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Anchors Aweigh? Then Time to Head Upstream

Why we Need to Theorize “Mission” before “Drift”

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Anchors Aweigh? Then Time to Head Upstream

Why we Need to Theorize “Mission” before “Drift”

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Going beyond a narrow focus on social enterprise, Grimes, Williams, and Zhao (2019) advance a model of mission drift that they argue is relevant to understanding why—and with what consequences—all types of organizations might act in ways that are inconsistent with their identity and image. We applaud this effort, and agree that it is important to develop a theoretically rigorous approach to mission drift. Yet while the treatment that Grimes et al. (2019) develop is likely relevant to some organizations, their argument is built on a shaky foundation, where “mission” is conceptualized in simplistic terms as an organization’s single, orienting purpose. In turn, this leads the authors to make a number of problematic inferences about “drift” as a general phenomenon. This dialog details our concerns, and suggests that it is vital to go upstream, and theorize mission as a nuanced and variegated construct if we are going to generate meaningful insight about the nature, causes, and consequences of drift.

Grimes et al. (2019) open their paper by noting that “organizational mission” is severely undertheorized in extant studies. Yet rather than grappling with the complexity of this construct, the authors assume that all organizations have a clear, singular mission that is understood and accepted by all key stakeholders. This treatment is consistent with the idea that organizations define themselves through core and distinctive features—such as the values that they hold (Gioia et al., 2013)—and it also allows the authors to avoid potential pitfalls in defining what constitutes “drift.” However, this theoretical expediency comes at the expense of fidelity with organizational reality, as well as with the growing consensus that almost all organizations have multiple objectives that they need to manage around (Barney, 2018; Battilana & Lee, 2014). Indeed, studies show that firms often hold multiple identities (Albert & Whetten, 1985; Glynn, 2000; Pratt & Foreman, 2000), value and pursue goals that align with different logics (Battilana & Dorado, 2010; Pache & Santos, 2010; Wry & York, 2017), and follow missions that bridge organizational forms (Hsu & Hannan, 2005) and span various categories (Paoletta & Durand, 2016; Wry, Lounsbury, & Jennings, 2014). Even research in

strategy and finance has begun to accept that profit-maximization requires a firm to vigorously pursue goals that align with multiple forms of value-creation (Barney, 2018).

Curiously, Grimes et al. (2019) recognize that organizations often pursue multiple goals, and actually motivate their engagement by noting that drift is “inherent to a broad range of organizations that seek to combine multiple objectives.” This makes the authors’ decision to define mission as a firm’s singular purpose all the more curious, and results in a premature and potentially misguided attempt to develop a general theory. We contend that a meaningful treatment of mission drift requires a stronger foundation, and should be built on a more robust and nuanced conceptualization of organizational mission.

To this end, we believe that a good starting point would be to engage with research that has studied how organizations manage the pressures that are associated with pursuing multiple goals. Collectively, this work points to a host of factors that are potentially germane to theorizing about organizational mission, but that are neglected in Grimes et al.’s (2019) treatment. For instance, this work highlights the need to consider the number of identities/logics that are represented within a firm (Pratt & Kraatz, 2009), the compatibility of the goals associated with these identities/logics (Besharov & Smith, 2014), how leaders view the relationship between these aims (Smith & Lewis, 2011), and how this manifests in a firm’s structure and governance (Battilana et al., 2015; Pratt & Foreman, 2000). Even a cursory look at this work suggests that, in addition to being multifaceted, an organization’s mission may reflect a variety of approaches to balancing and integrating different pursuits. Further, while existing research in this milieu has looked mostly within organizations, Grimes et al. (2019) note that the concept of mission also calls attention to external perceptions. As such, mission may be a negotiated accomplishment that reflects both organizational claims and external audience feedback (Gioia et al., 2010). In short, organizational mission is likely a

much more nuanced and variegated construct than Grimes et al. (2019) suggest, and this has implications for how we should theorize about drift.

To illustrate the need for upstream theorizing about mission in order to develop meaningful insights about drift—as well as to show the limits of defining mission as a singular pursuit—we consider how Grimes et al.’s (2019) theory might change with even a basic elaboration to its core construct. Consistent with Doty and Glick (1994), we start with a simple typology derived from the identity literature, and the insight that firms can manage multiple identities (and their associated goals/missions) through integration or segregation (Albert & Whetten, 1985; Pratt & Foreman, 2000). From this, we derive three types of organizational missions: (1) singular; where a firm pursues a single mission, in-line with Grimes et al.’s (2019) treatment; (2) segregated; where a firm has multiple missions, but separates them in different operating units, and; (3) integrated; where a firm pursues multiple missions and seeks to integrate them into a coherent whole. Following Grimes et al.’s (2019) own arguments, we suggest that the nature, causes, and outcomes of mission drift likely differ across these types, hearkening the need for a significantly revised theoretical approach.

