" (Kearns, 2000). The issue of nonprofit organizations becoming more business-like raises many important questions for the academic, practitioner, and public policy communities. Unfortunately, *business-like* is quite a general term, with few specific referents.

The vagueness of the in situ meaning of the business-like term motivates the broad research questions that this article will engage. What comprises business-like behavior in a nonprofit organization, particularly in the nitty-gritty details of organization and service delivery? Is business-like a singular or plural descriptor? In this article, I engage these research questions by drawing on a detailed qualitative case study of a Canadian, nonprofit human services organization that attempted to reorganize itself in a more business-like and entrepreneurial manner. The primary focus here will be the ways that a nonprofit organization can reflect multiple, popular, and common understandings of business-like behavior and activity.

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This research makes three useful contributions. First, it proposes a clear typology for understanding what being business-like can mean in a particular nonprofit organization setting and shows that the business-like term can have (at least) four distinct meanings. In the nonprofit management literature, we have not yet clearly distinguished between kinds of business-like activity (or different meanings of business-like). Second, this article advances our analytical understanding of how being business-like actually matters in a nonprofit organization setting. This begins to address a major limitation of the existing literature. Despite the existence of some case studies of social entrepreneurial organizations (e.g., Emerson & Twersky, 1996; Shaw, Shaw, & Wilson, 2002), there is still very little detailed empirical research data on this phenomenon, particularly little that explores the business-like construct directly and in nonnormative terms grounded in the language and understandings of managers and program staff on site. The third contribution this research provides is of relevance to policy and governance discussions. Issues of nonprofit organizations being more business-like raise important questions including claims of efficiency or effectiveness (Oster, 1995) and possibilities of mission drift (DiMaggio, 1986; Weisbrod, 1998). To evaluate these claims, more detailed understanding of what being business-like actually means—and how it actually works—in a nonprofit context are required.

This article will proceed as follows. First, the literature review will develop how the distinction between nonprofit and business-like concepts is generally understood. This section will highlight how both concepts have fairly wide and indeterminate meanings, particularly in terms of behavior. Following this, the qualitative case study research method and the research site will be described briefly. This section sets the stage for the actual case study analysis where four different meanings of business-like will be developed through the presentation of grounded, qualitative, case study data. The purpose of the detailed data analysis here is to ground meanings of being business-like in the specific circumstances, words, and activities of the nonprofit setting. Following the case study analysis, the business-like typology will be discussed in terms of the degrees to which it illustrates, adds complexity to, challenges, and adds to what has already been described or documented about business-like activity in the nonprofit sector.

NONPROFIT AND BUSINESS-LIKE CONCEPTS

The distinction between nonprofit and business-like concepts is central to the research agenda of this article. This section will demonstrate that these commonly distinguished concepts are only clearly distinguished in the literature in terms of goals and that the distinctions between them are much less clear in terms of other important organizational behavior dimensions such as values, processes, and organizational structures. This section reviews the meanings and uses of the nonprofit and business-like constructs to both explain their contrasts as well as highlight the limited development of our understanding of the relation of these concepts to each other.

The nonprofit concept can be understood in various ways. Given the organizational behavior purposes of this research, it will be framed beyond both the nominal legal definition of the nondistribution constraint (DiMaggio & Anheier, 1990) and the nominal economics definitions proposed by residual theories (Hansmann, 1987; Weisbrod, 1988). Here we will use the more robust terms of Lohmann's (1989, 1992) proposal of "The Commons" as an organizational space containing activity focused on prosocial behaviors, mutuality, voluntary labor, and the production of collective goods. This construct, in my opinion, best captures the organizational behavior focus of this research. It also highlights the degree to which the nonprofit concept in human service organizations is widely understood as a configuration (Meyer, Tsui, & Hinings, 1993) of functional, cultural, institutional, and ethical attributes that set these organizations apart from for-profit businesses and other forms of organization.

Reed (1997) posited that Lohmann's cluster of characteristics form something that is distinct in its underlying essence:

> The defining boundaries of any phenomenon can be set not only in terms of some set of traits but also in terms of a distinguishing essence. There exists such a feature in a large portion of the nonprofit sector that I believe it is conceivably its more distinctive and influential characteristic. . . . The components of this ethos *inter alia* are an orientation toward general amelioration, motivation that rests on some idea or moral principle, and a sense of mutuality, trust and common cause among people engaging in nonprofit activity. (p. 3)

Framed this way, *nonprofit* is an essentialist concept based on the cluster of values, ends, and content of an organization's behavior. It is this approach to understanding the nonprofit construct that will be used here. Although the nonprofit construct can be characterized in a way that is resonant with common public understandings of *nonprofit*, the business-like or commercial construct is considerably more difficult to elaborate, particularly in its unfamiliar nonprofit context.

