

If not for profit,
for what and how?

S O C I A L
E N T E R P R I S E

Social Enterprise and the effect of Isomorphism: The blurring boundaries between the not for profit and for profit market (Carebright Case Study)

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INTRODUCTION

Moving from a work integrated social enterprise (WISE) to a market led social enterprise, Carebright (formerly RCCN Caring) was initially set up as a work integration social enterprise. Funding came from government in the form of direct provision for the reintegration of long term unemployed people back into the labour market. These are known as active labour market programmes (ALMP). The initial objective of the company was twofold (1) focus on developing employment in the rural economy and (2) the provision of services to older people living in isolation and suffering from loneliness. Having set up in 1998 the company has gone through many forms of growth and developments over the years and is now faced with the many challenges and tensions that exist for hybrid organisations like Carebright i.e. the focus on the pro-social and pro-market/financial aspects of a double bottom line organisation. The case study traces the development of the organisation that began life as a not for profit organisation with a funding model based on acquiring funding, mainly from government as a public provider of essential social services, to, an organisation that has developed a business model that provides value to customers i.e. it creates value for the customer who pays for that value hence, creating a tension and challenge between providing services to beneficiaries to selling services to customers.

LITERATURE REVIEW

DiMaggio and Powell's (1983) identified ways that organizations within a field face pressures to conform to forms and processes deemed legitimate. These result in the similarity of such forms and processes within the organizational field which they labelled 'institutional isomorphism'. These pressures towards institutional isomorphism are described by DiMaggio and Powell as mimetic, coercive and normative forces. Institutional theory which argues that the primary objective of organizational change is formal legitimacy i.e. organisations adapt their internal characteristics in order to conform with the expectations of the key stakeholders in their environment, Ashworth et al (2005).

Di Maggio and Powell (1983) say that rather than organisations in a field being heterogeneous, organisations are becoming more homogeneous and that powerful forces emerge that lead them to become more similar to one another. The concept that best captures the process of homogenization is isomorphism. However, according to Leiter (2008) isomorphism carries potential fundamental disadvantages for not for profits in that it would limit the capacity of the not for profit sector to respond to diverse needs and preferences, undermining one of the sector's primary rationales (Weisbrod, 1986). Furthermore, if the not for profit sector comes to resemble the bureaucratized for-profit and public sectors, we can fear the same loss of creativity, innovation, and individuality Weber portrayed with the image of the "iron cage" (Gerth and Mills, 1946).

Suchman (1995: 574) defines legitimacy as "*a generalized perception or assumption that the actions of an entity are socially desirable, proper or appropriate within some socially constructed system of norms, value, beliefs and definitions*". Institutional theories are built around the concept of legitimacy rather than efficiency or effectiveness as primary organizational goals. From an institutional perspective, legitimacy is even the means by which organizations obtain and maintain resources (Oliver, 1991) and is the goal behind an organization's widely observed conformance or isomorphism with the expectations of key stakeholders in the environment (Di Maggio and Powell, 1983; Meyer and Rowan, 1977; Tolbert and Zucker, 1983) cited in Dart (2004: 415)

Institutional theory analysis suggests that social enterprise is likely to continue its evolution away from forms that focus on broad frame-breaking and innovation to an operational definition more narrowly focused on market-based solutions and business like models because of the broader validity of pro-market ideological notions in the wider social environment, Dart (2004: 411). Many social enterprise find themselves operating in the not for profit and for profit sectors simultaneously and have to adapt

to a hybrid type organisation. Aiken (2006) suggests that different evolutionary paths of social enterprises arise due to isomorphic pressures to adopt organizational characteristics akin to either market or the state depending on their resource mix.

CASE STUDY

As a result of losing the Community Services Programme (CSP)¹ funding which was worth some €108K per annum in 2011 (funding ceased at the end of the 1st quarter in 2012) and being unsuccessful in the tendering process for the provision of Home-care services run by the Health Service Executive (HSE)², Carebright had a number of important decisions to make in 2012. At the time both pieces of news appeared untimely and unwelcome however, the CSP decision was not unexpected, nonetheless it provided cause for concern for the board and management. The negative result of the application for the tendering process was harder to take as the board was convinced of the very good work it was doing in providing these services locally throughout counties Limerick, Cork and Tipperary and soon to be expanded into North Kerry East Cork and Cork City. These decisions forced the board to do something that it had talked about previously i.e. engage external consultants to undertake a review of the organisation.

