

STRUCTURAL ISOMORPHISM IN AUSTRALIAN NON-PROFIT ORGANIZATIONS

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Abstract

This paper assesses the extent of structural similarity or isomorphism among non-profit organizations in Australia. Based on neo-institutional theory, the paper explains such isomorphism in terms of these organizations' subordination and dependency, the uncertainties they face, and the networks of experts of which they are a part. The analysis uses the non-profit component of a 2001-2002 random sample of Australian employment organizations. It finds surprisingly little isomorphism in this subsample and few differences in isomorphism according to the level of the factors thought to produce similarity. The discussion of the findings focuses on the suitability of the non-profit sector as the appropriate organizational field within which isomorphism involving these organizations is likely to be produced. Industries, which include all organizations that produce the same product or service, be they non-profit, for-profit, or government, may be more appropriate interactional fields for the development of isomorphism.

Key words: isomorphism, non-profit, organization, Australia

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INTRODUCTION

Do non-profit organizations resemble one another structurally? If they do, why and with what implications? If they do not, why not, and again, what are the implications? These questions apply basic concerns of organizational theory to non-profit organizations.

A concern with pressures for sameness in organizations traces back to Max Weber's worry that bureaucracies, by virtue of the very efficiency, calculability, and predictability for which we value them, might impose on their members, employees, and environments an "iron cage" of homogeneity, snuffing out the spark of creativity, innovativeness, spontaneity, and responsiveness in our social lives (Gerth & Mills, 1946). In the early 1980s, Paul DiMaggio and Walter Powell published a foundational work in the neo-institutional school of organizational theory (1983), in which they argued that institutional as well as competitive pressures produce sameness in many organizations, that sameness can be traced not only to the need to find efficient structures but also to the need for organizations to legitimate themselves in their institutional environments. Appealing to the same "iron cage" imagery, they called such sameness "isomorphism."

This paper examines the extent and causes of isomorphism with a random sample survey of Australian non-profit organizations. The data set will allow investigation of sameness in a wide range of organizational structures and analysis of the impact of many factors that may induce isomorphism in a representative sample of non-profit organizations. Each of these features is unusual in the literature on isomorphism. The focus on structures echoes Weber's concern with such aspects of organizations as differentiation and hierarchy that are largely responsible for more-or-less stable patterns of action and interaction.

THE IMPORTANCE OF ISOMORPHISM IN NON-PROFITS

Structural isomorphism would have fundamental implications for non-profits. Structural isomorphism among non-profits might:

- **Signal effective and productive structures and processes.** This is to say that best practices might have diffused through the non-profit world with those non-profits that do not go along being starved of resources by government funders and other arbiters of best practices. Just as we should not assume, however, that competition in the "market" enforces efficiency among for-profits (Carroll & Harrison, 1994), we cannot blithely assume that an invisible hand brings best practices to non-profits.
- **Secure resources and approval for non-profits.** Even if other organizations in the non-profit environment do not require best practices, they may still expect a certain set of structures and processes. The environment may not even recognize organizations that deviate from these expectations as legitimate non-profits (on this idea applied generally, see Meyer & Rowan, 1977). Once granted this legitimacy, however, non-profits are accorded material resources (e.g., access to grants, donations from the public), legal standing (e.g., tax exempt status), and cultural status (e.g., extensive volunteer labour) reserved for non-profits. In a phrase, organizations may have to look like non-profits in order to be treated as non-profits. With the strong influence of such expectations, non-profit leaders may be hard pressed to imagine structuring and running their organizations in any other way than the taken for granted, that is, the legitimate way.

- **Stand in the way of discovering more productive structures and processes that do not conform to external expectations.** What if the legitimate, expected, taken-for granted non-profit structures and processes actually fall well short of the efficient, the effective, and the productive? Now, environmental expectations and pressures would not be enforcing best practices but actually precluding experimentation and innovation toward better practices. Innovation, once diffused, can give way to conformity (Rowan, 1982). A few non-profits might want to try something new in order to improve but decide against it for fear of being cut off from resources or ridiculed; this could be called a failure of nerve. Most, however, would likely just not think enough “outside the box” to try something different from the expected; this could be called a failure of imagination. Both types of failure arise from the strength of the normative and legitimate.
- **Preclude alternative forms of organization that favour democratic administration, diversity, social responsibility, and worker autonomy.** A particular failure of nerve or of imagination would lead non-profits to cave in before the strong belief that favours bureaucracy, especially the hierarchical, the standardized, and the routinized among organizations. Though we mouth a concern that bureaucracies stifle individual creativity, deskill work, and make our organizations inflexible, we bureaucratise more and more. One of the great ironies of the industrialized democracies is that their democracy stops at the door of their work organizations, which instead are typically quite autocratic (Bendix, 1974). To the extent that expectations for non-profits push bureaucratisation, these non-profits will be hard pressed to enact, and even fail to consider, internal democracy.
- **Address few rather than many, diverse needs.** Non-profits exist in democratic societies in part to address minority needs for public goods that governments, focussed on the wishes of the majority, do not fulfil. And, the more varied these minority needs, the more numerous and varied should be the responding private non-profit (and for-profit) organizations (Weisbrod, 1986). If, however, the non-profit sector is characterized by similarity in missions and in the structures by which missions are pursued, then diverse minority needs will not be addressed. Indeed, one of the key rationales for a non-profit sector will be lost and the legitimacy of the sector may be undermined. Ironically, isomorphism arising from legitimacy-seeking could, thus, compromise that very legitimacy.
- **Hamper sectoral adaptation to dramatic environmental change.** In all the forgoing, the assumption has been that a non-profit organization can shape and reshape itself, adopting structures and processes that it prefers. But, what if non-profits cannot substantially change themselves, that is, they are essentially imprinted at start up (on this idea more generally, see Hannan & Freeman, 1984). In the biological world according to Darwin, this is exactly the state of affairs: individual creatures do not adapt to change in their environments, but a whole species may adapt. Species adaptation, however, requires variety within the species, with this variety provided by mutation. A new environmental demand leads to change in the pattern of mortality favouring a mutant over the previously dominant form. If individual non-profits cannot change themselves, then non-profit adaptation requires variety within the non-profit population. To the extent that isomorphic tendencies limit variety, non-profits as a whole risk being unable to adapt to significant environmental changes. Legitimate today may be extinct tomorrow.

ISOMORPHISM AND ITS SOURCES

The Non-Profit Organizational Field

Structural isomorphism means similarity. In the abstract, any collection of organizations may be isomorphic. The processes DiMaggio and Powell (1983) suggest as causing isomorphism, however, are interactional.¹ Thus, the more a given group of organizations interacts, the greater the possibility of producing isomorphism among them.² DiMaggio and Powell (1983) call a collection of organizations with substantial interaction an organizational field. Interaction in such a field may be between equals or unequals; it may be competitive or collaborative; it may or may not involve the exchange of resources.

The field within which analytic comparisons across organizations are made influences the level of isomorphism that will be detected. Thus, the definition of the field is a key decision for this paper that will influence the findings. In this analysis, we specify non-profit organizations as the organizational field. Treating non-profits as a distinct sector is certainly common and conventional among many scholars, as reflected in such terms as “the third sector” and prominent theory that accounts for the existence of non-profit organizations as a group by government and/or market failures (Hansmann, 1986; Weisbrod, 1986). In a recent work, Anheier (2003) defined the boundaries of the non-profit sector in terms of five criteria for the organizations in it: at least somewhat institutionalised; separate from government; self-governing; not profit distributing; and including voluntary participation. His analysis demonstrated important cross-national differences in the basic characteristics of this sector, but, except very briefly, he did not consider differences within a nation’s non-profit sector. Beyond such conventional conceptions among scholars, non-profit organizations do constitute a collection of organizations among which interaction is frequent. Interaction among non-profits is increased by such structures as community-wide collaborative fund raising, management training designed generically for non-profits, and a common legal status. Such interaction would be key in the production of isomorphism within the organizational field, so defined.

Whatever the common and conventional practices among scholars, non-profits may not constitute a field that so significantly defines patterns of interaction and influence as to give rise to significant isomorphism within the field. If we think of the non-profit sector as a socially constructed conception, we can ask whether its reality has actually shaped interactions. Hall (1994) dated the origins of the non-profit concept to the 1950s and its widespread acceptance to subsequent decades. In his account, the idea of a coherent non-profit sector was created by large foundations, operating through academics they funded, as the foundations tried to portray themselves and other large tax-exempt organizations as acting in the public interest. These efforts were a response to political threats in the U.S. from anti-communists, who objected to these organizations’ liberalism and internationalism, and from populists, who objected to the tax privileges these organizations extended to the wealthy. This historical account allows us to ask whether the non-profit sector is in fact old enough to have formed the strong patterns of interaction and influence that, in turn, would have reshaped organizations isomorphically.

¹ Some recent work in the institutional school has taken a distinctly cognitive turn, trying to understand where the taken-for-granted character of institutionalised practices comes from and how it is sustained. See Zucker (1977) for a foundational study, DiMaggio and Powell (1991) for an influential statement, and Lant and Baum (1995) for a more recent example. The cognitive is not our emphasis here.

² Some theorists (e.g., Rowan, 1982) write of the isomorphism of organizations with their environments. While we, too, explore the isomorphism-inducing impact of environment on organizations, we conceptualise and measure isomorphism among organizations.

DiMaggio and Anheier (1990) raised other doubts about the coherence of the non-profit sector, along with the coherence of the for-profit and government sectors, as well. The actual boundaries between the sectors may be blurred by ambiguous legal forms, for example, non-profits with for-profit subsidiaries and vis-a-versa. Observed differences between the sectors may be due not to differences in legal form, but rather (shifting) differences in the composition of such key factors as clients and funding. And, despite the differences in legal form, the many sources of heterogeneity within each sector may overwhelm the differences among the sectors (On useful ways to segment the non-profit sector for theorizing and analysis, see also Steinberg, 2003).

