THE RAPPROCHEMENT OF THE FOR-PROFIT AND NON-PROFIT MODELS:
MOVING TOWARDS A UNIVERSAL SOCIO-ECONOMIC PERFORMANCE MODEL

Pierre EL HADDAD
Université Saint Joseph de Beyrouth
(Lebanon)

Robin RICHA
Arcenciel
(Lebanon)

Jeffrey MOORE
Anderson University
(United States of America)

Jessica JOLLY
Sephora
(United States of America)

ABSTRACT:

This research investigates the ubiquitous transformations happening in organizations across the social spectrum. For-profit and non-profit organizations are changing their narratives and revising their leadership practices. The paper studies three organizations, from opposite sides of the social spectrum, both committed to employ people with disabilities. Walgreens is an American for-profit pharmacy retailer, and Sephora is a cosmetic retailer that employs people with disabilities. Arcenciel is a Lebanese non-profit created to serve and employ individuals with disabilities. The research is a qualitative comparison between an action research at Walgreens and Sephora, with an intervention research conducted at Arcenciel. Although the methodologies are not the same, they share the fundamental anchors in complexity theory and human potential. The results point to a rapprochement between the for-profit and the non-profit models. Walgreens and Sephora, following a profit model, are discovering that their disabled employees are the catalyst for organizational culture change. The organizational change is driven by the embodiment of the core value of respect which impacts the manager, team members and company. These changes bring improved employee engagement, increased innovation and higher performance. Arcenciel, with a non-profit model, is bringing efficiency and entrepreneurship into their operations. Subsequently, they are improving their societal and financial performance and assuring the longevity of the services they are rendering to the disabled. The paper exhibits two contributions. First, the managerial contribution that the divide between profit and non-profit models is decreasing as organizations move towards a universal model of socio-economic performance. Second, the methodological contribution in comparing action research with intervention research based on common research questions. Both contributions warrant further research.

Keywords: for-profit, non-profit, socio-economic performance

The layering of disrupting phenomena and successive crises all but presage a frantic pace of change jeopardizing the sustainability of the social construct. The global narrative extends beyond government responsibility to enjoin the sustainability of business and civil society organizations as fundamental pillars to sustainable development (Kohl, 2016). In turn, the sustainability and survival of organizations depends on their responsiveness to volatile, unpredictable, and complex environments, and a reactivity as brutal as change itself (Beer, 2009; Haneberg, 2011; Lawrence, 2013; Bennett and Lemoine, 2014; Holbeche, 2015).

Augmenting needs and changing behaviors, coupled with resource scarcity, and shifting priorities increase the pressure on organizations to adapt their management modes, operational functions, business models and funding means (Rachid, 2010; Kabdiyeva, 2013; Battistella, 2015). In response to these external pressures, organizations have become organizationally flatter, removing mid-level managers, putting more pressure on front line supervisors to not only manage production metrics but also engage employees through more effective leadership strategies such as participative and authentic leadership. Another result of pressures on the organization to adapt is the focus on entrepreneurial behaviors, driving managers and their teams to look for cost reduction opportunities as well as innovative product or service offerings. The adaptability to change has therefore become ubiquitous on organizational agendas, touching on financial and social dimensions, and encompassing strategic vigilance to anticipate the future (Worley et al., 2015; Cummings and Worley, 2014; Thomas, et al., 2011; Schwartz and Carroll, 2003; Buono and Savall, 2015; Doz and Kosonen, 2010; Savall, et al.,2008).

Organizations exist to meet the needs of their stakeholders by producing products and services. Their managers organize work to leverage the efficient use of assets and employees towards productive outcomes. However, stakeholders have increasingly insisted the organization achieves pro-social outcomes, shifting their focus from an exclusive economic rationale to one that is socially sustainable (Bushe and Nagaishi, 2018). Corporate Social Responsibility emanates from the desire to positively affect the organization's community through new partnerships and alliances to achieve these outcomes. Thus, organizations have started to focus on a triple bottom line approach integrating economic, social, and environmental partnerships (Elkington, 1998). Internal to the organization, adaptive and transformational leadership has emerged with managers confronting and dealing with conflicts between employee values, organizational values, and community values (Burns, 2004; Heifetz, 1994). Specifically, transformational leadership has a moral dimension that takes into account different stakeholders (Bass and Steidlmeier, 1999). These leadership practices align employee and organizational core values, organically integrating the economic and social tensions. While much progress has been made by stakeholders to dampen the purely economic rationale of for-profit corporations, they nevertheless are intently focused on profitability in order to survive in very turbulent and unpredictable environment.