The board had held many meetings over the summer and autumn months of 2012 as they employed external consultants to undertake the review of the organisation and its business model/governance/decision making process and product/service delivery. Given the current space that Carebright occupied in the market place the company had taken the decision to re-brand and reposition itself in line with its competitors (private operators). It also looked at how best and where it might place itself within the market. The final decision for the board was to decide on whether to proceed with its step down frail care facility that would deal with people suffering from Dementia. This was a tough decision to make as it involved spending some of the company's hard earned cash reserves on the project leaving it with circa €850K which is equivalent to 23% (twelve weeks) of operational costs³. The company would currently hold circa €2.6million in reserve.

At the end of the review process, the consultants had recommended not to progress with the capital building as it would deplete reserves and could make the company vulnerable to unforeseen negative circumstances. It could also detract attention away from their main offerings and there was already too much going on in terms of re-branding⁴ and repositioning of the company. The consultants went on to say:

"The organisation needs to guard itself against being 'bounced' into an investment of the proposed magnitude without assuring itself that the investment is properly researched and thought through. The key issue here is the return on investment". (Source: consultant's report 2012)

This recommendation was welcomed by some members of the board, particularly the members who came from the private sector as they would be noted for being more conservative in spending the reserves⁵. However, there were some board members in favour of building the project, particularly

¹ The stated purpose of the CSP is to support community business and social enterprises. It has a particular focus on funding local services and creating employment opportunities for disadvantaged groups in society, for further information please go to <http://www.welfare.ie/EN/Schemes/RuralandCommunitySupports/Pages/ruralandcommunitysupports.aspx> or go to www.Pobal.ie and click on programmes and log into the relevant programme required.

² The HSE is responsible for the provision of healthcare providing health and personal social services for everyone living in Ireland with public funds. www.hse.ie

³ The cost of running the operation in 2011 was €3.69million, therefore €850K = 23%

⁴ RCCN Caring is re-branding and will be known as 'Carebright' with a re-launch scheduled for March 2013

⁵ During my interview with the general manager, she stated that both her and the board members from the private sector would be more conservative than those from the not for profit and statutory sector.

the CEO a Local Development Company (Ballyhoura Development Ltd⁶) who has been involved in Carebright from its inception and is seen as the main driver of the company, (a social entrepreneur, if you will). The September meeting of the board was a one item agenda i.e. to proceed or not to proceed with the capital project thereby depleting the company's reserves and taking up a sizeable amount of time away from the general manager who is already busy with the repositioning and rebranding of the company.

DEVELOPMENT AND GROWTH OF CAREBRIGHT

In 1994 the European Commission White Paper on "Growth, Competitiveness and Employment, led to preparation of a local document, which identified a number of areas, including visitation and home help services to older people, as having particular potential for job creation. Arising from this, a consortium, of agencies from the Limerick and North Cork areas accessed EU funding in 1998 and initiated a project which would focus on the area of community care for people living in rural areas as the agencies involved noted a dramatic rise in the numbers of elderly people living alone, the lack of services available to it and the rise in the supply of 'long term care' in nursing homes particularly for the dependent elderly population.

The report provided an analysis of the position that pertained to the catchment area and identified a need for both home care and house repair services for the elderly. The total area had a population of approximately 260,000 people (Census 2002). Rural Community Caring Network (RCCN) Ballyhoura was set up as a company limited by guarantee and in 1999 it successfully applied for a Community Employment⁷ (CE) scheme from FAS⁸ to deliver a visitation service to older people and people with disabilities in the area. The CE project had 15 participants and 1 supervisor who was a trained nurse and began visitation in the Hospital area of County Limerick. This service, was a completely new concept at the time, and there were no competitors in the market, was provided free of charge. The visitation service was extended to the Churchtown are in Mallow county Cork.

The company applied to FAS to become part of the Social Economy Programme⁹ (SEP) and in October 2002 a new company called RCCN Caring¹⁰ was set up at the request of FAS to run a social economy project in Hospital County Limerick and was now extended to Mallow County Cork. RCCN Caring Ltd¹¹. evolved as an independent entity with a separate board of directors. RCCN Caring was a good fit with the social economy programme as it was one of a very few projects involved in the programme that stated it was a community/social enterprise in its mission statement.