A key source of organizational heterogeneity within the non-profit sector is the type of product or service the various organizations produce. We often name non-profit organizations by their product or service, for example, arts or social service non-profits. Groups of organizations that produce the same product or service belong to the same industry. Industry groups of organizations have a lot in common, particularly the same basic production technology and many of the same organizations in their environments (e.g., suppliers, customers/clients, regulators, competitors). Common technology and environment are likely to create regular interactions, so industry groups are an important alternative to the non-profit sector in defining the organizational field within which DiMaggio and Powell's (1983) theory suggests isomorphism is created.

Following common and conventional usage, this analysis uses the non-profit sector as the organizational field within which to compare organizations. The problem of correctly defining the field, however, is fundamental and unresolved. A finding of substantial isomorphism within the non-profit field would reinforce conventional usage. The contrary finding would suggest redefining the organizational field as one key avenue for subsequent research.

The Production of Isomorphism

DiMaggio and Powell (1983) identified three clusters of processes as causes for isomorphism and call the resulting similarity coercive, mimetic, and normative isomorphism: (1) constraint, pressure or coercion, based on power differences that arise from law, official position, or control of needed resources; (2) imitation of a seemingly successful model, due to uncertainty regarding how to pursue the goal or ambiguity about the goal itself; and (3) the influence of professionals and other experts. The reasoning is that domination and dependency, uncertainty, and professionalisation increase the likelihood of isomorphism. While organizations may adopt practices because the practices improve efficiency and productivity, these three isomorphism-producing processes suggest reasons for adopting new structures or practices that do not necessarily improve performance, and indeed, as argued earlier, may stand in the way of such improvements.

NON-PROFIT ISOMORPHISM

Following DiMaggio and Powell's (1983) reasoning, we can expect non-profit organizations to resemble one another. They fit the profile of organizations subject to coercive, mimetic, and normative isomorphic forces:

- Non-profits are generally thought to be highly dependent, especially on their funding sources; hence, they are subject to coercive isomorphic pressures. Riiskjaer and Nielsen (1987) accounted for the emergence of bureaucracy and oligarchy in Danish amateur sports by a shift in funding from participants to the

state. Similarly, Morrill and McKee (1993) examined a community mediation organization's single-minded focus on fulfilling the courts' needs for a referral destination and on matching the courts' certification and training expectations with the consequent neglect of voluntary cases and innovative methods. Their explanation was the non-profit's desperate dependence on the local government for funding. Likewise, Bidwell (2001) explained the marked absence of change in U.S. school and instructional organization over the past century, in spite of massive coincident enrolment expansion and democratisation, with the ironic observation that the greater the community pressure on schools for change, the more carefully school leaders and managers conform to basic and unchanging community expectations regarding school structures and practices.

- Non-profits' missions are often unclear and in flux, and the methods for effective pursuit of those missions are often unsettled; hence, they are susceptible to mimetic isomorphism. Kanter and Summers (1987) used a study of a non-profit health care network to show that the non-profits try hard to measure their performance, often using for-profits as their model, because they know their legitimacy depends on fulfilling their missions. Nonetheless, they are hamstrung by the very ambiguity, multiplicity, inconsistency, and incoherence of their goals and the uncertainty of their service technologies. In contrast to the relative clarity of for-profits' goals and technologies, these characteristic problems usually cripple non-profits' performance measurement efforts, often lead to the displacement of outcome measures by input and allocation measures, and clamp down on innovative efforts. Beyond, uncertainty as a reason for copying, networks through which information and other resources are exchanged increase mimetic opportunities. Networks of non-profits are increasingly popular and promoted. One review of non-profit networks (Plastrik & Taylor, 2004) listed diffusion, alignment, exchange, and assessment among common network functions; all of these have the potential for increasing mimetic isomorphism.
- Professional and other expert advice is increasingly available to non-profits from universities, government agencies, and private consultants, and non-profit trustees and managers are increasingly professionally trained; hence, normative isomorphism should contribute to non-profit sameness. Abzug and Galaskiewicz (2001) used multi-organization, multi-city data to demonstrate the overwhelming preponderance of college-trained trustees on non-profit boards of directors; they explained this as compliance with institutional expectations for rationality.³ Siciliano (1997) found that 39 percent of the 240 YMCAs she surveyed used outside consultants in their strategic planning efforts. And, in a striking historical example, Darr and Stern (2002) showed how accountants, lawyers, and academics were the vehicles by which democratic governance in Israeli worker cooperatives was replaced by the more centralized governance structures favoured by powerful labour leaders.

The theoretical clarity of DiMaggio and Powell's reasoning reflects an ideal-typical approach (for their acknowledgement of the limits of this approach, see DiMaggio & Powell, 1983, p. 150). Thus, we can expect mixed types in empirical studies. For example, Bielefeld (1992) found that, among Minneapolis charities that were particularly oriented to community opinion, the greater their dependence on many funders, the more likely they were to model themselves after other non-profits they thought particularly successful. Here, dependence leads to mimetic rather than coercive isomorphism. The basic outcome of conformity to institutional expectations,

³ This finding may be due not only to institutional forces but also to an enhanced propensity to volunteer among the well educated (Knapp & Davis Smith, 1995; *Volunteering Western Australia*, 2001).

however, is well supported by this study. Beyond mixed types, isomorphism also results from the confluence of coercive, mimetic, and normative processes. In a revealing insider's report, Mulhare (1999) explained how strategic planning swept through southeast Michigan non-profits in the 1980s, at the same time that its glow was fading among for-profits and despite its limited payoff: funding agencies required it; consultants promoted it; and managers used it to symbolize their competence.

Isomorphism among non-profits is hardly a forgone conclusion. Skoldberg (1991), for example, showed that despite planners' efforts to homogenize the Swedish higher education system, variations in its internal workings, components, and contexts led to persistent heterogeneity. Scheid-Cook (1992) recognized similar heterogeneity in her study of North Carolina Community Mental Health Centers' responses to legal mandates for outpatient commitment; she interpreted this as reflecting the agency of these centres in "enacting" or constructing the environment to which they then conform. Her interpretation of these variable enactments was not organizational resistance but rather bounded rationality that results from inconsistent goals, interrupted linkages, and incomplete knowledge. Lune and Martinez (1999), in their study of community development credit unions, also pictured organizations enacting their environment, but in their case the enactment was the creation of a distinct organizational field without the constraints they had previously faced. Barman (2002) used two Chicago non-profit cases to demonstrate differentiation rather than homogenisation as a response to environmental pressures. Her portrait of non-profit managers was more as rational actors than that of Scheid-Cook. In an important study, with theoretical parallels to Barman, Oliver (1988) found considerable diversity across a population of social service non-profits. Most critically, she determined that organizations netted together by interactions were less similar than organizations that did not interact (and also that did not face similar environmental constraints). Like Barman, she interpreted these findings as showing non-profit managers manoeuvring strategically. Lounsbury (2001), in his study of university staffing of recycling programs, also found diversity, which he ascribed to the influence of a social movement organization on some, but not all of his cases; here we see the way in which institutional forces can help produce heterogeneity when these forces penetrate an organizational field only partially. Peyrot (1991) showed a group of drug treatment organizations as presenting a series of conforming faces to the components of their institutional environments, while continuing with business as usual. The failure of the environmental organizations to monitor the agencies' actual practices (echoing Meyer and Rowan's (1977) loose coupling) allowed substantial ongoing variability in these practices. Steane (2001), in a study of Australian non-profit boards of directors, focused on values, ideology, and board composition as factors that ought to slow or prevent non-profit isomorphism. He argued that heterogeneity in these factors, much greater in non-profits than in for-profits, can be expected to produce substantial variation in non-profit practices.⁴ Finally, the presence of isomorphism, and factors thought to cause it, does not demonstrate their covariation and certainly not the theorized causal relationship. Thus, Lammers (1990), in a study of non-profit human service executives in one city, found both environmental pressure and high levels of "rational management practices," but not their covariation. This array of studies suggests many substantive reasons for the absence of isomorphism among non-profits. These reasons range from heterogeneity in contexts, orientations, or personnel to various forms of failure to

⁴ Ironically, some of the survey data, collected from the chairpersons of 118 Australian non-profit boards, show surprising *homogeneity* across non-profit organizations: priorities for director skills, rankings of board priorities, and rankings of key networking activities have very small standard deviations compared to their ranges (see P. D. Steane & Christie, 2001, tables 5-7). These distributional findings suggest more isomorphism than the differentiation Steane argues.

comply with institutional expectations, some reflecting greater purposefulness or resistance than others. We will have reason to return to these explanations later.

AUSTRALIAN NON-PROFIT ORGANIZATIONS

This analysis will focus on Australian non-profits. The non-profit sector in Australia has many distinctive elements (for an overview, see Lyons, 2001, chapters 14 and 15), but we will focus here on those elements that might be expected to increase or diminish isomorphism. As will become apparent, the distinctive character of the non-profit sector in Australia can be expected to do both.