What does it mean to be business-like in a nonprofit organization context? Engaging this research question is the principal research goal of this article. However, being business-like is not at all a simple construct. Researchers and business commentators such as Gareth Morgan (1986) and Henry Mintzberg (1979, 1994) pointed out a bewildering array of organizational forms, processes, and goals that comfortably and functionally exist in the for-profit sector. The lack of quintessential or definitive business-like characteristics, however, does not pose a major problem for this article, because its purpose (as an exploratory study) is to examine the construct inductively, in situ in an organizational context, specifically in terms of the socially constructed understandings, rhetoric, and even stereotypes that can be applied to the business-like term. The focus here, then, is less which activities in the nonprofit organization fit an abstract definition of business than a focus on the ways in which the business-like term can make sense of activities in a nonprofit context.

There has been a great deal of recent work examining nonprofit/for-profit relations, nonprofit commercialization, and social entrepreneurship, all of which have developed different elements of the business-like construct in the nonprofit context. Despite the plethora of recent work at the nonprofit/business interface (e.g., Austin, 2000; Brinckerhoff, 2000; Frumkin & Andre-Clark, 2000; Moore, 2000; Weisbrod, 1998), however, the research literature that examines and describes commercial or business-like activity in a nonprofit context (reviewed in Johnson, 2001; Zimmerman & Dart, 1998) has not been very detailed or fine grained. Although there have been many useful case studies of business-like approaches in the nonprofit sector (e.g., Emerson & Twersky, 1996; Shaw et al., 2002; Weisbrod, 1998), there have not yet been any published accounts that question the business-like concept itself as a problematic (rather than an assumed) construct.

Commercial or business-like activity is defined by one of its best known commentators as "sustained activity, related, but not customary to the [nonprofit] organization, designed to earn money" (Skloot, 1987, p. 381). Skloot's (1987) definition is simple yet important. It characterizes the distinction between business-like and nonprofit activity on the basis of the primary motivation or goal for the activity rather than anything intrinsic to the organization of the activity itself. Common examples of these are profit-focused, program-related products and services such as Girl Guide cookies, museum gift shops, organizational consulting, and hospital parking lots.

Skloot's (1987) definition of commercial activity by nonprofits is similar to the revenue generation focus used in Weisbrod's (1998) volume on the subject. However, other writing suggests that this is only the beginning of being business-like, because it does not consider how the activity is undertaken. For example, J. Dees (1998) highlighted the need to organize differently to compete successfully. For J. Dees and others (e.g., Brinckerhoff, 2000; Emerson & Twersky, 1996), commercial activity by nonprofits means other changes—more attention to market discipline, market-focused social innovations, efficiency and reduced cost structures, and (broadly) focusing on the financial bottom line than was typical or commonplace in the nonprofit funding and service environment. Recent practitioner-focused publications (e.g., Brinchkerhoff, 2000; G. Dees, Emerson, & Economy, 2001) provide multiple tools and activities to achieve this goal orientation. Thus, business-like activities by nonprofits are activities that need not only a different motivation or goal than traditional and/or institutionally legitimated nonprofit activity but also a different collection of tools to achieve those goals.

In contrast to Skloot's (1987) understanding of business-like, another dimension of business-like in the nonprofit literature is focused first on organizational practice, planning, and behavior. This literature blends into and is not clearly distinguished from Skloot's focus on the goals of the activity. It focuses on the application of business thinking (in general) as well as specific business tools (e.g., strategic planning, market analysis, Boston Consulting Group matrices, Michael Porter's strategic analysis, etc.) to both the analysis and the management of both nonprofit programs and other programs intended to generate revenue or profit (Brinckerhoff, 2000; Kearns, 2000; Oster, 1995). This literature is prescriptive, focusing on the values of business-like analysis and organization for a nonprofit. Illustrative of this is a quotation from Brinckerhoff (2000): "Does your organization really need business development skills, even though it is a not-for-profit? *Absolutely!*" (p. 2).

The basic distinctions between the nonprofit and business-like terms should be clear. From this basic characterization, nonprofit is understood to be organized around an interconnected nest of prosocial and voluntaristic values and goals with few references to the means and structures by which these values are enacted. Business-like activities are generally understood to be those characterized by some blend of profit motivation, the use of managerial and organization design tools developed in for-profit business settings, and broadly framed business thinking to structure and organize activity. It is this distinction that is the focus of the research.

GROUNDED QUALITATIVE RESEARCH IN COMMUNITY SERVICE ORGANIZATION

This section outlines the qualitative research approach used as well as the research site in which the data were gathered. This study was exploratory (Neuman, 1994), because its primary purpose was to characterize and map a phenomenon in complex terms that has not yet been described in grounded detail. To uncover the depth and detail of data that was necessary to empirically map this multifaceted phenomenon, an in-depth qualitative case study was developed as the basis for a grounded-theory–focused analysis (Strauss & Corbin, 1990).

The study was deliberately designed to be intensive and detailed of a specific organization rather than an extensive and cross-sectional picture of a large sample of organizations. Although this case study approach is well accepted as a research approach in organization studies and sociology (Yin, 1994), it should be emphasized that its goals are to develop ideas, concepts, and models rather than to portray a specific phenomenon in broadly generalizable terms. Case study research is generally understood as valuable for grounded concept development that can set the stage for further cross-sectional analytical studies. The goal of this study, then, is not to be so much representative of commonly experienced nonprofit organizational situations as it is to be illustrative or evocative of the same.