⁶ Ballyhoura Development Ltd. is funded by the Irish Government to provide the Local Community Development Programme and part financed by European Union Structural Funds to provide the Leader programme. For further information go to www.ballyhoura.com

⁷ Community Employment Scheme is an active labour market programme administered by FAS and is targeted at the long-term unemployed see www.welfare.ie .

⁸ FAS Ireland - Irish employment authority promotes job opportunities and training courses for school leavers, post graduates and professionals. The section dealing with Direct employment schemes has now moved under the Dept. of Social Protection

⁹ The Social Economy Programme arose out of the report and recommendations of the Social Economy Working Group established under the Partnership 2000 Agreement. The programme was launched in September 2000. Its aim was to support Community / Voluntary Groups in the development of social economy enterprises.

¹⁰ The original partners involved in setting up Rural Community Care Network (RCCN) included Limerick County Enterprise Board, Cork North Enterprise, Limerick and Cork County Council, the Southern Health Board, the Mid Western Health Board, Limerick and Cork VEC's, FAS, Teagasc and the four local development companies – Ballyhoura Development Ltd, West Limerick Resources Ltd, Blackwater Resources Ltd and I.R.D. Duhallow Ltd.

¹¹ In order to avail of the SEP, the company was obliged by FAS to set a separate independent company, there were therefore, two companies running alongside each other i.e. RCCN Ballyhoura which managed the CE scheme and RCCN Caring which managed the SEP.

MISSION STATEMENT OF RCCN CARING

To develop, promote and enhance the existing resources through the creation of a community enterprise. Realising the need for local communities to become more self-reliant, we as a group are determined to foster a spirit of community, enterprise and caring in our area that will be a vehicle promoting prosperity, self-help and quality of life. We hope to demonstrate the principles of partnership, progression and democracy through the specific methods that we will employ in the project. Source: 2006 Business Plan submission to Pobal.

It was at this point in late 2002 that the company started to deliver Homecare services and began to generate income from fees, though they still provided visitation through the CE scheme participants. The company employed four nurses as managers to run the services in the four geographical areas. The managers in turn were managed/coordinated a board member on a voluntary basis which wasn't an ideal situation. At this point homecare was still not officially recognised by the HSE and income was quite small and made up of contributions from private clients/customers. Growth of the company at this stage was flat.

In 2005 the company was approached by the HSE (Minister for Health was setting up the home-care¹² grant to assist older people remain in their own homes) to participate in a HSE pilot scheme to deliver home care to older people in their own homes. The company registered with the HSE in 2006 as a service provider. It was only when they began to participate in the pilot scheme that the company started to grow and develop the business, particularly from 2006/7 onwards. In the meantime the Social Economy Programme ceased and responsibility transferred to the Dept. Community Rural and Gaeltacht Affairs The programme was called the Community Services Programme and is managed by Pobal¹³. Soon after the transfer the company decided that it needed a general manager to develop the core business and began the recruitment process. The board were specifically looking for someone with a commercial/private background and in April 2007 they employed a person from the hotel and catering industry. The manager had never previously worked for a voluntary organisation and recalls being surprised by the attitude amongst some of the board and the workers.

'They have a different mind-set from the private sector and it's something I have never come across before. The hunger to drive the business didn't appear to be there and because some staff were paid as a result of grant assistance, it meant they were paid even if they were idle in between clients and this seemed to be ok. People in the voluntary sector, including the HSE understand what a not for profit is but they don't understand what a social enterprise is, I didn't understand it myself at the time. (Source: Interview notes with general manager)

Carebright's growth developed quickly over the next couple of years as a result of their participation in the home-care package and its continued grant assistance under the Community Services Programme. Another reason for its growth was its use of CE scheme participants who were paid for by the state and the company was gaining money by charging for their services. In 2010 the board decided to break from CE and the scheme returned to a local project that focused on visitation to address isolation and loneliness.

¹² The Home Care Package (HCP) scheme is an administrative scheme, operated by the HSE. The scheme is aimed mainly at those requiring medium to high caring support to continue to live at home independently. The Home Care Package scheme is not established in law; as it is an administrative scheme, you neither have an automatic right to the scheme, nor to avail of services under the scheme. Each HSE Administrative Area has responsibility for the operation of its own scheme. This means that schemes vary in different parts of the country depending on the local population, your individual needs, the personnel available to deliver services and demand in your area and may be worth between €350-500 per week in respect of each patient, depending on individual need.