Isomorphism among Australian non-profits might be expected to be increased by:

- An historically centralized employment relations system in which state and federal Industrial Relations Commissions standardize pay and conditions in many occupations and industries through a system of awards (Western, 1997). Although non-profit organizations had been largely outside the awards system, in the 1990s, such awards came increasingly to be imposed on non-profits, especially in community services.
- A social welfare model that relies extensively on government-funded non-profit providers. Contracts are fast replacing grants. Contractual relationships, which are growing most markedly in community services, increase prescription by and accountability to the state (see the 1997 Special Issue of Third Sector Review on “Contracting for Care” and also Kramer, 1994; Nowland-Foreman, 1998; Muetzelfeldt, 1998). For example, government contracts sometimes stipulate rules about non-profit board composition. Moreover, government contracts frequently require the implementation of Industrial Relations Commission award standards even when the Commission, itself, has not imposed the standard.
- Incorporated associations acts, passed by all states starting in the early 1980s, that prescribe many structural elements and, indeed, are more prescriptive still than federal corporations law. Associated with these acts typically are model rules that many new non-profits use as an organizing template.
- Increasing reliance on professionally trained managers and staff, often substituting for volunteers. This shift has exported professional values, norms, and operating methods, particularly from nursing into health care non-profits and from social work and business into community services.
- Particularly in the faith-based sector, recent (and still scattered) centralization by a large parent organization of such capital-intensive or routine functions as computer services and payroll. The scale economies realized may require standardized procedures by the clients taking advantage of the centralized services.
- The strength of umbrella associations, often called “peak bodies” in Australia. Along with their primary role of advocating to the government, these organizations promote communication networks, disseminate best practices, and otherwise attempt to standardize aspects of their members’ operations. They are structured by industry (e.g., child care, art museums), not across the entire non-profit sector (May, 1996; Melville, 1999, 2003).

On the other hand, isomorphism among Australian non-profits might be expected to be held in check by:

- The relatively even distribution, compared to other societies, of non-profits in Australia across various industries (e.g., health, education, religion, social services, advocacy), which may themselves vary structurally (Lyons, 2001).

- A preponderance of membership associations, in which the non-profit is designed and run less according to a model (despite the easy availability of such models - see above) and more according to the highly variable needs and preferences of the members. The form adopted at founding is likely to imprint itself strongly on the organization's subsequent life (Stinchcombe, 1965).
- State-level non-profit histories, incorporation laws, and regulation, which inject some variability that would not be found if the relevant history, law, and regulation were at the federal level.
- Weakness of legal accountability standards and systems for non-profits. The federal Industry Commission in its landmark assessment of *Charitable Organizations in Australia* (Industry Commission, 1995, chapter 8) remarked on the lack of consistent data collection processes and the lack of standardization in financial and other reporting. It noted its own difficulty in assembling adequate and comparable data on even the largest Australian charities. In advocating the introduction of uniform accounting standards and a new form of incorporation, both at the federal level, it signalled the lack of uniformity in non-profit accountability.
- Non-profit tax law that allows many non-profits to raise substantial revenues through the sale of products and services not directly related to their mission. Such "un-related business activities" diminish some Australian non-profits' dependence on grantors and donors. Indeed, 62.5 percent of Australian non-profits' cash revenue in 1995 came from fees charged for goods and services (both related and un-related to the organizational mission), the highest proportion among the OECD countries (Lyons, Hocking, Hems, & Salamon, 1999).
- A substantial faith-based non-profit sector in which Catholic and Anglican organizations tend, all else being equal, to have more diocesan or parish autonomy, while other Protestant organizations tend to be subject to greater central control. Cleary's (2001) finding of six distinct governance structures among Australian Catholic Human Service Organizations is consistent with this argument.
- The absence of peak bodies that unify the various non-profit industries (no peak of the peaks), in the manner of Independent Sector in the United States or the National Council of Voluntary Organizations in the United Kingdom.

DATA AND METHOD

Data

The analysis is based on data regarding 93 organizations,⁵ which constitute a random sample of Australian non-profits with at least one full-time employee in addition to the chief decision maker. The sample is a sub-set of the Australian National Organizations Survey (AusNOS), collected in 2001-2002 by telephone interviews with the chief decision maker in 618 workplaces. The respondent

⁵ These 93 non-profit organizations include 18 in education (ANZSIC (i.e., Australia and New Zealand Standard Industrial Classification) 84), 14 in health care (ANZSIC 86), and 28 in community services (ANZSIC 87).

designated the organization as a not-for-profit, as opposed to a for-profit or a government organization.⁶

The AusNOS sample was derived from the Australian National Social Science Survey, a random mail survey of individuals collected in 2000, in which respondents were asked to provide the name and address of their workplaces. These workplaces became the AusNOS target sample. AusNOS had a cooperation rate of 57.4 percent, which compares favourably with most organizational samples used in published analyses (Tomaskovic-Devey, Leiter, & Thompson, 1994).⁷

Using a sample of individuals as the sampling frame for a sample of organizations, a technique called multiplicity or hyper-network sampling, makes the probability of selecting a particular organization proportional to its employment. In our sample of non-profits, therefore, organizations with many employees have a greater chance of selection than those with few employees. This accounts for the relatively large number of health care non-profits and the relatively small number of community services non-profits in the AusNOS data in comparison with the proportions estimated for Australian non-profits by Lyons and Hocking (2000) largely with government data: on average, a health care non-profit employs many workers, while a community service non-profit employs few. Strictly speaking, in order to make inferences to the population of organizations, the AusNOS data should be weighted by the inverse of the number of employees in the organization. I have decided against weighting because the unweighted data, with their disproportion of large non-profits, represent, better than would the weighted data, all else being equal, the impacts of the non-profit sector.

The place of volunteers, who are quite numerous in many non-profits, is unaddressed and ambiguous in the AusNOS. Lyons and Hocking (2000) using data on Australian non-profits with at least one employee, estimated about 3.6 times as many volunteers as paid employees. Some volunteers in non-profits in the original AusNOS sample of individuals may have provided the name and address of their non-profit as their workplace; most probably did not. This likely led to the under-representation in AusNOS of non-profits that use volunteers more than paid staff. The ratio of volunteers to paid staff, moreover, varies widely by non-profit industry (Lyons & Hocking, 2000, Table 5.1, p. 65); therefore, the under-representation is unevenly problematic across the non-profit sector. AusNOS, itself, did not ask about

⁶ This self-identification may have resulted in some misclassification about which we can do nothing. For example, the respondent at a public university may well have termed his organization a government organization, where in some cases, legally it is a non-profit and would be incorrectly left out of the non-profit sample. In other cases, for example hospital foundations and rural fire brigades, the distinction between government and non-profit organization is contested. The very precise definitional language used by the Australian Bureau of Statistics suggests why some managers would be confused whether their organizations were non-profits or not: "Non-profit institutions (NPIs) have the following characteristics: they are organisations, they are not-for-profit and non-profit-distributing, they are institutionally separate from government, are self-governing, and non-compulsory (author's note: so far, so good, more or less, but now...). In this satellite account NPIs that are classified to the general government sector (the most notable being universities and public hospitals operated by religious orders) have been excluded, even where they are self-governing and institutionally separate from government. NPIs that operate in the commercial sphere and permit the distribution of assets to members in the event that they are wound up (NPIs in the finance and insurance industry and trading co-operatives) have also been excluded. The scope of the NPI satellite account is important, as it will affect the size of the sector" (Australian Bureau of Statistics, 2002, p. 6).

⁷ One thousand four hundred eleven individuals reported that they were employed, and most provided their workplace information. AusNOS researchers were able to locate 1058 unduplicated workplaces on which the cooperation rate was computed. Some of those not located would have disbanded in the interim.

volunteers, specifically, so it is impossible to know to what extent they were included or excluded in counts of various types of employees.

Despite this limitation, random samples of non-profit organizations are rare, and a nationwide random sample that does not suffer the bias in any list-based organizational sample (Kalleberg, Marsden, Aldrich, & Cassell, 1990) is exceedingly rare. Moreover, organizational studies from an institutional perspective tend to rely on small numbers of cases (Rikki Abzug, 1999), so analysis of isomorphism in a relatively large data set will be something of a departure from the norm. Overall, the AusNOS non-profit sample should provide a very valuable basis for this inquiry.

Variables

The analysis uses three clusters of variables, all at the organizational level:

- Organizational characteristics whose similarity across the organizations is to be assessed and explained.
- Factors thought to induce isomorphism, which specify many of the processes DiMaggio and Powell (1983) suggest as causing coercive, mimetic, and normative isomorphism.
- Control variables, which in this analysis are known correlates of many of the organizational characteristics; if they are also correlated with the factors thought to induce isomorphism and were omitted from the analysis, the result would be incorrect causal inferences.

Organizational Characteristics

With many important organizational characteristics in the AusNOS data set to examine, their classification is somewhat arbitrary. We will treat several as aspects of bureaucratisation and the rest as conditions of employment. The exact classification is not crucial to the analysis or the interpretation of the findings. The value of the measures derives from their variety. We will be able to examine isomorphism in a diverse set of organizational characteristics.

The organizational structure characteristics analysed here are different from the organizational strategy characteristics often analysed in studies of isomorphism (for example, see Deephouse's (1999) study of resource allocation and Haveman's (1993) study of entry into new markets). In this connection, we should take special note of Oliver's (1988) finding of diversity among social service non-profits' levels of centralization, specialization, and formalization. Her focus on structural rather than strategy variables makes for parallels to our study.

Some of our structural variables have distributions that depart from normality, often because of a long tail. These variables will need to be transformed for the bi-variate and multi-variate parts of the analysis on the determinants of isomorphism, but the univariate part on the extent of isomorphism will be done with the untransformed variables.

Bureaucratization

Differentiation: The data allow the following operationalizations of differentiation: (1) the number of different jobs as a fraction of total employees (sum of full-time, part-time, and casual workers); (2) the number of different departments at the workplace out of nine enumerated possibilities.

