

**Business Orientated Resource Diversification in  
Smaller Social Service Nonprofits:  
Why some are adopting and others are not**

by

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A thesis

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## **CERTIFICATE OF AUTHORSHIP/ ORIGINALITY**

I certify that the work in this thesis has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature are indicated in the thesis.

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## ABSTRACT

One of the current key challenges for nonprofit social service organisations is how to diversify resource mobilisation practices in order to build sustainable organisations that can innovatively achieve social mission. Two approaches to resource mobilisation that are promoted within Australia are social enterprise and partnering with business. Both of these approaches involve a re-orientation toward business, either in management practices or through an enduring relationship.

Despite an increased interest in business-focused resource mobilisation strategies there are few successful examples of social enterprise and partnering with business emerging across the nonprofit sector. There is also scant empirically based research to understand what it takes to adopt these practices, what the consequences of adoption might be and how governments, nonprofits and business stakeholders might support their emergence. This research aims to build an evidence base to provide greater understanding of these issues.

The thesis analyses data from fourteen organisational case studies of nonprofit social service organisations located across Australia. Seven of these organisations were selected because they had adopted an enterprising form of resource mobilisation and had been recognised for their achievements in this area. The other seven organisations matched these adopters in terms of mission, location, size and stage of organisational development, though had less diversified resource streams and had not attempted or successfully managed to develop a social enterprise or business partnership. Case-orientated research and qualitative comparative analysis was used in order to achieve causal complexity and a 'configurational' view of the cases (Ragin 1999).

The thesis details the conditions that are both necessary and sufficient for business-focused resource mobilisation processes to be adopted. Organisational capacity and self-efficacy are critical conditions that open up resource innovation possibilities; there is a range of other sufficient conditions that work in combination with these. There are value and ideological challenges to be negotiated by nonprofit social service organisations as they are called upon, both internally and from without, to reinvent the means with which they achieving organisational sustainability. This tension creates the need for new thinking at the level of policy and practice – across all sectors - in order that these critical organisations that bear responsibility for the social good can successful organise within the contemporary context.