Civil society organizations are an expression of voluntary collective action characteristic of the social nature of the human being (Edwards, 2014). They

populate gaps created by ineffective institutions and incomplete markets (Ahlquist and Prakash, 2010; Markus, 2012). And since social goods are incommensurable (Kuhn, 1972; Frumkin, 2006), these organizations, particularly in their NGO form are here to stay. However, NGOs have traditionally adopted a charity model dependent on public funding and private giveaways (Rashid, 2010). With expanding societal needs and the competitive landscape of fund streaming, NGOs are transforming into social entrepreneurship to fend off survival challenges. Social enterprises develop business-like models and unconventional combinations of services and work organization to create profit while pursuing their social mission and value creation (Hénon et al., 2014; Peris-Ortiz et al., 2017; Phillips et al., 2015; Luchsinger and Bagby, 1987). Social entrepreneurship incorporates sustainability with social impact, hence inviting more resource efficiency and breaking from donor-dependency. Integrating resource efficiency with the social purpose has therefore become the core transformation that NGOs find difficult to venture (Rashid, 2010). This transition is, on the one hand an offspring of strategic foresight and adaptability to changing environment; on the other, it entails profound organizational changes towards agility (Cummings and Worley, 2014; Worley et al., 2015).

Adaptability

The interconnectedness between adaptability, strategic vigilance, and sustainability requires the acquisition of dynamic capabilities (Sambamurthy et al.,2003; Sull, 2009; Tallon and Pinsonneault, 2011), systemic inclusivity, and concerted alignment of objectives (Buono and Savall, 2015; Worley and Lawler III, 2006; Worley and Mohrman, 2014). These attributes are characteristically symptomatic of agile organizations (El Haddad and Bonnet, 2020). Agility is assessed both through outcome and development process. The outcome relates to a succession of changes and a record of performance constantly above peers. The process relates to possessing "the strategies, structures and systems that can drive change and sustained performance" (Worley et al., 2015:17). Agility is defined by good management, differentiation under competition, and dynamic capabilities to constantly adapt to shifting environments (Worley et al., 2015). Cardinal among the dynamic capabilities are group dynamics that have the biggest impact on the summative performance (Sanders and Whatley, 2015). Constantly rethinking strategies and structures, detecting and seizing opportunities, building alliances, and assemble material and intangible resources (Sambamurthy et al., 2003) is not an individual capability, rather, an organization level capacity (Sull, 2009). Continuously building and scraping capabilities to keep pace with the un-abating and hectic changes (Sull, 2009; Naisbitt, 2015; Reeves et al.,2017), requires a robust culture of organizational development (Schein, 2010), recursive re-consideration of the interaction of structures and behaviors (Giddens, 1984; Savall and Zardet, 2008), and complexity leadership (Marion, 2008; Uhl-Bien, Marion and McKelvey, 2007).

Complexity leadership

Complexity Leadership theory describes organizations as open systems that are complex adaptive systems (Collier and Esteban, 2018; Marion, 2008). Complexity leadership proposes that adaptability is essential to sustainability while increasing performance, and innovation (Uhl-Bien and Marion, 2009).

However, inflexible siloed organizational structures burdened with high bureaucracy and autocratic leadership styles prevent organizations from adapting (Arena and Uhl-Bien, 2016; Lichtenstein, Uhl-Bien, Marion, Seers, Orton, and Schreiber, 2006).

An organization must embrace emergent change which comes from interactive, interdependent and unpredictable behaviors by its employees (Marion, 2009). Leaders facilitate adaptive outcomes through three primary functions: administrative leadership, enabling leadership, and adaptive leadership (Uhl-Bien, Marion, and McKelvey, 2007). Collaboration and organizational learning is needed to allow frontline problem solving and decision-making, as well as sought after innovations. In this effort, leaders remove barriers and counter actions that stifle adaptive outcomes. Adaptive emergence is a way that organizations can not only survive, but thrive in a complex, ambiguous and uncertain environment.

Research question

In response to the accelerating and abrupt pace of change, transformations are happening in organizations across the social spectrum. Both for-profits and non-profits are changing their narratives and business models and questioning their leadership practices. This research explores the commonalities in the supposedly dichotomous worlds through studying three organizations coming from opposite sides of the social spectrum and from two distinctly different cultures, however both employing people with disabilities. The employment of employees with disabilities has become a catalyst to organizational change.