Hierarchy: AusNOS includes information on the breadth of the hierarchy in the form of the number of direct reports to the establishment CEO, who is typically the respondent and ought to be able to give accurate information on this matter. The data set also allows several measures related to the height of the hierarchy: (1) the number of levels of management;⁸ (2) the frequency of movement into management on a four-point index where 1 is frequently and 4 is never (hence, a measure of promotion infrequency); and (3) the difference between the average managerial annual earnings and those of “the employees who are most directly involved with the most important product or service” (called “core workers” in AusNOS).

Formalization: The measure here is the number of written documents out of seven enumerated possibilities. All concern job responsibilities and conditions. Some small outliers require transformation by squaring for the second part of the analysis.⁹

Employment Conditions

Full-time work: AusNOS asked for the percentages of workers in the core job and in the low job (defined as the job that has the most workers among those paid less than the core job) who are full-time, part-time, and casual (i.e., temporary). We focus on the full-time percents as an indicator of job quality. The full-time percents of core and low jobs are correlated at .243, suggesting that full-time work in one neither predicts nor substitutes for the other. The average of the two percentages is our best indicator of overall employment regularity in the organization. In 28 percent of the non-profit establishments, there was no job that paid less than the core job. In these organizations, the percent full-time in the core job is used for this measure.

Worker control: The data include the respondent’s ratings of core workers’ personal control over the job on a four-point index (4 indicates complete control).

Work intensity: The data set includes respondent reports of three components of increasing core job work intensity: working harder; tasks becoming more complex; and hours becoming longer. The three components co-vary adequately (inter-item correlations between .26 and .45) to allow an additive index that ranges from 0 to 6. Cronbach’s alpha = .61.

Factors Thought to Induce Isomorphism

The question in the first part of the analysis will be, how variable are the organizational characteristics just described? In the second part of the analysis, the question will be, does this variability differ according to the level of the factors DiMaggio and Powell (1983) suggest as causing isomorphism? We will refer to these suggested causes as isomorphism-inducing factors (IIFs). This means that the organizational characteristics must be categorized according to the levels of each IIF.

⁸ Because respondents were asked for the number of levels between the lowest and highest levels of management, a one-level managerial hierarchy is a logical impossibility in these data. Many non-profits, however, either because of small size or ideological commitments, have such flat hierarchies they will be misrepresented by this measure.

⁹ AusNOS lacks data on standardization, which would have been of special interest in this study of isomorphism (i.e., standardization generally refers to homogeneity of practices within an organization, where isomorphism, as used here refers to homogeneity across organizations). A proxy for standardization is available: the number of weeks core workers usually require to become reasonably proficient. Unfortunately, this measure has such low variance in the non-profit sample as to make it unusable as a variable: core workers in three-quarters of the cases were reported as requiring 18 or fewer weeks to become proficient at their jobs. The widespread low level of skill requirements suggested here is substantively important even if the information is not useful as a variable.

Comparison of variation in subsets of organizations requires grouping decisions. Analysis of the modest non-profit sample of 93 organizations will allow only two groups. The groups could be constructed to equalize the group sizes or to create substantively meaningful contrasts. The decision rule here is to create groups that are substantively meaningful as long as they each have at least 25 organizations, whenever possible. Four of the IIFs, as described below, are dichotomies, but the other eight have more than two categories or are continuous, requiring such grouping decisions and the resulting loss of information on the IIF. For only one IIF, managerial education, does creating meaningful groups lead to a group with fewer than 25 cases.

Coercive Isomorphism

The state: A non-profit organization may be governed by state regulations. Moreover, state power may flow from organizational dependence on the state. The data include partial measures of both. State regulation is indicated by the administration of core jobs under centrally prescribed employment conditions, called "awards." Awards govern core jobs in 44 percent of the non-profits. An additive index of dependence on the state is formed from the number of government programs from which the organization receives help (recomputed to vary from 0 to 1) and a dummy variable indicating that government at either the local, state/territory, or federal level is the organization's biggest revenue source. The two parts of the index are correlated .32. The index is split such that the higher category includes only organizations receiving help from at least one government program and for which government is the most important source of revenue.

Subordinate to headquarters: Forty-five percent of the non-profits in the sample are formally subordinated to organizational headquarters as branches, subsidiaries, or franchises. As such, they may be required to follow centrally issued directives. A more complete measure of headquarters power would add to this formal subordination dependency on headquarters for funds. Unfortunately, the number of non-profits subject to both aspects of headquarters power is only 20, which falls below our criterion for a stratum in the analysis. Hence, we rely only on formal subordination.

Income from donors: Sixty-six percent of the non-profits receive income from donors. This is a minimal indication of the power of donors over the non-profits. For too few of the non-profits in these data (only seven) are donations their main source of revenue, so this additional information cannot define a stratum. Moreover, the data set does not include information on the relative sizes of the donors, so the potentially important contributor to donor power over non-profits arising from "donor concentration" cannot be included (in contrast, see Chang & Tuckman, 1994 who developed an index for non-profit revenue diversification and showed it to be positively related to some aspects of financial health).

Supplier or client concentration: If the non-profit organization faces one vendor or one client that accounts for a large part of its supply or demand, it may need to comply with requirements of that vendor or client. A third of the non-profits indeed do face a vendor and/or a client that accounts for at least half of its inputs or outputs, which is our cut-off for stratifying this variable.

Union power: Unions' capacity to influence an organization's ways of doing business is a function of complex labour market and institutional dynamics, along with the actual unionisation of the organization's workers. In these data, however, we only have the latter information. Thirty-nine percent of the AusNOS non-profits have a

core job work force that is at least half unionised, the cut-off point for defining our strata.

Mimetic Isomorphism

Goal ambiguity: Goal ambiguity can be a fundamental barrier to rational structuring. Along with unstandardized technologies (i.e., means for accomplishing goals) and unreliable components of the environment, it is the prime source of uncertainty facing organizations. According to DiMaggio and Powell (1983), an organization that is not clear about its goal is likely to copy other organizations it regards as successful or legitimate. AusNOS asked non-profit managers to evaluate the importance of eight wide-ranging goals. Goal ambiguity is indicated in two ways: (1) by a small difference between the highest and lowest importance reported; and (2) by a large number of goals reported as having the same high importance. These two indicators are correlated at .37. After recomputing each to range from 0 to 1, they are averaged to form an index of goal ambiguity, which is dichotomised at the mid-point.

Decline: Decline can motivate a search for a better approach and thereby lead to copying. AusNOS includes reports of decline in seven areas of performance; twenty-two non-profits admit decline in one or more areas. The data also tap decline in revenues; twenty-two report some decline. The two measures are correlated .536, but fully 20 of the 29 non-profits that report decline of one or the other type do not report both types of decline. We dichotomise by contrasting non-profits who report neither type of decline with non-profits that report either form of decline.

Change: Beyond decline, change itself may cause uncertainty and motivate the search for alternative models. AusNOS requested reports of change in five areas of operations, such as "what we make," outsourcing, and communications technology. Twenty-nine percent of the non-profits reported change in none of these areas, sixteen percent in four of five areas. We dichotomize at change in two or fewer areas (59 percent) in comparison with change in three or more areas (41 percent).

Sharing: Where uncertainty motivates copying, regular sharing across organizational boundaries creates the opportunity for so doing. AusNOS asked about sharing resources with seven types of organizations, including government and headquarters. Forty-two percent of the non-profits in the sample share with at least three types, our cutting point for the dichotomy.

Normative Isomorphism

Consulting: Consulting carries the idea of getting expert advice and extends the idea of sharing. (At .363, the moderate correlation between consulting and sharing suggests that the ideas are related but hardly synonymous.) AusNOS asked about consulting with eight different sources and regarding nine different areas. Recomputing the number of each to range from 0 to 1, their average is dichotomised for the analysis at .6.

Manager's education: The manager's education indicates professionalization in the non-profit. Post-graduate education most clearly marks professional preparation. At this level, training in Australia designed specifically for non-profit managers is quite rare (Lyons & Nyland, 1995). Only 18 of the non-profits report post-graduate as the level of typical managerial education, but we shall use this cutting point, even though the number in the category falls below our guideline.

Overall Index of Isomorphism-Inducing Factors

While most of the analysis will examine the effects of the specific IIFs detailed above, we also index the 12 IIFs in order to be able to make summary statements. The index is formed by first totalling the number of IIFs that are above their respective dichotomization points and, then, dichotomising this sum. The cutting point for the index is 5 or more IIFs.¹⁰

Control Variables

It is not necessary to proliferate statistical controls. We control for size, age, and slack resources.

Size: Size has an employment and a revenue component. Total employment, operationalized here as the sum of full time, part time, and casual employment, is correlated quite strongly with annual revenue at .59. We use an index that allows each component a range from 1 to 100, then, takes the average. That the correlation is not even higher reflects the presence in the sample of nonprofits with large budgets but few employees, foundations for example, rather than of nonprofits with many employees but small budgets. The employment component of the size index has an important limit in a study of non-profit organizations: it treats volunteers ambiguously. Some respondents may have included volunteers among employees; others may have omitted volunteers altogether, thus leading our measure to underestimate the total work force of the establishment.

Age: The age in years since the organization was created stretches from newborn to not long after Europeans first settled on or were transported to the continent, with the oldest of them founded in 1812. The older organizations have shown substantial survival power. Just over a third of these nonprofits have changed their name since establishment, with the median age of those that have changed their name being almost twice that of those that have not.¹¹

Slack: Slack resources allow organizations to recover from problems and to innovate. AusNOS asked about the availability of cash to withstand a short emergency and about the capacity to withstand the financial shortfall that might accompany a large change in activities. These indicators, surprisingly, are not strongly associated; sixty percent of the nonprofits reported they had slack resources on one indicator but not the other, with the others almost evenly divided between no slack and slack on both. Because of the theoretical strength of the concept, it does, nonetheless, seem reasonable to create a three-level index for slack (i.e., neither, one but not the other, both).