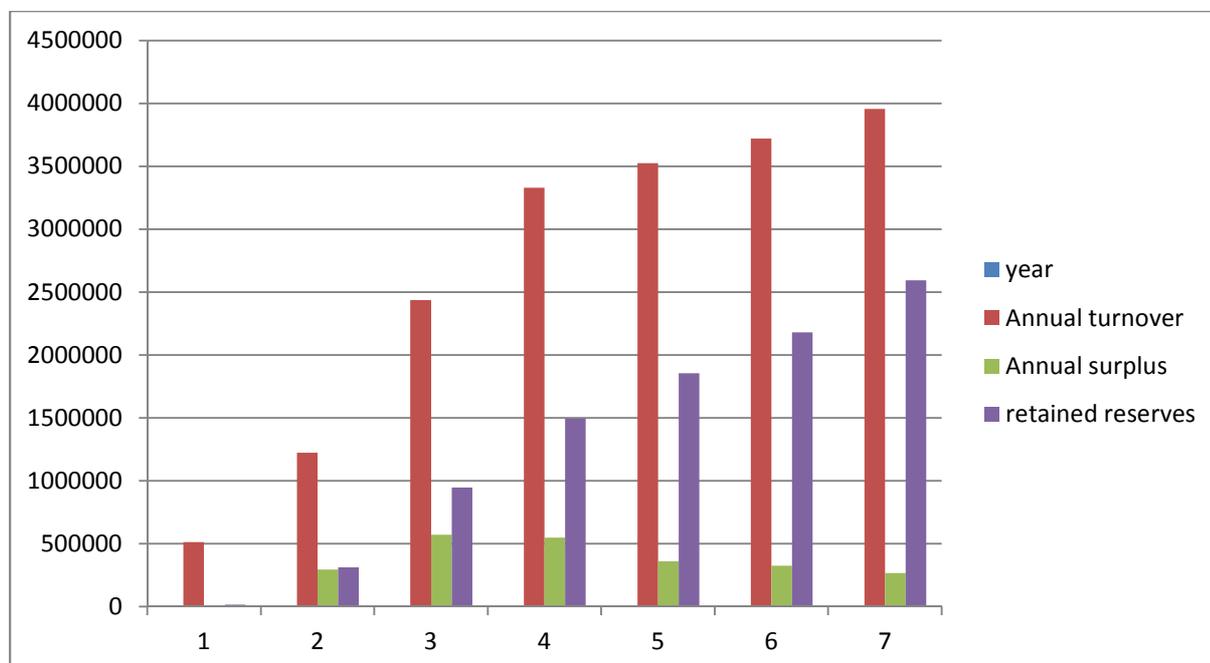
¹³ Pobal established in 1992 is a not-for-profit organisation with charitable status that manages various funding programmes on behalf of the Irish Government and the EU.

The more successful the company became in terms of increasing its turnover and retained reserves, the more its Pobal grant aid was cut back. This happened over a period from 2009 and culminated in March 2012. The grant was cut from a high in 2007 of €310K p.a. (equivalent to a manager and 12 full time equivalents) to €108K in 2012 (manager and four full time equivalents). By 2011 the company was providing 400,000 home care hours to circa 500 people. Projected figures for the company suggest that the annual surplus for 2012 will be down to approximately €145K, which is attributed to losing the CSP grant aid. Annual surplus for 2012 will be circa 3.6% of turnover. Table 2 below shows that RCCN peaked in terms of growth of surpluses in 2006/7 at 24% of turnover yet the CSP funding began to be reduced in 2009 when annual surplus was 10.2% of turnover and declining year on year. Table 1 below outlines the growth of the company from 2005 to 2011 and shows a steady growth curve in terms of turnover, number of staff employed and retained reserves. The table also shows the decline in annual surplus from 2007 to date. The period from circa 2008 has coincided with a downturn in the Irish and world economy which still persist in 2013. Of the 220 employees 15 are full time and the rest are sessional workers.