Site selection for the case study was based on the specific conceptual needs. Given the broad frame of business-like activities, I sought a research site that was small enough to be studied in detail yet simultaneously exhibited business-like attributes such as those discussed in the literature review. The organization I chose was described to me by other practitioners, funders, and community leaders as strongly mission-focused and committed to classic and definitive nonprofit/prosocial values yet also business-like in its approach and in at least one of its programs.

Qualitative data collection was undertaken over a 12-month period. Because of the research focus on the details and organization of service delivery in this nonprofit, interviews were concentrated on service delivery staff and their managers, all of whom were interviewed more than once. In total, 33 long interviews (McCracken, 1988) were undertaken, ranging in duration from 45 minutes to 2 hours. In addition to these interviews, multiple short discussions were held as well as document collection and site observation.

A grounded theory methodology (Strauss & Corbin, 1990) was used to examine the interview transcripts and other textual research records. NUD*IST4 (a qualitative analysis application) was used to organize basic emergent patterns in the voluminous data and then provide thematic, categorical, and code-based analysis as suggested in texts such as Miles and Huberman (1994) or Strauss and Corbin (1990). All transcripts, documents, and notes were open coded in a process that initially produced 82 emergent categories. Subsequent analysis of the open codes as well as much additional reflection, transcript rereading, note writing, and sustained critical analysis (McCracken, 1988) produced themes and categories that were more analytical in nature and were the means by which the business-like typology described in the analysis section was discovered.

The research site has been given the pseudonym *Community Service Organization* and will be referred to as the CSO. It will be described in the past tense. The CSO was a medium-sized social-service–delivering nonprofit organization located in Southern Ontario, Canada. It had an annual budget of approximately $1 million (Canadian $). The organization's two main programs focused on various forms of counseling and interpersonal social support. It also had a for-profit employee assistance program (EAP) staffed by the organization's social work staff. The clientele of the CSO's nonprofit programs were primarily low-income individuals and families in various forms of crisis.

The CSO experienced a great deal of organizational and environmental change in the 4 years between 1996 and 2000 and lost large portions of government funding to its two major program areas. The CSO also experienced a major shift in management. A long-serving executive director (ED), described by several as a "traditional agency manager," was replaced by a new ED who was a self-described "entrepreneurial social worker." Concurrent with the appointment of the new ED was a wave of reorganization of the two major program areas and a decentralization of CSO resources into its programs.

Clinical Services (CS) was the largest program area at the CSO with a manager (who also maintained a sizable caseload), three full-time clinician-counselors (i.e., social workers), and some part-time and contract staff. The issues dealt with in CS were quite serious, ranging from marital problems to depression, sexual abuse, and family violence. The CS program shifted its service delivery model during this period of organizational change. Prior to 1998, the service delivery model in CS was characterized as one with long intake waiting lists, clients in therapy for protracted periods of time, and a counseling style focused on psychotherapy. Concurrent with the arrival of the new ED, the clinical model at the CSO changed to a brief therapy model. This was characterized by access to rapid intake, a three-session contract with clients, and a counseling style described as cognitive therapy with a focus on particular skills and/or disciplines. Funding for CS remained quite traditional for a Canadian nonprofit human services organization (i.e., government funding dependent) (Day & Devlin, 1997) and was not a cause of its program reorganization.

The Financial Counseling (FC) program at the CSO provided counseling and a debt management plan (DMP) program for individuals and families that experienced significant financial problems, particularly and typically from excessive credit card debt. The FC program had two full-time counseling staff (one of whom was also the overall program manager) and a full-time administrative assistant. Counseling in this context also evolved between two quite different service delivery models. The earlier one was a generalist program that provided information about budgeting, managing debt, coping with collection agencies, and overall household finance. The more recent service-delivery model was characterized by an increased focus on DMPs. The DMP became the financial and service mainstay of the program and came from the special ability of the FC program to negotiate the suspension and reorganization of credit card debt payments for individuals or families where the debt-to-income situation had become unworkable but where the declaration of bankruptcy could be avoided. Through this program, individuals or families could work themselves out of their debt situation, and credit agencies could recoup at least the principle that they were owed. More than 80% of the program's revenue was earned from creditor and service recipient fees.

The EAP was in many respects a for-profit mirror of CS. Its social work counseling services were provided primarily by CS staff and management on a contractual basis above and beyond their normal employment terms at the CSO. Contracts for EAP provision were with local employers who offered counseling services as part of their employee benefits packages. These contracts were competitively tendered on an open market and were competed for by both for-profit and nonprofit organizations. All revenue for EAP work was based on an earned fee-for-service basis.