¹⁰ A cut-off at 6 or more IIFs would be substantively more defensible because it would indicate high values on at least half the IIFs. We use the lower cut-off with a view to consistency with future analyses that will include the for-profit sector. In that sector, the higher cut-off would lead to a high IIF category with very few organizations. This distributional problem points to the interesting finding, to be explored in that later work, that for-profit organizations report fewer IIFs than do non-profit and government organizations.

¹¹ Chronological age is not the only way to conceptualise age. The era of founding may be important for the imprint it places on an organization (Stinchcombe, 1965), and organizations that experience certain historical moments may differ from those that do not, by virtue of being founded later. Lyons (1993), for example, periodises Australian non-profit history into four eras: 1788-1860's from convicts to gold; 1860-1914 growth of a non-profit society; 1920s-1960s business non-profits in a conservative society; and late 1960s-1980s the flourishing of community endeavors. Subsequent studies that focus on age effects should examine both chronological age and era of founding.

Analytic Approach

The analysis proceeds from a univariate stage, to a bi-variate stage, and finally to a multi-variate stage. The univariate stage addresses the question, How great is the similarity among Australian non-profits? We have identified ten organizational characteristics for this assessment, which requires attention not to the central tendencies of the distributions on these dependent variables, but rather to their variations. The less the variation, the greater the isomorphism.¹²

The bi-variate stage of the analysis addresses the question, What factors are most responsible for isomorphism in these orgs? We have identified 12 variables with which to operationalize the coercive, mimetic, and normative isomorphism-inducing processes identified by DiMaggio and Powell (1983). The approach here is to compare the variation on a given organizational characteristic within the strata defined by increasing levels of an IIF. With ten organizational characteristics and 12 IIFs, we will perform 120 such comparisons, yielding an analysis that must be summarized rather than discussed in all its parts.¹³

The bi-variate analysis resembles a one-way analysis of variance that compares the variances in the two strata rather than their means. The statistical significance of the difference is estimated by Levene's test, which is a non-directional test for the homogeneity of two variances (Levene, 1960). As our hypotheses are directional (i.e., we expect the smaller variance in the group with the higher value on the IIF), we must combine the probability given by the test with the observation of the direction of the difference. We will consider the data to be consistent with our expectations when the test has a probability of sampling error less than .05 and the difference is in the expected direction.

The general linear model under which Levene's test is conducted assumes random errors. If the variances of the residuals in the two IIF strata differ (here we use, as a rule of thumb, difference by a magnitude of two or more), we will not be meeting this assumption. We have this problem of heteroscedasticity across five or more IIFs for three of the organizational characteristics.¹⁴ The remedy is to transform the organizational characteristic, by taking the log of the number of management levels and of direct reports to the CEO (plus 1) and by squaring the number of job documents. We use the untransformed variables in the univariate stage of the analysis to allow easier interpretation.

In the multi-variate stage of analysis, we introduce control variables that might be the source of a spurious relationship between an organizational characteristic and an IIF or that might suppress a causal relationship between the pair. Size, age, and slack

¹² This focus on variation is clearly suggested by DiMaggio and Powell (1983, p.155): "...the best indicator of isomorphic change is a decrease in variation and diversity, which could be measured by lower standard deviations of the values of selected indicators in a set of organizations." A very recently published study of isomorphism in the U.S. for-profit, non-profit, and government sectors (Frumkin & Galaskiewicz, 2004), with clear parallels to this study in intent and type of data, makes the error of focussing on means instead of standard deviations as its indicator of isomorphism.

¹³ Analysis of the impact of IIFs on isomorphism could be carried out in another way: for a given organizational characteristic, we could compute the relationship between the level of an IIF and the deviation of the organizational characteristic (either absolute or squared) from the central tendency (median or mean) of that characteristic. Indeed, this analytic approach is well represented in the literature (e.g., Deephouse, 1999; Kraatz & Zajac, 1996). Its advantage is that no information is lost to categorizing, but we lose the sense of isomorphism as an organizational field characteristic and are led, instead, to talk about an organization's isomorphism relative to others in its field.

¹⁴ For two others, the earnings gap and work intensity variables, we have heteroscedasticity in the case of only one of the 12 IIFs and, therefore, take no steps to reduce it.

tap diverse conceptual clusters that shape organizational structure; as such, they are appropriate controls in this analysis.

Levene's test cannot be performed outside the bivariate context. Hence, our approach for the multi-variate analysis is to save the residuals from regressing an organizational characteristic on the three controls, then to use Levene's test to compare the variances in the residuals for the strata defined by the IIF.¹⁵

FINDINGS

Extent of Isomorphism

How similar are Australian non-profits to one another? That is, how isomorphic are they? This fundamental question could be addressed by comparing non-profits with another kind of organization; in this manner, we could ask: Are non-profits more similar to one another than are for-profits or than are non-profits in the U.S.? Put comparatively, and this is a desirable next step, the assessment of Australian non-profit isomorphism could be subjected to a test of statistical significance. But without such comparisons, we will have to make a substantive judgment of the extent of non-profit isomorphism.

A substantive judgement is best made with a readily grasped measure, the inter-quartile range. As reported in Table 1, the inter-quartile range gives the distance on the relevant metric that encompasses all the cases from the 75th percentile (i.e., larger than 75% of the cases) to the 25th percentile (i.e., smaller than 75% of the cases). These are, then, the middle-most half of the cases.

¹⁵ Another way to introduce the control variables would be to save the residuals from regressing an organizational characteristic on the IIF and the three controls, then compare the variances in the residuals from the strata defined by the IIF. Running these analyses and comparing with results as presented in the paper makes little difference: three-quarters of the variance comparisons (92 of 120) showed no change in either significance level (significant $p < .05$ to non-significant or vis-a-versa) or direction of the difference between the two variances; nineteen comparisons showed a difference in direction but no difference in significance level; only nine comparisons showed a change in significance level, all without a change in direction; none of the comparisons showed both a change in significance level and a change in direction. We should feel comfortable in interpreting the multi-variate analysis as presented in the body of the paper.

Table 1. Descriptive Statistics

	Entire Non-Profit Sample						Strata Ns	
	N	Mean	Median	Std Dev	Int-Q Range	Coeff of Variation	Low	High
ORGANIZATIONAL CHARACTERISTICS								
Bureaucratization								
Different jobs	88	.34	.22	.30	.44	0.88		
Departments	93	4.32	5.00	3.23	6.00	0.75		
Direct reports to CEO	93	47.38	10.00	103.43	36.00	2.18		
Levels of management	88	4.90	4.00	2.75	3.00	0.56		
Infrequency of promotion from core to manager	85	2.31	2.00	0.96	1.00			
Difference in earnings between core and manager	70	19561	17000	12724	19000	0.65		
Written documents	93	5.92	7.00	1.67	1.00	0.28		
Employment conditions								
Percent full-time	92	56.19	65.00	35.77	100.00	0.64		
Core wrks' personal control	92	2.63	3.00	0.64	1.00			
Core work intensity increase	91	4.25	5.00	1.25	2.00			
SOURCES OF ISOMORPHISM								
Coercive isomorphism								
Core jobs by award	93	0.441	0.000	0.499	1.00		52	41
Gov't programs important*	93	0.892	1.000	0.685	1.33		49	44
Subordinate to headquarters	93	0.452	0.000	0.500	1.00		51	42
Income from donors	93	0.656	1.000	0.478	1.00		32	61
Large supplier or client*	84	35.798	22.000	32.686	50.00	0.91	56	28
Core workers unionised*	85	36.412	22.000	36.794	66.00	1.01	52	33
Mimetic isomorphism								
Goal Ambiguity*	93	0.405	0.349	0.211	0.27	0.52	61	32
Decline*	93	0.312	0.000	0.466	1.00	1.49	64	29
Change*	93	1.892	2.000	1.514	3.00	0.80	55	38
Sharing*	93	2.118	2.000	1.719	2.00	0.81	54	39
Normative isomorphism								
Consulting*	93	0.580	0.646	0.260	0.36	0.45	44	49
Managers education*	74	4.851	5.000	1.003	0.00		56	18
Overall IIF index*	93	4.882	5.000	1.916	3.00	0.39	36	57
CONTROL VARIABLES								
Establishment size	91	16.75	3.84	24.19	24.17	1.44		
Age	93	47.98	29.00	40.92	64.00	0.85		
Slack resources	93	0.99	1.00	0.63	0.00			

*This is a continuous variable that is dichotomised for subsequent analyses. The descriptive statistics are for the continuous variables.

The inter-quartile ranges for the organizational characteristics we have available in the AusNOS data allow us to say of these middle-most cases:

- For every two employees in the organization, the number of distinct job titles varies by almost one job title.
- The number of different departments varies by six departments.
- The number of direct reports to the CEO varies by 36 people.
- The frequency of promotion into management varies one point on a four point scale, for example, from sometimes to rarely.
- The earnings difference between the typical manager and the employees who do the core production work varies by \$19,000.
- Out of seven enumerated matters of job responsibilities and conditions, the number of written documents varies by one document.
- The full-time percentage of non-managerial workers, as suggested by the core production and low-level workers, varies from 0 to 100 percent.
- Core workers' personal control over their job, as rated on a four point scale varies by one point, as from some control to none.
- The extent to which core workers are working harder, longer, and at more complex jobs varies by an increase in intensity on two of the three criteria.