Table 1: Growth matrix for RCCN 2005 – 2011 actual

year	turnover	employees	surplus	Surplus as % of turnover	retained reserves
2005	€513,689	17	€7,689	1.5%	€16,751
2006	€1,224,150	46	€295,146	24%	€311,897
2007	€2,437,100	115	€571,326	24%	€947,222
2008	€3,328,822	150	€548,482	17.5%	€1,495,704
2009	€3,524,071	163	€360,065	10.2%	€1,856,222
2010	€3,719,040	178	€324,257	8.7%	€2,180,482
2011	€3,957,000	220	€267,000	6.7%	€2,592,519

Carebright from 2005 – 2011



1 = 2005 and 7 = 2011

In response to the various reviews of the Home Care Package Scheme and strong advocacy from the private sector¹⁴, the HSE initiated a new Procurement Framework for Home Care services. The purpose of the measures is to promote quality and safety and also promote a more standardised and cost effective approach to provision nationally, whether directly or by the HSE. Tenders were invited in 2011 and results were announced in July 2012 however Carebright was unsuccessful in being a nominated care provider¹⁵. Four providers were chosen for each HSE area and out of 100 applicants nationally only five were in the not for profit sector. Comfort keepers (private operators) were the main winners of the process and they cover the 26 counties. This is a family owned private company which is under franchise from the US. The sector has been transformed since the pilot project in 2006 where prior to this there were no private operators. Now the private companies dominate the sector and in general these are franchises from the UK and US and normally pay less wages (€10.50 per hour) than Carebright.

Carebright will hold onto existing clients but as they lose them they will not be renewed by the HSE. Therefore, the company's main source of income will decrease over the next number of years posing a real threat to the viability and sustainability of the company. Even if Carebright had been successful in the tendering process it would have had to increase the number of private clients or reduce wages or eat into its reserves as it tendered below its current cost base. The rebrand and business model that Carebright has developed for the future means that they need to increase their sales by 95,000 new private customers to compete with the private providers in 2013.

SERVICE PROVISION

Carebright has always been aware of pending policy decisions in the area (it has people from the HSE on its board) and were ready to take advantage of new development and government programmes, as Louis Pasteur (a French microbiologist) once said "*chance favours the prepared mind*" and in this case it is the organisation that is prepared.

Carebright has grown since 2006 due to the expansion of the Homecare Package within the HSE; this provides an allocated number of hours to a person over 65 for the provision of homecare in their own homes. The Homecare Package scheme provides care in the home to older people who are at risk of admission to hospital or care homes. Each Homecare package is tailored to the needs of an individual, based on their medical condition and the level of care they require. The company currently employ over 220 staff compared to 46 staff in 2006. The caring staff provide the level of care that is required on a part time basis. A Registered General Nurse (RGN) is employed in the various regions to monitor both staff and clients. The company employ staff that are local which generates employment and builds trust within the community. Core (full time) staff are trained to Fetac Level 5 accreditation. The majority of CSP staff have been employed since 2005/2006 and are the backbone of the company in various regions, in particular West Limerick. The core staff in this area includes a trained RGN whose expertise enables the company to provide specialist care in the palliative care area. The ethos of the company is to provide care to the most vulnerable in the community therefore, if a client is in need of private homecare and is unable to provide payment for the care, the company will waiver care payments, this enables the person to remain in their own environment and to continue to live an independent life. According to the general manager this would not happen with the private providers as it is all about undercutting, she went on to say: *I've worked in the hotel service industry but this industry is the worst I've ever seen, its cut throat out there!* (Source: Interview with general manager)

¹⁴ The current approach to procurement is not transparent, limits competition and value for the HSE and may hinder further growth of the market. The absence of a national framework for procurement limits access to new entrants and reduces competition. (PA Consulting report for the Irish Private Home Care Association 2009). Access report <http://bluebirdcare.ie/wp-content/uploads/2010/02/IPHCAHomeCareMarketReport.pdf>

¹⁵ Comfort keepers were the main winners of the process. They cover the 26 counties and they have the Q mark which Carebright doesn't. This is a family owned private company which is under franchise from an American owned company.

From 2004 the company became the service provider for the administration and delivery of chiropody services for Limerick City. In 2009 they employed seven chiropodists and delivered 8,500 treatments in the home, clinics, day care centres and hostels. The company also provide training to all their carers. This is done through their care managers (nurses) who are trained tutors in manual handling, patient moving, first aid and palliative care. They also provide training to external groups including the provision of care skills training to the home help division of the HSE.