ANALYSIS: BUSINESS-LIKE IN THE CSO SETTING

What did being business-like look like in the CSO case study setting? This section conceptualizes the CSO case study narrative into a typology of business-like activities, each of which will be thickly described (Geertz, 1973) with qualitative case study data to facilitate understanding of the in situ meaning and significance of each type. It is important to note here that the analysis was not intended to produce objectified meanings of being business-like but, rather, more subjective and enacted meanings emerging from in-depth examination of the data and based on grounded themes (Strauss & Corbin, 1990) that could be made sense of as business-like in this nonprofit context. Approached this way, the case study data show at least four distinct outcroppings of business-like activity. There is evidence of business-like goals, business-like organization in terms of service delivery, business-like organization in terms of management, and business-like organizational rhetoric. Each will be elaborated on and described separately.

BUSINESS-LIKE GOALS

By business-like goals, I refer to program areas that frame their goals primarily, importantly or solely in revenue generation, profit, or financial surplus terms. In the CSO, two of the three major program areas framed their goals in this manner. In both instances, the goals were explained by resource scarcity and they were framed as congruent with nonprofit/prosocial values.

The framing of business-like goals was clear and unambiguous, even in core nonprofit program settings. The EAP's business-like goals were not surprising, because it was widely understood as a business activity. Elaine (all names are pseudonyms), who managed the EAP, remarked that the CSO's entrance in the EAP market was "because this was supposed to be the big cash cow of the Twentieth Century. . . . [The] EAP program [was] going to start making counselling centres tonnes of money." This quotation typifies the financial motivation for developing this program. In a similar vein, Alex, the ED of the CSO, described the EAP as a "revenue generator," "profit centre," and even as a "business." Given these descriptors, it is relatively straightforward to understand its goals as business-like.

The same kind of goals were framed for the nonprofit (and United Way–funded) FC program. Both Alex and Todd (the FC manager) described the need to grow the program in terms of earned revenue; both discussed monthly revenue goals and the "need to keep the numbers up" and the need to generate "surpluses" to fund less fundable program areas. The goal of revenue generation is also clearly illustrated by the FC program emphasis on service fee-based DMPs that consumed more than three quarters of counselor time. In contrast, activities that did not generate revenue (but for which both counselors described significant community need) such as straight financial counseling evolved increasingly marginal roles in the FC activity mix.

In both cases, the origin of these business-like goals was explained by resource scarcity. There was no evidence that business-like goals were a preferred option in either program: The EAP manager noted,

> If my staff were adequately paid, I'd chuck this out the window in a second. . . . With our staff so poorly paid in these kinds of nonprofit agencies, it was the only way my staff had of making some extra bucks a year.

The EAP's business-like goals were implemented to make up for what was described as inadequate pay for the full-time counseling staff.

Similarly, the FC's business-like program goals were described as a response to resource scarcity, specifically in terms of government funding cuts:

> We just worked our butts off [since the 1996 cuts] . . . so we have brought our numbers way up and we had no choice. The days of basically laying back and saying, "We are funded here. We are a social service agency," those days are over.

However, although the goals for FC were business-like, they were also framed as congruent with and even necessary for the traditional prosocial and equity nonprofit values and goals of the program. The program counselor said, "Ultimately, that's the goal . . . to make sure the service is available, that we are finding those people who need help. . . . If the revenue isn't there, then the service isn't available." This prosocial concurrence with business-like goals was in wide evidence.

BUSINESS-LIKE ORGANIZATION—SERVICE DELIVERY

By business-like service delivery, I refer to service delivery models for which the organization, structure, and feel could be described as resonant with those associated with commonly perceived ideas of businesses and business planning. This section will outline the structure of business-like service delivery, describe its origin in separate financial and prosocial organizational factors, and document the effects of these organizing models on the services provided.

This dimension of business-like at the CSO was more inductively derived than that of goals and refers to the manner in which program service delivery was restructured to produce higher volumes of more efficient, more measurably effective, more constrained/focused, less ambitious, and less interpersonal services. This complex and subtle dimension of being business-like emerged in data analysis when I attempted to characterize the similarities in the ways that the service delivery models in CS and FC had changed. Both had evolved from earlier models that could be characterized as long-term, low-volume, individually intensive service provision that were generalist (i.e., "all things to all people," as Alex said) to more recent models that were much higher volume, lean-and-mean service provisions of more narrowly focused services to more specific (and more easily served) client groups.

In FC (unlike CS), business-like service delivery emerged from the need to generate revenues from creditor and creditee service fees. Basic service numbers speak quite clearly for themselves. As a result of service delivery reorganization, FC went from a caseload of approximately 70 DMPs to more than 250 fully active DMPs over a 2-year period with no increase in staff numbers. This dramatic increase was achieved through an almost textbook business planning approach.

To increase service volumes, the program's organization changed in several ways. Higher service volumes were facilitated in FC by the focusing and narrowing of service in a manner that is commonly characterized as business-like (i.e., "focusing around our core competence," "not being all things to all people"). General financial counseling (often to mildly mentally handicapped individuals who needed to come in repeatedly for protracted assistance sessions) was reduced to near zero. Clients who were able were given a single session of budgeting help (i.e., clients were taught to budget rather than helped with budgeting) or were steered into a DMP. Clients who could not work within this constrained service were more likely to be referred to another agency.