Of these substantive assessments, only on the number of written documents does there appear to be little variation among the middle-most half of the organizations.

The magnitude of the inter-quartile range is partly determined by the metric in which the organizational characteristic is measured. (The same is true of the standard deviation.) In evaluating and comparing levels of isomorphism with the inter-quartile range above, we have therefore had to take account of the metric. We can eliminate this element of judgment and facilitate comparisons across the organizational characteristics by using the coefficient of variation instead of the inter-quartile range. The coefficient of variation is computed by dividing the standard deviation by the mean. This effectively standardizes the measure across the metrics, allowing us more simply to compare the level of sameness across the organizational characteristics. We do, however, lose the easier interpretation of the inter-quartile range as the range of the middle-most half of the cases. In addition, the coefficient of variation is appropriate only for ratio-level measures (Bedeian & Mossholder, 2000); this makes it inappropriate for three of the organizational characteristics, five of the IIFs, and one control variable, for all of which it is not reported in Table 1. The coefficients of variation for the remaining seven organizational characteristics confirm that the number of written documents has a relatively low level of variation, that is, a relatively high level of isomorphism.

Processes That Induce Isomorphism

Even if, overall, Australian non-profits do not appear to be isomorphic, we may be able to identify the processes that produce what isomorphism there is, that is to locate the pockets of isomorphism within the non-profit field. Here we will be adapting to Australian non-profits some of the hypotheses suggested by DiMaggio and Powell (1983). Tables 2, 3, and 4 present the bi-variate part of the analysis for the factors thought to produce coercive, mimetic, and normative isomorphism, respectively.

Number of job documents (square)	14.704	15.614	13.465	0.341	17.114	10.602	0.002	14.644	14.858	0.938	12.14	15.942	0.113	16.409	12.347	0.105	15.76	10.785	0.043
Employment Conditions																			
Full-time work	35.77	32.307	37.977	0.101	34.564	36.734	0.5	36.113	34.353	0.612	36.451	35.451	0.833	35.391	36.264	0.882	37.34	32.383	0.168
Core workers' personal control over tasks	0.64	0.669	0.61	0.533	0.63	0.658	0.771	0.639	0.59	0.585	0.738	0.588	0.14	0.61	0.737	0.268	0.664	0.645	0.827
Intensity of core work	1.25	1.306	1.189	0.544	1.103	1.355	0.269	1.266	1.25	0.923	1.146	1.277	0.554	1.187	1.474	0.227	1.381	1.077	0.144
Stat Sign Comparisons Expect Direct	0				3			1			0			0			1		
Comparisons in Expected Direction	5				5			7			5			2			7		

Table 3. Mimetic Isomorphism: Responses to Uncertainty Regarding Goals and Change and to Information Sharing

	Full Sample	Goal Ambiguity			Decline			Change			Sharing		
		Low	High	Probability	Low	High	Probability	Low	High	Probability	Low	High	Probability
Bureaucratic Structure													
<u>Differentiation</u>													
Number jobs as fraction of employ	0.3	0.3	0.29	0.789	0.295	0.297	0.991	0.288	0.308	0.669	0.315	0.266	0.265
Number of departments	3.23	3.154	3.424	0.372	3.156	3.439	0.368	3.32	2.805	0.15	3.215	3.227	1
<u>Hierarchy</u>													
Number of levels of management (log)	0.472	0.466	0.488	0.841	0.489	0.409	0.364	0.456	0.436	0.796	0.501	0.426	0.358
Direct reports to CEO (log)	1.41	1.489	1.24	0.192	1.464	1.285	0.387	1.348	1.5	0.487	1.535	1.234	0.124
Earnings gap btwn core and manager	12724	13331	11201	0.337	11984	14464	0.28	12716	12628	0.95	13743	11142	0.189
Infrequency promotion core to manager	0.96	0.974	0.91	0.547	0.859	1.154	0.012	0.951	0.963	0.933	0.989	0.894	0.431
<u>Formalization</u>													
Number of job documents (square)	14.704	15.442	12.966	0.291	15.37	12.819	0.292	15.988	12.703	0.148	16.137	12.556	0.118
Employment Conditions													
Full-time work	35.77	35.967	35.534	0.844	35.654	36.163	0.963	36.474	33.946	0.461	36.902	34.524	0.465
Core workers' personal control over tasks	0.64	0.637	0.66	0.855	0.61	0.712	0.333	0.649	0.638	0.893	0.627	0.668	0.684
Intensity of core work	1.25	1.343	1.085	0.214	1.24	1.297	0.832	1.121	1.408	0.183	1.253	1.225	0.87
Stat Sign Comparisons Expect Direct		0			0			0			0		
Comparisons in Expected Direction		7			3			6			8		

Table 4. Normative Isomorphism: Professionalization and Networks

	Full Sample	Consulting			Managers' Education			Tab 2-4 Comps in Expect Direct Stat		Index of All IIFs		
		Low	High	Probability	Low	High	Probability	Sign	All	Low	High	Probability
Bureaucratic Structure												
Differentiation												
Number jobs as fraction of employ	0.3	0.327	0.257	0.089	0.259	0.212	0.449	1	10	0.339	0.258	0.04
Number of departments	3.23	3.142	2.936	0.544	3.212	3.232	0.906	0	3	3.065	3.228	0.556
Hierarchy												
Number of levels of management (log)	0.472	0.481	0.459	0.776	0.343	0.571	0.013	1	6	0.446	0.455	0.88
Direct reports to CEO (log)	1.41	1.527	1.31	0.265	1.331	1.489	0.597	0	4	1.222	1.364	0.426
Earnings gap btwn core and manager Infrequency promotion core to manager	12724	13618	12140	0.476	12898	10605	0.289	1	9	14561	11212	0.108
0.96	0.922	0.985	0.566	0.947	0.799	0.317	0	7	0.888	1.003	0.33	
Formalization												
Number of job documents (square)	14.704	17.179	11.464	0.005	12.381	13.738	0.716	3	9	17.698	11.24	0.001
Employment Conditions												
Full-time work	35.77	33.437	37.921	0.172	36.454	29.697	0.129	0	7	36.951	35.2	0.648
Core workers' personal control over tasks	0.64	0.655	0.636	0.842	0.63	0.588	0.672	0	7	0.631	0.651	0.814
Intensity of core work	1.25	1.034	1.42	0.065	1.341	0.786	0.086	0	6	1.098	1.319	0.32
Stat Sign Comparisons Expect Direct			1			0						
Comparisons in Expected Direction			7			6						

Each horizontal group of three cells should be read together. The first two cells give the standard deviations of the organizational characteristic (row variable) within the low and high IIF (column variable) strata. The third cell gives the probability, estimated by Levene's test, that a difference that large would occur by chance. The last two rows in each table and the last two columns in Table 4 summarize the comparisons and tests in the three tables. The first summary row or column totals the number of differences that are statistically significant below the .05 level and that are in the expected direction (i.e., smaller for the high IIF stratum). The second summary row or column totals the number of differences that are in the expected direction without regard for the statistical significance of the difference. The count of statistically significance tests is the more important summary, but the count of expected differences allows us to detect suggestive patterns in the data that might not meet the stricter statistical test.

Overall in all three tables combined, we find only six statistically significant differences in the standard deviations of the organizations low and high on the factors thought to cause isomorphism. This is five percent of the 120 comparisons in the tables. This percentage is exactly the proportion of the comparisons expected to be statistically significant by chance at the .05 level. Similarly, the overall index of isomorphism-inducing factors, whose impact is reported at the right of Table 4, shows statistically significant differences for only two of the 12 IIFs. There is, thus, no overall support in this sample of Australian non-profits for DiMaggio and Powell's theory of isomorphism production.

The statistically significant differences are concentrated in Table 2; five of the six concern coercive isomorphism. We may be tempted to conclude from this concentration that the dependence of non-profits, which subjects them to the power of environmental actors, is the key to understanding their structures. And, finding no statistically significant differences in Table 3 on mimetic processes, we may be eager to echo Mizuchi and Fein's (1999) criticism of organizational theory for having overemphasized mimetic isomorphism. Before we give in to these temptations, however, we should note that the five significant differences in Table 2 constitute only 8.3 percent of the 60 comparisons in this table. This is still a very low proportion and quite likely to have happened by chance.

Three of the six statistically significant differences are produced by one IIF, the importance of government revenue. These three constitute 30 percent of the comparisons in that column. This many statistically significant differences in the expected direction are unlikely to have happen by chance. Still, this proportion is a minority of the 10 possible comparisons, even in this most isomorphogenic of columns.

We can cautiously count differences in the expected direction as an additional way to look for patterns consistent with the theory of structural isomorphism. The greater the deviation from 50 percent, the greater may be the manifestation of a pattern. We do not find such patterns. Across the three tables, 68 of the comparisons are in the expected direction, constituting 56.7% of the 120 comparisons or barely more than half. The proportions in the expected direction in the three tables are 51.7%, 60.0%, and 65.0%, all clustered near half. Moreover, Table 2 with its seeming concentration of statistically significant differences has the smallest proportion of differences in the expected direction, again underlining the absence of a supporting pattern.

The multi-variate analysis¹⁶, with controls for size, age, and slack resources, replicates the bi-variate findings. Now, there are only four statistically significant differences, with three concentrated in the table for coercive isomorphism, and two generated by the importance of government revenue. Seventy differences (58.3 percent), overall, are in the expected direction, with 53.3 percent, 65 percent, and 60 percent for the three tables, respectively.

Overall, we cannot say, by any stretch, that the analysis demonstrates isomorphism among Australian non-profits, taken as a whole. On the contrary, the findings show very substantial variety across this sector. Moreover, we cannot claim, on the basis of this analysis, to have marshalled support for the application of DiMaggio and Powell's (1983) explanations for isomorphism to Australian non-profits as an organizational field.