With regard to the nature of drift, we agree with Grimes et al. (2019) that this should be relatively unambiguous and easy to assess for firms that have a single mission. Yet this becomes contingent when we consider organizations with multiple missions. For segregated firms, different missions are likely associated with different internal and external audiences. For instance, different workers might pursue social versus fiscal goals in a social enterprise (Battilana et al., 2015) and interact with different parties in the external environment as they pursue these aims (Pache & Santos, 2013). In such contexts, perceptions of mission drift are likely to be subjective and inconsistently held. Depending on how compartmentalized groups are—and the degree to which a firm’s actions are seen as benefiting one group at the expense of another—the same shift in organizational behavior may be considered on-mission by one

audience, but problematic drift by others. To wit, mission drift is likely to be perceived and managed in the context of dyadic relationships between an organization and different factions in its coalition, rather than as an objective and agreed upon phenomenon.

In comparison, different dynamics are likely to play out for integrated firms. Here, observers may have difficulty understanding what constitutes mission drift, creating a layer of ambiguity that is not addressed in Grimes et al.'s (2019) theory. When an organization's goals are meaningfully integrated, there is no clear referent for assessing drift: behavioral shifts may be assessed in relation to a specific goal, or based on the relationship between goals. For example, a nanotech startup that increases its focus on scientific research may be viewed as drifting away from technology commercialization, or as making investments that will help to advance commercial goals in the long-run (Wry et al., 2014). Perceptions of drift are thus likely to be shaped by the "theory of integration" that governs the relationship between a firm's missions (Kraatz & Block, 2008), and the extent to which this is accepted by different audiences. Based on these considerations, it seems clear that mission drift does not apply in the same way across all types of organizations, as implied by Grimes et al.'s (2019) theory.

Perhaps more concerning, though, is that the causes of the behavioral shifts that Grimes et al. (2019) associate with mission drift—and the factors that shape how these shifts are perceived—may be fundamentally different for different types of organizations. In this regard, Grimes et al. (2019) argue that identity-inconsistent action is more likely when values-complexity is present in an organization's internal and external environments. Departing from research that portrays mission drift as uniformly negative, however, the authors argue that inconsistent acts are not necessarily problematic, so long as audiences view this behavior as authentic and responsive to external demands. Mindfulness and resource-discretion are thus theorized as key moderators, as they are associated with intentional and attentive action.

We agree that organizations with a singular mission are likely to change their behavior in response to increasingly complex demands in the internal or external environment. Yet this relationship may flip when an organization pursues multiple missions; for these firms, values-complexity may become crucial for mission fidelity. For an organization to sustain a focus on multiple goals, it is important that audiences are present who value each. The presence of groups with divergent values helps an organization to attend to multiple goals, creating guardrails that prevent one set of interests from dominating over others (Smith & Besharov, 2019), and promoting compromises that lead to goal-integration (Ashforth & Reingen, 2014). Indeed, Battilana et al (2015) have argued that values-complexity is a precondition for harnessing the “productive tensions” at the core of organizations that integrate multiple goals. Others have opined that firms with segregated missions are prone to downplay or “delete” goals associated with identities that are not highly valued by internal or external audiences (Pratt & Foreman, 2000). Even at the actor level, there is evidence that decision-makers need to embrace diverse goals and engage in interactively complex thinking in order for an organization to sustain its commitment to multiple missions (Smith & Tracey, 2016; Wry & York, 2017).

Similar limitations apply to Grimes et al.’s (2019) treatment of mindfulness and resource-discretion as moderators that affect perceptions of mission drift. With regard to the former, the authors reason that mindfulness leads to intentional action, and that audiences are less likely to perceive such acts as inauthentic or problematic. Putting aside the relationship between mindfulness and authenticity for a moment, we are concerned that the argument Grimes et al. (2019) are advancing here blurs the line between “drift” and strategic change. While this may be intentional, it nonetheless departs from past work that has viewed drift as a slow-moving, unintentional process that is often only recognized in retrospect, and calls into question the value of “drift” as a unique construct (Albert & Whetten, 1985; Wry & Zhao,

2018; Mersland, Nyarko, & Szafarz, 2019). Here again, theory building would be aided by a stronger definitional foundation, and greater consideration of the relationship between different theoretical constructs.