Program focus narrowed to the technically orientated DMPs designed specifically for routine clients with problematic credit card debt. It was described as follows:

> And I think that's the bottom line. Yeah, we do see a lot more clients now because we have to see clients now. Maybe we have to be more efficient with them and get them onto [DMP] programs or refer them somewhere else because time is literally money. . . . If somebody comes in and they've got personal problems . . . we refer them to another agency. We would probably be a lot more likely to . . . say, "Don't get me wrong. What you're saying is very important, but we've only got enough time hear to deal with the financial portion of this."

These examples illustrate how the role of the financial counselor was reframed from a more extensive and generalized financial service provider to a more narrow and specific service specialist that took very little counselor time once the DMP was in place. The narrowed focus on DMP services had the effect of focusing FC on individuals who could benefit from these narrowed and routine DMP services and the referral or exclusion of others who could not. The financial service-fee goals of the program were achieved through reorganizing the program to effectively service high volumes of clients by narrowing the range of clients served and constraining the focus of problems with which the program engaged. Within this narrower domain, however, its work was considered highly effective.

The CS area transformed its service delivery model in an analogous business-like manner. Similar to FC, the changes were driven by the need to increase service volumes, although in CS, service volumes served a more specifically prosocial value. The motivation and goal for service delivery change in CS was not money; it was the long and frustrating waiting list for counseling that had been up to a year in length. The importance of timely counseling was described by the CS manager:

> The main determining fact of success, I think, is getting people served quickly. If you had to wait six months, which is typically what happened before, they [clients] say to you, "It's too late, our marriage ended," or "I had to go to Emergency at the local hospital."

How do you get rid of a long waiting list without an increase in service delivery staff? Quantitative performance of the program improved dramatically. In CS, the waiting list was rapidly reduced to zero with no staff increase and with a 100-hour-per-year *reduction* in the required number of counseling hours (in lieu of a pay raise) for full-time counseling staff. Alex summarized the tone and flow of the changes in service delivery required: "We are no longer such a supportive organization. You come, you're seen, you go or you stay." The new service delivery model was built around the shift to short-term cognitive therapy from longer-term psychotherapy. By capping the number of sessions per client at three, clients were off the caseload more quickly to allow for more rapid intake and a shorter waiting list. Several changes were required to support the successful use of cognitive therapy in the CS setting.

First and foremost, client and counselor expectations around counseling had to be significantly narrowed so that three sessions of therapy could be deemed useful and effective. Elaine framed it in the following manner: "What I think is that . . . you might come with a million problems. No therapy is going to be able to solve life. Pick one or two things on top that we might be able to do something about." Another of the social workers stated that her focus had become attempting to get clients "to look at what they are capable of changing within a short period of time." Counseling, then, became reframed as a short/finite engagement to solve small numbers of smaller/narrow problems rather than engaging wider personal change. This change allowed more rapid servicing of larger numbers of clients.

The outcomes of this organizational change paralleled those in FC. Several client groups, typically those with higher needs and more complex problem situations, could not be successfully engaged using a few sessions of cognitive therapy. Therefore, the client focus of CS was narrowed to those who could benefit from this approach. Hard-to-serve clients including individuals who were mildly mentally handicapped and medicated psychiatric patients were groups of people that CS decided were no longer appropriate client groups and were referred elsewhere. Broadly, CS was described as improved in many respects, particularly in its timeliness, but it was no longer for everyone in need.

BUSINESS-LIKE ORGANIZATION—MANAGEMENT

By business-like management, I refer to organization-level management distinct from service delivery. This section will develop both the meaning and the implications of this type of business-like organization. In the CSO case study, the ED provided numerous examples of business-like management that were distinct from program-level processes. Alex showed a strong managerial and entrepreneurial approach to the management of the CSO, which is commonly characterized as business-like through its emphasis of taking charge of an organization's agenda, hard efforts toward the production of valued results, active construction and reconstruction of an organization's mandate, and a positive focus on the leveraging of maximal results from available resources. The following examples will ground this analytical category.

Specific concepts were used by Alex to develop his business-like management approach. He contrasted his "results-focused" management approach from what he regarded as the "good-intentions–focus" approach of traditional nonprofit managers. He noted that, traditionally, "It wasn't a business you were in, you did it for the good of the community and you didn't have to justify it." (It is important to note that these are Alex's impressions and conceptualizations and only represent his sensemaking about appropriate management in the sector.) For Alex, business-like management meant taking charge of an organization's agenda and creating positive action out of whatever resources were at hand. He said, "You have got to run the agency, you have got to take control of what you are doing." This focus on active managerial orientation was echoed in other discussions. Notice in the following quotation how he reframed the common nonprofit complaint of inadequate resources into his active managerial framework:

> Resource constraint is something that we wouldn't talk about. It is almost an invitation to slack off. It's an invitation to say, "It's the governments fault." Negative stuff. We don't have resource constraints, we have resources. What's the best use of the resources we've got? We know in our heart of hearts that we haven't got [enough] money . . . but that's irrelevant.

