

Institutional Isomorphism and Nonprofit Professionalization: For Better or Worse?

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Abstract

The adaptation of business-like practices to respond to institutional pressures has resulted in an increased professionalization of the nonprofit sector. Some researchers argue that this development leads to mission drift, whereas others found a positive effect on organizational performance. In this study, we explore which type of institutional isomorphism is responsible for an organization's reaction to professionalization. Based on survey data we calculate a structural equation model and find that the three kind of isomorphic pressure have different effects on organizational performance and mission drift. Our results show that organizational performance is positively affected by isomorphic pressures if a professionalization process takes place. Mission drift, on the other hand, occurs if isomorphic pressures work directly on organizations, without them becoming more professional.

Keywords: Professionalization; isomorphism; nonprofit management; organizational performance; mission drift