THE PROCESS OF INSTITUTIONAL ISOMORPHISM IN ONTARIO’S VOLUNTARY SECTOR

During the first three decades following World War II, the federal and provincial governments in Canada were partners in the construction of an elaborate social welfare system that extended educational, health, social, cultural and recreational services to the public (Johnson, 1987). The erosion of the social welfare state began, imperceptibly, in the mid 1970s, reaching its peak in the mid 1990s. Social programs were cut, while privatisation and fiscal restraint were pursued. The voluntary sector was expected to fill the vacuum, without an increase in their grants. As a result of the drastic cuts, paid positions were lost and recruitment and training had to be curtailed. Forced commercialization, introduction of fees for service, increased accountability requirements, adoption of business practices, and marketing and fundraising strategies, led in many cases, to mission displacement. A sense of vulnerability reduced the role of advocacy and networking for policy changes. Competition increased as the commercialisation of public welfare services forced nonprofit service providers to compete with for-profit service providers for government contracts (Meinhard & Foster, 2003; Rice & Prince, 2000; Richmond & Shields, 2003; Scott, 1992). The election of a Conservative government in Ontario, on a platform of reducing deficits by making government more efficient and business-like, exacerbated the situation (Ontario Public Service Restructuring Secretariat, Cabinet Office, 1999).

This paper investigates the nature of the newly evolving relationship between government and the voluntary sector in Ontario. Seventeen public servants were interviewed from five ministries that have extensive contacts with and/or rely on voluntary organizations to deliver services. Analysis of the interviews provided a unique opportunity to describe the process of institutional isomorphism in the voluntary sector with respect to organizational accountability. This paper differs from most discussions of institutional isomorphism by focussing on the origins and processes of institutional pressures on organizations, rather than the outcomes.

Our findings reveal the complexities of institutional isomorphism. Certainly, increased accountability in the Ontario voluntary sector is a result of coercive institutional pressures. However, the coercive pressures are not as formal as one would imagine. The interviews reveal that many accountability requirements are quite informal. Some protocols for accountability are worked out in discussions between ministry officials and voluntary organizations. In other cases it is left to the organizations to decide how to measure, report and implement. There are suggestions that sector wide protocols should be established by organizations themselves, which would lead to normative isomorphism. This is preferred by some civil servants who fear that the trend to government dictated accountability requirements may lead to tight coupling that will restrict organizational independence and will confer ultimate accountability to the government.

From a theoretical perspective, the findings are instructive. They point to a complex process of institutional isomorphism that depends on active agency, negotiation and brokering.