This managerial focus had important implications for Alex's approach to program managers and connects indirectly to the service delivery model analyses earlier. He declared that "each program is now a business centre." The operational meaning of this statement was that program management, administration, and overall responsibility were decentralized to program managers (who also carried near-full caseloads in CS and FC). Alex framed this change in business management terms: "So they, in fact, become business managers and they manage it like a business. If that business goes down, they go down with it. That is the blunt truth of it." At the CSO, running it like a business also meant devolving work from the ED and making program managers manage the agenda of their program and be fully accountable for its results.

BUSINESS-LIKE ORGANIZATIONAL RHETORIC

The final dimension of business-like documented at the CSO is primarily linguistic rather than substantive. This dimension is in the realm of rhetoric, discourse, language, and exemplars that refers to many elements of the CSO using business terminology. At the CSO, there were myriad examples where the CSO, its programs, its structures, and so forth were described and referred to as businesses, yet where this rhetoric had only minimal meaning.

General business-like rhetoric was common at the CSO. Alex was a self-styled "entrepreneurial social worker" who used business language, jargon, and rhetoric to distinguish his management approach from what he regarded as "old-style social service agencies." He described the CSO as "a typical but reasonably interesting agency . . . open to ideas borrowed from business" and peppered discussions with references to management theorists such as Drucker, Peters, and Mintzber and business jargon ("business units," "business planning," being "in" and "out" of business, and the need to "run CSO like a business"). Although he used examples from the corporate sector in some of his descriptions, this element of business rhetoric often seemed nominal, generic, contrived, or forced. Consider his discussion of the CS waiting list problem:

> If you were running a franchise in selling hamburgers right now, and you always had lineups, and only the first 12 people were served within the first 15 minutes, and the rest of the lineup disappeared, you would wonder where the ones who leave are getting their hamburgers. When I came to the agency, we had a waiting list . . . and sometimes it was months before people could get into counselling. So we looked at this from a business point of view and said, "Okay, we have a clientele, how are we going to serve them?" From a business point of view, we can't afford to have a waiting list.

This quotation illustrates a rhetorical use of business-like analysis in a setting where it is not directly connected with a specific set of behaviors or approaches. The hamburger illustration of business rhetoric was at odds with the functional reality that the CS program had had a waiting list for years with no business problems and that the concerns were not framed as based on a business point of view but rather one of prosocial values about counseling effectiveness and dire client need. These examples illustrate the use of business-like rhetoric in an organizational setting in contexts where its direct role and/or effect seemed to be marginal and minimal.

DISCUSSION

The typology connects with and extends our understanding of business-like in a nonprofit setting in several manners. For the goals dimension of business-like, the case study data here ground and contextualize a focus on business-like that was clearly documented in the literature review. The existence of two programs with business-like goals echo the focus of Weisbrod (1998) who defined *commercialization* primarily in terms of an intensified focus on earned revenue, or even the social enterprise literature (Emerson & Twersky, 1996) that discusses revenue generation in a mission-fulfilling context. However, the case study data do not merely illustrate these business-like goals. In addition, the data add complexity to our understanding of these goals, particularly in terms of their relation to nonprofit goals, and to broader nonprofit organizational strategy.

The research here illustrates that commercial goals and nonprofit goals can be compatible in at least a limited and constrained sense. Case study data from the FC program challenge concerns framed in Weisbrod's (1998) volume (also in DiMaggio, 1986; Zimmerman & Dart, 1998) that business-like goals may not be compatible with nonprofit prosocial goals and values and that business-like goals may degrade a nonprofit's values focus. Because of the very particular institutional arrangement of the DMP service in FC, this program was able to very clearly align and comingle business-like and *at least some* prosocial goals. However, to integrate revenue generation with prosocial values, FC needed to reorganize in a manner such that prosocial values of service based on fundamental need were exchanged for distinct prosocial values of increases in service quantity and quality.

As an exemplar of designing for the double bottom-line goals of money and mission (Emerson & Twersky, 1996), FC's program produced revenue through producing social good. This illustrates the concept described by Dart (1999) in which abstract domains of market and mission overlap in specific settings where a program's prosocial mission is itself market and finance based. Examples from vocational training and community economic development (Emerson & Twersky, 1996) illustrate other specific contexts where business goals may readily enable prosocial development. Although the FC service had the opportunity to mingle revenue generation and prosocial values, it is also clear from the case study that other forms of valued service provision and the enactment of other important prosocial values were diminished because of the need to focus on revenue-producing, mission-focused services. This is a potentially important finding and is worthy of wider examination; business goals may be compatible with *only* a specific and narrow cluster of traditionally understood nonprofit organizing values.

The research here shows uses of business-like goals used in a nonprofit organization context that are broader than was developed in the literature review. Writers such as Crimmins and Keil (1983) and Skloot (1987) advocated the use of business revenue for internal cross-subsidy by allowing money to be transferred to organizational infrastructure or particularly important programs. Brinckerhoff (1994) proposed that revenue-generation goals be framed in terms of *both* direct and indirect benefit to the organization's mission. The CSO case study provides clear illustrations of both of these ways of framing uses of commercial revenue as well as a novel manner in which this revenue may have organizational value.