Prior to the review of the company, Carebright would have been developing policies on an ad hoc basis i.e. they would have been reacting to the private providers as they had a franchise hence, they bought their policies off the shelf. Since the review, rebranding and repositioning decision in 2012 the company has gone on to provide additional policies services such as:

- Dementia care;
- 24 hr. care;
- Respite and post-operative care in the home which may be covered by Health Insurance companies.
- Carebright training academy
- Developed a data-base which links the carer to the customer i.e. staff planner which is based in the UK
- Developed a professional website
- Received the Q mark

Carebright has professionalised its training package and has now set up the Carebright training academy which provides training to the voluntary, private and public sector in cardiac first responder, manual handling and patient moving, hygiene and social care and so on. Carebright has since been accredited with the Q mark from Excellence Ireland Quality Association (EIQA) which they believe will provide them with more legitimacy from the HSE and customers. Prior to the rebranding the company (as a lot of not for profits would do) brought in a friend or volunteer to work on the website which wasn't as professional as the private providers. In 2012 it brought in a professional to further develop the site which has been transformed and matches its competitors (www.carebright.ie). The company was developing a marketing strategy and plan for 2013 which would see it expand further into Counties Cork and Kerry. Strategically, the company is looking to align and collaborate with Cheshire Homes, a national body from the disability sector. The hope is that they can receive out-sourced work from this body.

POLICY CONTEXT

The delivery of health, personal and social services in the community setting has undergone significant change in Ireland in recent years. Over the years there has been a consistent national policy of enabling people of all ages and with disabilities to live as independently as possible within their own communities and outside of institutions. The 1968 *Care of the Aged Report* was the first report to examine caring for an aging population in Ireland. A *policy for the Elderly* (1988) strongly recommended caring for older people in their own homes and communities for as long as possible. The national health strategy *Quality and Fairness* (2001) outlines a clear commitment to maintaining at least 90% of persons aged 75 years or more in their own homes and is guided by the principles of Equity, People-centeredness, Quality and Accountability. The Health and Social Services for Older People (HeSSOP) study in 2001 reported that the vast majority of older people wished to live in their own homes for the entirety of their lifetime if possible and were open to availing of care and social supports from care providers other than family

The National Development Plan (Ireland) 2007 – 2013 allocated €4.7 billion to help older people live independently for as long as possible in their own homes and communities. This allocation was to help fund home-care packages, meals on wheels services, community intervention teams and respite day care services. In 2009 Health Information and Quality Authority (HIQA) published its '*National Quality Standards for Residential Care Settings for Older People in Ireland*'. This report also

contained a supplementary section with criteria for Dementia specific residential care units for older people. The 2011 Programme for Government pledged support for older people to continue to live independently for as long as they wished.

There is currently no legislation in place for older people which specifies the provision of services similar to the disability act. The Health Service Executive (HSE) established under the Health Act 2004 may make arrangements through its home help services to help maintain people in their homes who would otherwise need institutional care. Under the Act the HSE has the responsibility to manage and deliver, or arrange to be delivered on its behalf, health and personal services.

PRIVATE SECTOR

Having entered the newly formed market in 2006 the private sector have been continuously challenging the costs base of the voluntary sector providers and have been advocating the need to develop and implement the Home Care Package Framework and other areas such as the provision of Home Help. Pressure has been growing on the HSE to open up services to the private sector for a number of years. The private providers have set up their own association, the Irish Private Home Care Association, who commissioned a report in 2009 to provide a fact based analysis of the Irish home care market. The report summarised the following:

The Irish home care market is relatively new but substantial with an estimated value of €340.27million. Their analysis indicates that based on population growth alone, the number of home care recipients may increase from 57,581 to 96,250 by 2021. This potential future demand heightens the importance of getting the conditions right for a regulated, healthy, competitive market so that the required capacity is available and cost effective.

The report called for greater transparency of cost of home care provision to inform purchasing decisions and identify opportunity for savings and that the market must be regulated to safeguard home care customers.

The private providers claim that the not for profit sector true cost per hour of HSE and non-profit care (€29.44) is 29% more expensive than the private sector (€21). Higher staff costs are the primary factor driving higher costs in the public and non-profit sectors. That the not for profit sector charges the HSE their marginal cost (€18.50), rather than total cost (€29.44), per hour for provision of home care under the home care package scheme. They do not recover their overhead costs. This suggests that these overhead costs must be covered in other ways, such as Section 39 grant funding, or client contributions. Either way, this subsidisation of the not for profit sector from other sources distorts the cost of care in the market. This view was supported by Carebright who said that because they receive section 39 grant assistance they can provide hours for €12/14/and €16 as distinct from €20/22.

The current approach to procurement is not transparent, limits competition and value for the HSE and may hinder further growth of the market. The absence of a national framework for procurement limits access to new entrants and reduces competition. The largest section of the market - the home help scheme - is closed to private providers.