Methodologies

The research is one of qualitative comparison between on the one hand, Walgreens, an American for-profit pharmacy chain and Sephora a cosmetic retailer, and on the other hand, Arcenciel, a Lebanese non-profit. The methodological motivation was to gain insight from cultural comparisons (Hantrais, 1999). The cultural dichotomies between the organizations are twofold: the distinctly different American and Lebanese cultures, and the occupational cultures and formative experiences of for-profits and non-profits (Schein, 2010).

An action research was conducted at Walgreens and Sephora to study the effects of employing people with disabilities on the cultures of these two organizations. Concurrently, an intervention research was conducted to improve the performance of Arcenciel in assisting the disabled and promoting sustainable development. Action research and intervention research are not the same (Hillon, Hillon, and El Haddad, 2018), however, they share fundamental anchors in complexity theory and human potential.

ACTION RESEARCH: WALGREENS AND SEPHORA

Walgreens, the largest drug store chain in the United States, and Sephora, owned by LVMH Moët Hennessy Louis Vuitton, the world's leading luxury goods group, have created five inclusive distribution centers where individuals with disabilities are recruited for employment. These regional distribution centers

source retail stores and online customers for a quarter of the United States through the work of 400 to 550 employees per center.

A grounded theory framework was adopted to examine teams within these distribution centers to understand the impact of inclusion on the organizational culture. Collective meaning is found in participant artifacts, symbols, and language (Crotty, 2003). Through on-site interviews and observations, the story articulated arose from the narratives.

The research method was focused on qualitative case study comparison to extract generalizable patterns between these organizations (Eisenhardt and Graebner, 2007). Table 1 describes the demographics of the representative sample.

Table 1: Setting Demographics and Samples

Distribution Centers:	Walgreens	Sephora
Setting	Rural – Anderson South Carolina	Urban – Olive Branch Mississippi
Facility automation	High automation	Some automation
Total employees Employees with disability	550 220	400 105
Different departments	4 departments	5 departments
Employees	19 team members and 4 managers from same teams	10 team members and 5 managers from same teams
Participants with a disability	8 team members and one manager disclosed a disability (40%)	No-one disclosed

Thirty-eight participants from nine teams took part in the research. Nine participants disclosed they had a disability. Participants were interviewed individually in a private work setting. Open-ended and semi-structured questions were used allowing the pursuing of relevant themes. Appendix A exhibits the questionnaire used for Walgreens and Sephora Action research.

INTERVENTION RESEARCH: ARCENCIEL

Intervention research is a scholar-practitioner approach to consulting, immersed in the field and supported by scientific rigor. It covers the lost-in-translation gap by bringing relevant management research to managers (Markides, 2010; Pfeffer and Sutton, 2006; Shapiro, Kirkman, and Courtney, 2007). Operationally, intervention research starts by drawing the organizational structure along horizontal clusters-top managers, and vertical clusters-operational units. Then using open-ended and semi-structured questionnaires, the intervention

progresses by interviewing actors about organizational dysfunctions. Dysfunctions are then quantified, and actors accompanied into working inclusively and transversally to devise actionable solutions, implement, and evaluate them. The intervener-researcher is a process methodologist helping knowledge wielding practitioners make sense of their field information. The process develops simultaneously by using specific management control tools, and by reviewing the organizational strategy. Epistemological principles underlie the whole and assure the consistency of method; cognitive interactivity, contradictory intersubjectivity, and generic contingency assure simultaneously the inclusive expression of actors, the development of a common image, and the protrusion of the common and the idiosyncratic (Savall and Zardet, 2011).

Field wise, Arcenciel works for people with disabilities and sustainable development. Founded in the mid-eighties war-torn Lebanon, this non-profit has since become a household name. It employs 600 people, 43% of them with a disability. Products and services and conceived and delivered through five programs: Mobility and Health, Agriculture and Environment, Culture and Responsible Tourism, Social Support, and Youth Empowerment. They serve 55000 people each year, 80 municipalities and 1300 farmers and vineyards, and treat most of the hospital waste in Lebanon. The organization has established non-profit arms in France and the US. Arcenciel developed organically and spontaneously under the leadership of charismatic founders until they decided to distance themselves three years ago. Five years ago, a management consulting firm advised a franchise model, which supposedly empowers the regional centers and would energize the organization. The programs, centralized at headquarters, were commissioned with innovation and quality control. However, this mimetic decentralization created more problems than solutions. The objectives of the intervention were set by the director to identify internal dysfunctions, improve the relations between 'programs' and 'centers' and their managers, professionalize the organization while preserving the culture and spirit that drove previous successes. Eleven interviews in the horizontal cluster and fourteen in vertical clusters, followed by three group discussions, and numerous discussions with actors and peers validated 173 dysfunctions. They were grouped under six pivotal ideas: three of them for immediate treatment. Appendix B exhibits the descriptive, explicative and prescriptive findings of Arcenciel Intervention Research.