In FC, revenue-generation goals created multiple benefits. DMP revenues were a direct result of mission fulfillment, because the resolution of the important creditor/creditee problems (i.e., the mission of the program) itself generated revenues. These business-like goals also contributed indirectly to the nonprofit organization's mission fulfillment because they also provided broader program funding. This illustrates the use of commercial revenue in contexts of nonprofit organization resource scarcity (Zimmerman & Dart, 1998). However, the data analysis here also uncovered a third use of business-like goals in a nonprofit organization. In the EAP, commercial revenues were used as a professional staff salary top-up by an organization that felt it was unable to pay social workers adequately. Although it may be argued that this is an indirect mission-fulfilling role of commercial revenue, this example clearly extends beyond Brinckerhoff's use of the term. The human resources use of business revenue in a nonprofit organization suggests that the palate of options for the use and value of business-like goals in a nonprofit might indeed be quite wide.

For the service delivery dimension of business-like, the case study data here offer at least two significant developments of our understanding of business-like organization. Much of the writing on social entrepreneurship (e.g., G. Dees et al., 2001) and, indeed, much of even mainstream nonprofit management literature (e.g., Oster, 1995) advocates nonprofits being organized in some kind of more business-like manner. However, this literature does not look at the fine-grained meaning and effect of this organization. The CSO case study provides examples of two programs—one with business-like goals (i.e., FC) and one with more traditional nonprofit goals (i.e., CS) that both reorganized their service delivery models in terms that are commonly regarded as business-like and that have strong structural resemblances to well-known, lean-and-mean bureaucracy models of organization (Morgan, 1986). However, the case study data do not merely illustrate these business-like organizing models.

Our understanding of business-like service organizing is also made more complex by the case study analysis. First, it is important to note that the business-like models transformed services into fundamentally different entities. For example, the new service delivery model in CS was as different from what had existed prior to it as can be imagined under the constant name of social work—everything from client types to program goals to the counseling approach was transformed. FC also became a basically different service. Writers who describe more business-like organization in nonprofits (e.g., Brinckerhoff, 2000; Kanter, 1999) habitually describe it as improving rather than fundamentally reconstituting service delivery. The findings here suggest that we may instead be unwittingly evolving *new* services in our search for *improved* services.

Second, business-like service delivery at the CSO was well focused, in particular to organizational situations where service *volume* levels were priorities and where getting the numbers up and doing more with less were basic program dictates. Interestingly, the volume imperative at the CSO served both business-like goals (in FC) and prosocial nonprofit goals (in CS). Business-like service delivery at the CSO was, then, flexible enough to engage service goals broader than financial ones in a manner similar to that described by Kanter (1999) and Oster (1995).

The flexible utility of business-like service delivery provides an important segue back to the literature. Much of the social entrepreneurship literature advocates the coupling of business-like goals and business-like strategies and tactics to achieve those goals (e.g., Brinckerhoff, 2000, G. Dees et al., 2001). However, this case study provides examples of business-like goals and business-like service delivery that can be coupled or decoupled and even where business-like service delivery can serve program goals that were not *at all* framed in any kind of financial manner. The implication of this observation is that types of business-like activity are often considered more tightly coupled than organizational practice can demonstrate as functional in particular (and not uncommon) nonprofit organization situations.

The finding that business-like service organizing simultaneously intensified and transformed services, regardless of their officially framed goals, provides an important caveat to our understanding of the effect of this organizational approach in a nonprofit organization setting. Several of the elements of business-like service delivery at the CSO can readily be challenged in terms of their suitability and compatibility with at least some of the prosocial values that nonprofits are typically expected to embody. Although these are not as extreme and morally questionable as those tactics discussed in Glumm and Johnson (2001), they are not what many would commonly assume is habitual or legitimated nonprofit organization behavior. For example, the exclusion of harder-to-serve client segments in both programs and the moves toward more depersonalized narrow-scope service challenge the importance of accessibility, basic care, and fundamental human needs that Reed's (1997) description of the nonprofit sector positions as its central ethos. The business-like transformation of service delivery embodied a paradox, because, in both cases, it reframed and repriorized the specific nonprofit values of the programs. In both case study settings where business-like service delivery was in evidence, it was implemented to fulfill at least some prosocial values. However, these changes entailed a cost in terms of other long-held values for the organization. The CSO's abandonment of client values such as universal accessibility and the fundamental need raise wider questions concerning whether client needs are served elsewhere by other organizations.

The management dimension of being business-like in a nonprofit organization resonates clearly with the literature that comes from social entrepreneur traditions (e.g., G. Dees et al., 2001; Emerson & Twersky, 1996) and their emphasis on social innovation and entrepreneurial, activist, and frame-breaking approaches to nonprofit management. The CSO case study data illustrate these ideas in a grounded manner and offers a potential connection between social entrepreneur concepts and other approaches to managerial change described in the nonprofit sector (Oster, 1995). However, the managerial usage of business-like also suggests a novel, political interpretation of its importance in a nonprofit organization setting.