The private providers claim that considerable savings could be made if the delivery of the home help scheme were outsourced to the private sector, suggesting savings of €60.49M could be realised. That if 20% of the home help scheme hours delivered internally by the HSE were to be switched to the private sector it could realise savings of €9.42M.

THE CAPITAL BUILD PROJECT

During its work in visitation and the provision of home-care, Carebright identified a gap in service provision and so decided to look at addressing the gap and to prepare the ground to affect future policy in this area. The company recognised that there was a point where people got to that, whilst they could cope with living alone, they could not cope without a particular service provision in order to remain in their own home. That is, some older people were still physically capable of living at home but due to Dementia, they had started to wander from their homes. What wasn't required was another sheltered housing scheme therefore, in order to avoid the person being admitted to hospital, the company identified a combined model that would be required:

1. Provision of housing, and,
2. Home care services

The model as such, would provide a step down frail care facility which could house people and at the same time provide the care services that would mean people could remain in the housing units longer.¹⁶ The unit would also provide day care facilities to the wider catchment area. The company had applied and to the JP McManus fund and were awarded €750K in principle (December 2010) towards the capital built. It was estimated that the company would have to put circa €1.5 million of its reserves towards the project.

The company had many failed attempts to secure either a premises or land to purchase or build the required units. Between 2009 and 2011, they visited more than 10 sites and submitted offers to more than two vendors during this time, all to no avail. In the summer of 2012 they identified an ideal site located in Gruff Co. Limerick some six kilometres from Hospital, its main office.

At the same time Carebright was in the process of renewing its board membership and brought on one new member in October 2011 and a further two members in 2012. All three new members were from the private sector. The change in membership impacted on the dynamics and future direction that the board had previously agreed, though this was also influenced by the recommendation from the consultants that they should not proceed with the capital build at this point in their development even though this was not part of their brief for the review.

A meeting of the board took place where three people from the not for profit sector were missing, leaving a majority of people from the private sector to discuss whether the company should continue to look at developing the centre. The members present decided that they would not be pursuing the capital project and according to the general manager, people from the private sector would be more cautious than people from the not for profit sector. Those present decided to take the advice of the consultants and focus on the core business of the company (home-care services) and continue to pay staff good salaries i.e. more than they would receive from a private provider. However, this decision was rescinded at the next meeting when all board members were present and a full discussion took place. It was agreed that no final decision would be made without first completing a visit to an existing facility. This decision has clearly led to tensions within the board which is evidenced by the number of meetings it required to come to an agreement on the way forward.. According to a member of the board from the not for profit sector, people from the private sector and indeed the consultants, do not always understand the not for profit sector and Carebright's raison d'être i.e. the step down facility will never make money so it won't necessarily show a return on investment in terms of cash and will most likely be supported by other profit making services .

¹⁶ Carebright proposes to implement Frail Care project in County Limerick. It is proposed to develop a cluster of eight self-contained units to include a night-time unit and a service block. It will provide an integrated set of support services to facilitate the activities of daily living by the elderly. The concept is to extend the opportunity for older people to age in a place of their choosing, this is a major policy alternative to long term care, thereby enabling older people to stay active, productive and engaged in society and to enjoy a higher quality of life for longer.

DISCUSSION

O'Hara and O'Shaughnessy (2004) cautioned that Irish WISEs are vulnerable to the uncertainty of the market place, changes in public policies and funding mechanisms and that there was a danger that they might drift towards institutional isomorphism by adopting the characteristics of the for-profit enterprise. This paper has shown that Carebright is one such enterprise that has begun life as a work integrated social enterprise (WISE), but because of changing circumstances in its environment, it has succumbed to the pressures of institutional isomorphism. It has exhibited isomorphic characteristics by responding to other organisations in the field through developing similar services such as a new data-base, acquiring the Q mark, 24 hr. service and developing a range of services that are also provided by the for profit sector. Furthermore, it has re-branded and reinvented itself to increase its legitimacy from the Health Service Executive, private providers and potential future customers.