DISCUSSION

These negative findings should be carefully thought through because of the substantial influence DiMaggio and Powell's (1983) theory¹⁷ has had on organizational studies, because of our expectations that non-profit organizations would follow the theory, and because of the important implications of isomorphism (or the absence of it) for non-profits.

Limitations of the Study

The negative findings may reflect not the absence of isomorphism in Australian non-profits but our inability to detect it with these data.

Measurement

We have data with which to measure many relevant concepts, but some measures are minimally adequate. For example, our measure of subordination to headquarters merely identifies subsidiaries without zeroing in on those that receive funds from headquarters and, hence, are financially dependent as well as formally subordinate; a large branch or subsidiary sometimes is the tail that wags the headquarters dog.¹⁸ Similarly, our measure of dependence on donors only identifies non-profits that receive donations without comparing donations to other sources of revenue and without computing something like a donor concentration ratio. Without this additional information, we may be mixing non-profits that are not truly dependent on donors with those that are. In contrast, our measure of the importance of government revenue, where we found the greatest isomorphism generation, includes both the number of government programs from which the non-profit receives funds (carrying with it whether the non-profit receives any government support at all) and whether the government is the non-profit's biggest revenue source. Better measures might well detect more isomorphism and isomorphism generation.

Some relevant concepts, we cannot measure at all. These include both structures whose isomorphism we would have wanted to assess and factors that may generate isomorphism. The whole area of standardization, a key element of bureaucratization

¹⁶ Tables available from the author.

¹⁷ As of this writing, this one article has been cited 1575 times in journals included in the Social Sciences Citation Index.

¹⁸ Religious orders provide a notable Australian example: the order itself (i.e., the nominal "headquarters") may have few, mostly aged, members and even be on the verge of extinction, but its non-profit "subsidiary" hospital or school may be healthy, wealthy, and very large. Future governance and control of assets are problematic to say the least (McGregor-Lowndes, 2000).

and conceptually close to isomorphism, is missing from our analysis for this reason. As an additional example, accounting practices have received a lot of attention in the non-profit world and, indeed, have been analysed from an isomorphism perspective (see, for example, Irvine, 2000), but we have no data on accounting practices with which to see how similar they are in this sample, nor which IFFs may influence the level of similarity in them. Likewise, we have no data on membership in or use of resources from trade or professional associations, called “peak bodies” in Australia, even though these may well be important sources of normative isomorphism or may promote mimetic isomorphism among their members (see Galaskiewicz, 1985).

All secondary analyses, however, suffer from less than optimal measurement. The AusNOS data provide wide coverage of organizational characteristics and IIFs, certainly more than satisfactory for this kind of broad, rather than deep, analysis. The decided weakness of the findings should not be ascribed to poor measurement. Still, future efforts to bring the theory of structural isomorphism to bear on non-profit organizations should collect primary data that can focus on: (1) organizational characteristics where the movement toward homogeneity among non-profits has been particularly noteworthy or advocated; (2) dependencies and unequal power relations to which non-profits are particularly subject; (3) uncertainties that non-profits experience acutely; and (4) professional and expert networks in which non-profits are thoroughly enmeshed.

Time of Data Collection

While the data analysed here were collected quite recently, in 2001-2002, one can imagine circumstances under which isomorphism might have arisen since, such that subsequent data collection might reveal isomorphism that was not present only a few years ago. First, isomorphism-inducing processes that began not too long before data collection may not yet have manifested their effects. This would be especially the case if the process were intensifying or becoming more extensive over time. For example, government funding by competitive contract has been implemented unevenly across the Australian states and within states unevenly by government departments. Victoria pioneered (Fitzpatrick, 2004), but the new funding system came to Queensland considerably later, and within Queensland to health care non-profits before other government-funded non-profits, with the new funding system only affecting Queensland disability services non-profits in 2004 (personal communication from Dawn Butler). Second, some isomorphism-inducing factors may be more one-time events than on-going processes. If the impact of such an event were adequately powerful, it might produce a degree of isomorphism more quickly than we are accustomed to think of organizational change taking place. For example, the recent spate of corporate collapses, including HIH and One-Tel in Australia, have focused substantial media, political, and legal attention on governance in both the for-profit and non-profit sectors. The raft of such collapses post-dates AusNOS, but some isomorphic changes in governance structures and practices may well have already taken place. The importance and prominence of these changes in non-profit funding and governance suggest that AusNOS collected in 2004 instead of 2001-2002 might have detected more isomorphism than it did; still, more, relative to the very little we found, is not the same as the impressive pattern of isomorphism we expected.

Data Set Size

Given the modest size of our non-profit sample, a substantial difference between the standard deviations of the two IIF strata was required to call the difference statistically significant. Might the negative conclusions we have reached be due to our poor statistical power? How might our conclusions have been different if we had

a larger case base that reproduced the responses of the existing cases? We can approximate an answer to these questions by relaxing the conventional .05 standard for statistical significance. For exploratory purposes, we will relax the criterion considerably to $p < .20$, a level virtually never seen in social science analyses. Among Tables 2, 3, and 4, this simulation of a larger case base adds 12 comparisons in the expected direction. This yields a total of 18 statistically significant differences in the expected direction out of 120 comparisons or 15.0 percent, well short of the 20 percent we would expect by chance. Moreover, inspection of the pairs of standard deviations confirms that most are very similar. A modest case base does not appear to be responsible for our negative findings.

Australian Particularism

Perhaps Australian non-profit organizations are heterogeneous, while non-profits in other societies, if studied in a similar manner, would show more isomorphism. If so, we would be wrong to generalize from this analysis to conclusions about non-profit organizations per se. Such differences across societies are certainly worth exploring. Indeed, the National Organizations Survey, collected in the U.S. in 1991 with a similar sampling design, would allow some variance comparisons with Australian non-profits. I hope to undertake this comparison in the near future. The enumeration earlier of special characteristics of Australian non-profits that might impact the level of isomorphism, however, does not lead to the expectation of unusually low levels of isomorphism in Australia. In that list, we see many Australia-specific characteristics that should increase the level of isomorphism, and several of these reasons have the weight of a long history or of the law behind them. Moreover, we should resist the trap of treating increasing isomorphism as an element of historical evolution, so that we might expect Australian non-profits to “catch up” with those in the U.S. over time. This trap is set by DiMaggio and Powell’s basic contention that organizational fields become more isomorphic as they become more structured (1983, p. 147). Certainly, structuration is a process that occurs over time, but it should not be treated as necessary or desirable.

Definition of the Organizational Field

DiMaggio and Powell (1983) argue that isomorphism is promoted by intensified interaction of all sorts within an organizational field. If our choice of non-profit organizations as the field does not correspond to the set of organizations within which the most influential interactions occur, we may not detect existing isomorphism. Fields, correctly defined, would be quite isomorphic, while the non-profit sector taken as a whole would be characterized more by its variety. For example, the nine Australian states and territories, which provide somewhat distinct legal and regulatory environments for the organizations within them, may define distinct organizational fields. Alternately, interactions may be most frequent and influential among organizations that make the same product or service, that is, the same industry. Our 93 non-profits include 18 educational providers, 14 health care providers, and 29 social service providers. Were the numbers larger, we might be able to detect higher levels of isomorphism within these distinct industries. DiMaggio and Powell’s reasoning and words suggest, moreover, including not only non-profits in an industry, but also for-profit and government organizations in the same industry, plus their supplier and client organizations, their regulators, and their peak bodies (1983, p. 148). Following this logic, Galaskiewicz and Bielefeld (2003) have recently synthesized competition-based and institutional approaches to the common problems faced by the organizations that inhabit the same resource niche. They expect isomorphism among organizations in a common niche.

Pursuing further the search for non-profit isomorphism by redefining the organizational field, it will be important not to fall into the trap of defining the field by the collection of organizations with the greatest structural similarity, then finding a label *post hoc* for what may be a rather odd (and sample-specific) collection of organizations. Rather, guided by this or another theory, researchers will need to define a field by the factors expected to promote sameness. If we stick with DiMaggio and Powell's isomorphism "drivers," we would ask, In which fields involving non-profits are dependencies, uncertainty, and professionalisation greatest?

Detailed knowledge of a field can lead to quite specific hypotheses about the generation of isomorphism. Thus, we might expect agricultural cooperatives to share a dependence on large food retailers. Likewise, hospitals, be they for-profit, government, or non-profit, share upstream dependencies on concentrated drug wholesalers, machinery suppliers, and physician specialty groups and downstream dependencies on huge insurance companies. All of these shared dependencies can be expected to lead to shared compliance with directives, quite specific examples of coercive isomorphism. Similarly, we might expect health care organizations, including hospitals, nursing homes, and domiciliary care providers to reflect the quite specific and pervasive normative influence of the nursing profession.

What Can We Learn About Non-Profit Isomorphism From These Unexpected Findings?

These limitations in our data and analysis are important. The need to explore alternate organizational field specifications is the most important. Still, we should not discount the substance of our largely non-confirming findings because of these limitations.

We ask first, what lies behind the isomorphism we do detect? This is concentrated around formalization, measured by the number of job documents. A cynical view would be that this uniformity does not really matter, that these are just formalities (odd, the similarity to the term formalization) and need not affect actual practices, that documents are not in the same league with earnings gaps or promotion possibilities, organizational characteristics that we have also measured. This view, however, underestimates the potential impact of such formalization. Weber (Gerth & Mills, 1946), himself, underlined the importance of "the files," that is formalized, written documents, in freeing organizations from dependence on job incumbents with access to little-known secrets or wisdom based on long experience. In addition, diverse studies have shown formalization to be a powerful force against discrimination and sexual harassment in the workplace (McIlwee & Robinson, 1992; Mueller, Coster, & Estes, 2001; Tomaskovic-Devey, Kalleberg, & Marsden, 1996; but see Jewson & Mason, 1986).