Alex's use of his specific understanding of business-like management, particularly his reframing of managerial roles to promote organizational devolution to the program level (i.e., "making managers manage"), can be understood from a political perspective (Bacharach & Lawler, 1980) as a use of legitimated strategies and concepts to advance one's own interests. Alex's actions supporting his belief that managers need the tools to run their programs like a business meant that he was able to hive off a great deal of work from himself (he also did consulting) to program managers who were also key service-delivery staff people in this small organization. Here we have evidence of being business-like as a tactic utilized for the advancement of individual interests in the ongoing political battles between management levels or between management and staff. This view of the role of business-like management would parallel research describing leadership and management as the management of meaning from a political perspective (Smircich & Morgan, 1982).

In the rhetoric dimension of business-like, the case study data here do not assist in the resolution of competing interpretations of the significance of business-like rhetoric and discourse in nonprofit organizations. Instead, the case study suggests one possible novel interpretation of the importance of business discourse in a nonprofit setting. The CSO case study was peppered with business rhetoric and discourse. In this, recent publications would not describe its situation as either idiosyncratic or uncommon. Few would dispute the degree to which business rhetoric has colonized the lexicon of nonprofit and public sector organizations (Kuttner, 1997; Mintzberg, 1996; Saul, 1995). However, the effects of this transformation are, to this point, undocumented and unclear, and there are at least two widely divergent interpretation of its significance.

Opinions regarding the effects of commercial discourse in nonprofit settings are divided. Oakes, Townley, and Cooper (1998) provided an exemplar of the opinion that business rhetoric has a negative value for nonprofit organization. Their case study analysis of museums concluded that business rhetoric had a pathological and pernicious effect on organizations that were designed for a distinct language and logic. In contrast, the perspective of social entrepreneur proponents such as Emerson and Twersky (1996) and G. Dees et al. (2001) has been much more positive. Their contention is that business discourse is inextricably linked with business techniques and managerial attitudes that can unlock innovation processes in social sector organizations.

The CSO case study provides tentative and qualified support to both points of view but not enough to make a grounded conclusion even in this exploratory study. However, the CSO data analysis does more clearly propose a third interpretation of the significance of business rhetoric in a nonprofit setting. Many of Alex's uses of business language, as well as other instances from both the CS and FC program managers, were notably thin in the sense that it was not tied to decisions or behavior. The examples of being in business, the hamburger stand image, discussions peppered with the names of business writers, and so forth were all clearly without much substance at all. Here, business-like rhetoric can be understood as organizationally neutral—that it was just rhetoric. Although language at the CSO may have been laden with business references as a means to establishing legitimacy in the institutional sense (Suchman, 1995) and to perhaps reinforce new ideas of organizational culture, many of these instances may have been a simple linguistic veneer layered over other kinds of organizational agendas and practices. Sounding commercial in the nonprofit sector could be framed in this way as a management fad (Abrahamson, 1996) that has elements that are organizationally neutral and of modest importance.

CONCLUSIONS

Nonprofit organizations are frequently exhorted to be more business-like without any clear framing of what this term means. This article has developed four distinct dimensions of business-like in a single nonprofit-organization case study setting. Before concluding on the significance of these findings, the study's limitations and specific focus need to be clearly framed. First, the findings are based on detailed exploratory analysis from a single case study. Although there is no reason to suspect the CSO was anomalous or exceptional, the findings presented remain primarily illustrative and evocative rather than representative. Second, the categories discussed here do not necessarily reflect academic or technical definitions of business-like but, instead, are inductive and grounded, emerging from experience and research in the case study site. A major a posteriori understanding of this research has been the degree to which being business-like is, in fact, a rhetorical and socially constructed category influenced by popular or common understandings and not necessarily related to how businesses (or nonbusinesses) may actually behave.

Despite these caveats, the typology of business-like goals, organization, and rhetoric developed here is itself useful, because it allows for improved construct/concept specification in future research. Beyond the typology, this study also raises some interesting issues about the composite picture described. In this single organization setting, for example, four distinct kinds of business-like activity are clearly described. This finding is important, because the nonprofit and social enterprise literatures tend to view business-like activity as if it were one phenomenon or a tightly coupled cluster of phenomena rather than as several potentially distinct phenomena. Furthermore, the multiple instances of being business-like documented here apply to quite different aspects of the organization. They may co-occur as a group, occur together in pairs, or occur separately and distinctly from (and be basically unrelated to) other possible business-like manifestations. This problematizes discussion of commercialization in the nonprofit sector, because this term now needs to be understood as plural and complex in meaning. Nonprofits can be understood as being business-like in basically different ways. We can frame, for example, business-like activities *by* nonprofit organizations (i.e., those that have business/financial goals) in contrast to and potentially distinct from business-like activities *as* nonprofit organizations (i.e., those organizational elements organized using structures, tool, and metrics resonant with the for-profit sector)—and business-like rhetoric can apply to both or either context.

Given the case study findings and the complex and potentially disquieting questions raised by several of the in situ meanings and implications of business-like goals, organization, and rhetoric at the CSO, further research will be needed both to more clearly disaggregate the business-like or commercial construct in nonprofit contexts and to explore in detail the implications each of its specific dimensions.

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