During the process of isomorphic transitioning, it can be seen to have moved from a WISE where its main focus was on developing and maintaining a funding model to provide services to its beneficiaries using active labour market programmes. It has now moved to developing a business model to provide services to customers in order to ensure financial viability of the organisation and assist in its sustainability for the foreseeable future. Carebright is now open to and susceptible to market discipline which leaves it vulnerable to pressures e.g. bringing wages in line with market norms to generate a surplus and being pressured to develop a low cost business model in order to survive. The company has now engaged typical market strategies for competitive advantage though it must be said that competition has not led to all differences being eliminated between the not for profit and for profit organisations e.g. they are still developing the frail care facility.

According to the general manager, the company is marketing its quality service provision, its innovation and its not for profit status to potential customers to differentiate it from its competitors to create a competitive advantage. According to Porter the concept of competitive advantage is the essence of competitive strategy. Crucial to a firm's growth and prosperity is the ability to gain and retain competitive advantage. MacMillan defines "strategic initiative" as the ability to capture control of strategic behaviour in the industries in which a firm competes. MacMillan argues that firms that gain a strategic advantage control their own destinies.

There are three competitive strategies that organisations can use to gain competitive advantage.

1. Innovation – developing products or services new and different from those of the competitor
2. Quality enhancement – enhancing the product/service quality, and,
3. Cost reduction – being the lowest cost producer

Strategic initiatives 1 and 2 are intertwined and are the basis for Carebright to compete with and differentiate their offerings from the private sector. Carebright has developed a data-base which links the carer to the client. Differentiation with private operators with the database will be operated as follows – in the private sector Mary would be assigned to Mrs Murphy as the next person on the list whereas Carebright look at the carer and client and see if their needs and skills match up e.g. perhaps Mary would not be most suitable to deal with Mrs Murphy as she has Dementia. Carebright has the flexibility to be responsive to this situation and assign someone more suitable to Mrs Murphy's needs. This is both differentiation of the product and added value in providing a quality service.

Clara Miller cited in Stanford social innovation review (2009) is attributed with saying that "*not for profits are in two businesses*", running programmes for beneficiaries and raising funds to develop and sustain the organisation. A funding model is focused only on the funding, not on the programmes and services offered to the beneficiary. A business model finds a way to create value for the customer and therefore, has found its source of revenue i.e. the customer pays for the value. On the one hand, Carebright can be said to have moved from a funding model as not for profit focusing

on beneficiaries to a business model that focuses on customers by creating innovation and value in service provision. On the other hand, Carebright retains its not for profit identity and funding model through the development of the frail care facility.

This hybrid nature of being a pro-social and pro-market/financial social enterprise brings with it many challenges, pressures and tensions for the company as we have seen in the case of the decision to proceed or not proceed with the frail care facility. The difference in board members in attitude and understanding was clear to see between people from the not for profit and the for profit sector. The consultants that were contracted to carry out the review were also of the opinion that the company should not proceed with the development which put further pressure on the board to succumb to isomorphic pressures. These tensions at board level are indicative of the difference between the sectors. That is, not for profits set out on identifying a social need and addressing that need through developing its social mission and addressing that need through the provision of a service. The for profit sector generally see a gap in the market and an opportunity to generate a profit hence the lack of the private provider in competition to Carebright prior to the development of a market by the HSE in 2006.

There remain significant tensions and challenges for Carebright and other similar social enterprises such as meeting the conflicting demands that come with the hybrid nature of the organisation that manifest themselves by having to manage the contradiction between a not for profit i.e. developing a funding model to provide the frail care facility and an enterprise developing a business model and the effect this has on managing the relationship with multiple potential funders in order to continue to acquire resources to fulfil the mission. This requires the organisation to have multiple faces and learning how to operate in different markets in dealing with its many stakeholders and competitors.

Institutional theory suggests that organisations pursue legitimacy by conforming to isomorphic pressures in their environment. There is no doubt that certain aspects of Carebright highlight the move towards isomorphism in their quest for legitimacy and sustainability however, whether the organisation as a whole and to what degree it has moved is questionable. For example, while the current service provision exhibits characteristics of a private provider within the field, it is clear that the development and management of the frail care facility is rooted in the pro-social mission of the organisation, there is a decoupling here. This case study has highlighted the changing face of the Irish not for profit sector being forced to undertake and operate market values alongside pro-social values. How the organisation manages this dichotic relationship (managing the many faces of the organisation to different stakeholders) as it attempts to steer in two directions at the same time will highlight the tensions resulting from isomorphic pressures from both the for profit and not for profit sectors. The challenge for Carebright is to operate similar to a for profit whilst de-coupling and retaining its not for profit values and mission.

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