

How to stay true to social goals under economic pressures

Tommaso Ramus and Prof. Antonino Vaccaro identify techniques to address mission drift from CSR goals when finances are strained.

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Save the world -- or at least make it a better place -- while making enough money to ensure long-term viability. That is the noble goal of a social enterprise.

The reality is that staying true to both social and economic goals can become difficult over time. Actually, it's the economic goals that tend to be easier to adhere to, as they are easier to measure. "What gets measured gets done," as the old saw goes.

Mission drift happens when social enterprises start to favor their (short-term) commercial performance over their social aims. How to reverse mission drift is the focus of [the study](#) by Tommaso Ramus and [Antonino Vaccaro](#) of IESE. They find answers by examining two Italian social enterprises, one of which was successful in combatting mission drift by engaging with external stakeholders in a four-step process. In a nutshell, those four steps are:

- Identify potential external stakeholders with socially oriented aims and skills
- Open a dialogue with those external stakeholders and plan projects
- Develop the projects in partnership
- Measure social impact and disclose the results to partners and internally

The combination of engaging with external stakeholders and disclosing detailed information about socially oriented goals is a powerful way to address mission drift, Ramus and Vaccaro find.

Walking the walk

The study examined two "Work Integration Social Enterprises" (WISEs) dedicated to providing employment for marginalized workers -- such as immigrants, ex-inmates, people with physical and psychological diseases and people with substance abuse problems. Both enterprises worked in the waste management sector and both had been forced to abandon or twist their original purpose due to the financial crisis that affected Italy during the early 2000s. With a labor force composed of vulnerable workers in need of extra support, the traditional and social business models came into conflict.

The authors gathered extensive empirical evidence over five years to document how each enterprise addressed mission drift. Neither enterprise is identified by name to protect its anonymity.

Of the two enterprises studied, one (call it Alpha) was successful in addressing its mission drift. The other (call it Beta) admitted defeat: "Now, we could probably transform into a traditional for-profit venture without changing anything," Beta's president told the authors.

The successful enterprise addressed its mission drift through a multi-stakeholder engagement process, boiled down to three key steps. First, stakeholders were identified for their shared social commitment. These included nonprofit organizations, social enterprises, public bodies and volunteer groups. Second, dialogue was established on key projects, allowing the enterprise to develop new skills and competencies while keeping their stakeholders abreast of both their actions and their values. Priorities were rationalized, and common goals were identified. Third, the projects were carried out.

Talking the talk

Alpha's successful recovery from mission drift was in sharp contrast to Beta's lack of success. Notably, both Alpha and Beta engaged in "social accounting" practices, in which social goals were measured and disclosed to partners and internally. For Alpha, this was the fourth step after engaging with external stakeholders. For Beta, without stakeholder engagement, the social accounting reports came to be seen as little more than marketing tools. Metrics for social goals were harder to draw up and justify than metrics for economic performance. Beta's own staff grew skeptical of the social accounting reports.

Despite Beta's social accounting, there was no reversal in its mission drift. In contrast, Alpha's success highlights the crucial role that stakeholder engagement plays.

Getting back on track

The study yields some tips for enterprises experiencing mission drift. To get back on track, try to:

- Take the time to re-conceptualize your social and economic goals: You need everyone to side with you here.
- Be proactive: Once mission drift has occurred, your credibility and identity are already damaged. The stakeholders you need will not seek you out, so go in search of them.
- Engage in dialogue: Take the opportunity to share experiences and expertise.
- Think long-term: Commercial results are seen in the short term, but social change is harder to measure and often only appears over a longer period of time. Individuals often prefer short-term positive results, but organizations must be strong in their social commitment.
- Make yourself accountable: Internal commitment is not enough. Engagement with external stakeholders will make you (socially) accountable for your actions and arm you with extra energy and skills.
- Report back: The successful venture always reported the results of each project back to its various stakeholders. This allowed the social sector to see consistency over time and be aware of ongoing refocusing efforts.

Changing market conditions can lead even the most well-meaning social enterprise to stray from its initial purpose. That said, involving external partners in new projects can help get an enterprise back on track, for the greater good.

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