Beyond this, though, we are worried that mindfulness may have different implications for organizations with single versus multiple missions, and potentially produce results that are the opposite of what Grimes et al. (2019) theorize. For one, we take issue with the argument that organizations with a single mission are less likely to be punished for drift that results from intentional action. There is a consistent finding that audiences react negatively when an organization's behavior diverges from a-priori expectations, as this is likely to be viewed as out of character (Love & Kraatz, 2009) or misaligned with the firm's identity and capabilities (Zuckerman, 1999; Hudon & Sandberg, 2013). An organization may have good reasons for acting in these ways, and share this rationale with interested observers, but this only goes so far in helping audiences to understand and accept such changes (Vergne & Wry, 2014). Moreover, expectancy violation research suggests that clear, intentional departures from past behavior tend to be considered highly visible violations, while unintentional acts are more likely to be overlooked or forgiven (McDonnell & King, 2018). As such, intentional drift is likely to be more harshly punished.

We expect that similar dynamics apply to firms that pursue multiple, segregated goals. Given that particular identities (and associated goals/missions) align with different operating units in such organizations, any behavior that intentionally departs from a firm's established relationship with a particular group will likely elicit a negative response. In addition, going beyond dyadic relationships, intentional acts that prioritize one group's interests over another may elicit intense, and opposite reactions from different constituencies. Mindful behavioral shifts may thus be especially perilous for such organizations, as diametric responses have the potential to metastasize into intractable identity conflict (Fiol, Pratt, & O'Connor, 2009). At

the same time, though, this suggests that Grimes et al.'s (2019) “containing” strategy (i.e., minimizing awareness of divergent actions) may be particularly well-suited to segregated organizations, as they may be able to take advantage of the structural separation of different groups to prevent problematic spillovers.

In comparison, there are reasons to expect that mindful action might lead to better perceptions of behavioral shifts for organizations that pursue multiple, integrated missions (D’Espallier, Hudon, & Szafarz, 2017; Mersland, Nyarko, & Szafarz, 2019). If our earlier inference is correct—and audiences evaluate these firms’ actions (at least to some degree) based on fidelity with the relationship between their goals—intentional actions should be more likely to align with this integration and be perceived as such by key audiences (Smith & Besharov, 2019; Smith & Tracey, 2016). In turn, this suggests that Grimes et al.’s (2019) “justifying” strategy (i.e., arguing that divergent actions are consistent with prior behavior) may be particularly effective for these organizations. If audiences understand and accept how an organization portrays the relationship between its missions, appealing to this may provide effective backing for arguments about the legitimacy of divergent behaviors (Harmon, Kim, & Mayer, 2015). In this regard, Grimes et al.’s (2019) example of Muhammed Yunus’s critique of mission drift in microfinance is instructive. Yunus’s critique arose from the fact that many microfinance organizations chose to adopt for-profit status—suggesting that perceptions of intentional drift are indeed prone to harsh judgement—yet this critique receded in the face of justifications that argued public capital was required to grow microfinance to the scale where it could effectively reach at-need populations (Armendariz & Szafarz, 2011; Brière & Szafarz, 2015).

Finally, while we see no fault in Grimes et al.’s (2019) argument that high and low levels of resource-discretion contribute to inconsistent action in an organization’s core (vs. periphery), we are concerned about the implications that the authors draw from this insight.

Indeed, while Grimes et al. (2019) argue that audiences react positively to core changes, studies of radical change and organizational ecology show that such deviations result in a greatly increased risk of organizational failure (Barnett & Carroll, 1995; Hannan & Freeman, 1984). Much of the recent research on organizations that value and pursue multiple goals similarly argues that stabilizing the organization's core is critical to their survival (Battilana, Besharov, & Mittzenick, 2017). Additional theory building is clearly needed to understand the conditions under which Grimes et al.'s (2019) argument might apply.

In sum, we believe that Grimes et al.'s (2019) theory represents a clear advance over previous treatments of mission drift in the academic literature. We also applaud the authors' effort to expand the theoretical conversation beyond the confines of social enterprise. Yet in broadening the theoretical scope, the authors have created a need for further debate and additional theory-building. This type of generativity is a hallmark of good theory and we are grateful to Grimes, Williams, and Zhao for initiating the conversation. We look forward to future research that deepens our understanding of the unique causes and outcomes of mission drift in the varied contexts where it arises. Our dialog has pointed to some of the ways that these processes might differ if we take seriously the challenge of shoring-up the theoretical foundation of our understanding of "organizational mission." However, we have only begun to scratch the surface. We see ample opportunities to embrace insights from contemporary organization theory and strategy research to problematize the simple notion that organizations have a clear and singular purpose, and leverage the resulting advances to build appropriately nuanced theory about the nature, causes, and consequences of mission drift.

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