Isomorphism with regard to formalized job documents is associated in this analysis with dependence on government revenue, a high unionised percentage of core workers, and extensive use of consultants. The first two of these findings correspond to previously published studies regarding organizations in general (Kalleberg, Marsden, Knoke, & Spaeth, 1996; Brown, Deakin, Nash, & Oxenbridge, 2000; Pfeffer & Salancik, 1978).¹⁹ While union density and power in Australia as elsewhere are

¹⁹ We have found no studies of the relationship between use of consultants and formalization. A survey analysis by Stern and Becker (1973), however, is suggestive. The authors reason that consulting firms, like other organizations, attempt to bring unpredictable elements in their task environments, here clients, under greater control. They find that consultants do this by standardizing their interactions with clients. We can hazard an extension of this conclusion to formalization as an uncertainty-reducing strategy on the part of consultants.

declining, Pynes (1997) argues that union strength in nonprofits can be expected to grow in a manner parallel to public sector unionism. Government funding of nonprofits, especially via formal contracts, and non-profit use of consultants are increasing. Overall, then, we should not be surprised by the pattern of non-profit isomorphism with regard to formalization and can expect this pattern to solidify still further.

Our next and the key substantive question is, what might explain the lower than expected level of isomorphism among non-profit organizations? One possibility is that we have overestimated the impact in this sector of the isomorphism-inducing factors, suggested in DiMaggio and Powell's (1983) formulation. This approach means that, compared to our beliefs about them, non-profits are less dependent on and less formally subordinated to actors in their environments, that they have less uncertainty with regard to their goals and methods, and that they are less knit into networks of professionals and other experts. It would be inappropriate, on the basis of one sample, to draw sweeping conclusions of this sort, especially conclusions that abandon the heart of a highly suggestive theory with a strong conceptual apparatus and growing empirical support. Still, the negative findings here should not be shunted aside. The data we have analysed suggest, for example, that the professionalisation of non-profit management may not have proceeded to the point of introducing professional norms widely into Australian nonprofits: the managers of only 18 of our 93 non-profits (19%) typically have post-graduate training. A variant of this sceptical stance would be to look for the contextual factors that limit applying isomorphism explanations to non-profits. Thus, for example, mimetic processes may apply only where the interactional density of non-profits is high enough to allow opportunities for copying; this could be investigated initially by stratifying the sample into urban and rural sub-samples. The applicability of DiMaggio and Powell's (1983) isomorphism-inducing factors to non-profit organizations, then, requires careful, sceptical, additional inquiry, both quantitative and qualitative.

Another possible reason for the negative findings here is that non-profit organizations, through their boards and managers, may be pursuing other adaptations besides isomorphic change to the problems and pressures they face. These possible adaptations range from the consciously strategic to the taken-for-granted. Recalling ideas and examples mentioned earlier, non-profits may, first, respond to environmental pressures not by conforming but by strategically differentiating themselves (Barman, 2002). Indeed, some may try to strike a "strategic balance" between conforming in order to protect their legitimacy and differentiating themselves in order to compete for scarce resources (Deephouse, 1999). All in all, non-profit managers may be a strategic match for constraining, isomorphism-inducing forces in the organizations' environments (Oliver, 1988, 1991). Second, non-profits may decouple their core activities where they pursue productive efficiency from the face they show to their institutional environments where they seek legitimacy (Meyer & Rowan, 1977). They may even vary their conforming outward face to match the expectations of different institutional segments or different moments in time (Peyrot, 1991). Finally, whatever their intentions to conform to environmental expectations, non-profits may understand these expectations differently and "enact" a version of those expectations that differs from the version enacted by other, quite similar, non-profits. This is not strategic differentiation but rather differentiation attendant on limitations in information and information processing (Scheid-Cook, 1992). In all these scenarios, we see non-profits shaping

their adjustments to their institutional environments more actively than might be suggested by DiMaggio and Powell's (1983) original formulation.²⁰

Finally, the variety in non-profits we may have documented here could result from the absence of adaptation. We have already expressed a version of this idea in suggesting that non-profits may escape having truly to adapt to expectations if the actors in the environment are not monitoring closely. Otherwise, an abundance of slack resources probably frees some non-profits from the pressure to adapt to environmental demands, at least in the near term while the slack lasts. A third version of this answer is that organizations may not be able to adapt even if they want to. This is the familiar structural inertia foundation of the population ecology of organizations theory, which begins by trying to explain not isomorphism but rather variety in organizational forms (Hannan & Freeman, 1977, 1984). In this argument, organizational form is imprinted at founding, largely by the organizational mold that prevails in that era (Stinchcombe, 1965), and fundamental organizational processes, from sunk costs to external pressures for reliability, stand strongly in the way of restructuring thereafter. Organizations that cannot change survive, especially in a competitive environment, only if they were born fit; otherwise, they die. Over time, then, a variety of non-profit organizations is founded. If a heterogeneous environment provides resource niches for that variety of non-profit structures, non-profit variety should be preserved.

IMPLICATIONS

For Non-profit Research

These results direct attention to better specification of the field or fields in which non-profits interact with other organizations. Of the research limitations outlined above, the most serious is that a unified conception of the non-profit field specifies the wrong aggregate within which to measure isomorphism. One of this paper's contributions is to focus attention on specifying non-profit fields.

The simplest advance on a unitary conception is an industrial conception, that is, to subset non-profits according to their most important product or service. In AusNOS, education, health, and social services are industries with numbers of non-profits that could be examined separately. Industry is a way of specifying organizational fields that matches fairly well the reasoning behind field-wide isomorphism. Organizations with the same product or service have the same basic production technology and, hence, the same technological uncertainties. In addition, they deal with the same environment of suppliers, customers, and regulators. They may even use the same consultants and send their managers to the same seminars. Thus, non-profits in the same industry can be expected to experience similar isomorphism-inducing factors. Analysis within industry may well reveal more isomorphism than we found here.

Of course, for-profit and government organizations often make the same products or services as non-profits and, therefore, are parts of the same industries. Adding these organizations is a next step in an industrial specification of fields in which non-profits interact with other organizations. This will allow us to assess whether, in producing isomorphism, technology and resource dependencies characteristic of all organizations in a given industry are most important, or whether, instead, legal form, which distinguishes non-profits, for-profits, and government, even those in the same

²⁰ That variety should result from the agency of organizational actors betrays a certain irony in light of Meyer and Jepperson's (2000) argument that the modern "agentic actor" has been isomorphically constructed through the process of rationalization.

industry, is more important. Thus, we will be interested in whether non-profits resemble for-profits, but not primarily because of the standard assertion that non-profits are being forced to adopt for-profit structures and practices; if we find similarities between the two, we will look rather for common isomorphism-inducing factors.

Once we have improved the specification of the fields in which non-profits interact with other organizations, a final step will be to inquire deeply into the isomorphism-inducing processes that most affect organizational structures in given fields. Here we will be operating from the expectation that isomorphism in different fields is produced differently and therefore is produced to different extents. For example, one field may have more highly professionalised managers than another, while a third field may face greater uncertainty in its production process than either of the others. This part of the inquiry will require a comparative case study methodology that combines further survey analysis with interviews.

I have taken time to explain these directions for future research in order to underline that I regard this analysis not as disappointing, but rather as provocative. Isomorphism is too important of an issue for non-profits and isomorphism theory is too suggestive for understanding non-profits' work and problems to drop the concept and the theory. Instead, I hope these non-confirming findings will direct this line of research in highly productive ways.

For Non-profits

As suggested at the start of this paper, non-profit isomorphism would be quite important for a number of fundamental reasons. If we tentatively accept our unexpected findings, we can reconfigure the list with which we started from the perspective of non-profit heterogeneity, instead. We do this realizing that further research, perhaps along the lines laid out above, may very well reveal more isomorphism than has been documented in this analysis.

First, heterogeneity means that best practice (the term of a hundred years ago was "the one best way") has not yet swept through the non-profit world. The implication is that ultimately efficient and productive organizational methods have not yet been discovered, disseminated, and institutionalised. Few would disagree with this statement.

Second and more positively, variety means institutional expectations are not so uniform and so powerful as to enshrine only conformity and banish innovation. The non-profit world may have more imagination and nerve than we started out worrying it might.

Third and following on number two, weaker pressures for conformity make room for the search for more efficient ways to use resources and more productive ways to pursue non-profit missions. We should be prepared to see some failures, too, and understand them as part of the process of non-profit improvement.

Fourth, non-profit variety means less bureaucratic and corporate hegemony. We know that the pressure and temptation along these lines is strong, but in the variety we should find non-profits with fulfilling rather than routinized work and with structures that emphasize equality and diversity rather than hierarchy and conformity.

Fifth, heterogeneity means responsiveness. The variety of needs and desires for public goods in our society exceeds the capacity of government, which focuses more readily on the demands of the voting majority and of powerful elites. The private

sector, including private non-profits, is better suited to match a varied supply to a diverse set of demands.

Finally, variety means a broad organizational repertoire with which to face uncertainty and change in the future. Some adaptation to changing demands is possible, but the survival of the non-profit sector, if future demands are radically different from present ones, depends in good part on the existence, before the shift in demands, of the organizational forms that will cope best with those future challenges. Assuming enough legitimacy to survive the moment, present variety is the best insurance that non-profits will have a place in an unpredictable future.

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