Findings

All organizations experience tensions between internal and external stakeholders and much effort is invested in managing its resources to achieve beneficial outcomes. Findings point to specific tensions within organizations that employ people with disabilities. These tensions arise from competing social and economic responsibilities. Three tensions emerge from our data: selection of people with disabilities to hire, leadership style of the executive, and operational focus on efficiency or effectiveness.

PERSONALIZED OR STANDARDIZED HIRING OF DISABLED

An organizational tension is the strategy and scope of hiring people with disabilities. First the personalized hiring practice of Arcenciel allows them to hire all disabled individuals irrespective of their disability. This provides a work opportunity to the individual by customizing the workplace to adapt to the individual. Conversely, Sephora and Walgreens take a standardized approach to employing disabled individuals, which is how they employ non-disabled individuals. The strategy is to employ hundreds of people with disability. In the standardized approach, Walgreens and Sephora have put in place a Transitional Work Group (TWG) system (Maxey, Moore, and Hanson, 2015). This onboarding process allows someone to fully meet job requirements after a nine-week training program. Disabled employees point to the importance of doing the same work and receiving the same pay as their counterparts bringing a complete transition in their identity. They no longer are segregated but now are full members of this "economic family". Non-disabled employees explain that they find great internal reward in helping their disabled team members achieve top performance levels. Inclusive organizational cultures based on fairness enables the workforce to leverage the strengths of both the disabled employees as well as the non-disabled. In distribution centers with over 500 employees collaborate and support each other while achieving their production targets.

OPERATIONAL EFFECTIVENESS VS. EFFICIENCY

The second organizational tension is the focus on effectiveness or efficiency. Effectiveness is concerned with doing what is right, fulfilling the needs of the customers and stakeholders. Non-profit organizations start on the end of this spectrum. Arcenciel has been effective in delivering to this end in regard to both the internal and external communities. Ever since it succeeded in "*lobbying the legislature to introduce law no. 220/1994 which imposes on the ministry of social affairs to pay for the services delivered to the disabled, Arcenciel's reputation and size grew big. It became possible to serve any person with disability that seeks us*". Arcenciel was so effective it became a household name, and other non-governmental organizations copied it model. On the internal community level, "*the culture is very permissive towards the disabled. Productivity was an alien concept. The employees are called volunteers because their salaries are lower than the market average. In return they have the satisfaction for working for a good cause.*" This resulted in dichotomous retention rates. Persons with disabilities stay, especially the "*old generation who considers Arcenciel as working for their benefit*". In contrast, a high turnover among the most productive. Augmenting needs, economic pressures, scarcer resources, and donor uncertainty has driven Arcenciel to transform into a more self-sustaining model i.e. becoming independent of donor awards.

Conversely, Sephora and Walgreens are operating primarily on the business model focused on efficiency, doing things right, without waste. Operational metrics are critical in managing this. We discovered in the distribution centers we visited, that the inclusive culture has improved their metrics. Team members point to having to learn to communicate in new ways, seek to develop each other professionally,

in short become an effective team. Managers explain that they have changed to adapt to the communication, and training needs of their employees. They seek to balance everyone's individual contribution to meet the specific needs of the team. One employee comments:

> "*PWD (Person With Disability) should be called "gifted". They are much faster than me. One PWD went over to the picking station where operators punch a button to see what product and which quantity needed to be retrieved to be included in the crate. At which point the operator goes to inventory and gets the item. This step is repeated about 15 to 30 times to complete the crate. The PWD went to the picking station and punched the button and memorized all of the products and quantities needed for the crate. Then proceeded to go to inventory and load the crate in the best order with the heavier and items at the bottom of the crate. Needless to say his time beat everyone else's in the plant.*"

CHARISMATIC VS. TRANSACTIONAL LEADERSHIP

The third organizational tension is the executive leadership style. The charismatic leader is the champion of the organizational vision. These leaders are able to inspire and motivate individuals to participate in the organization achieving specific goals. Arcenciel was "*born out of the scouts. The founders were all scouts. The culture of service and the spirituality of the founders is essential to maintain…. The challenge is to succeed the transformation into social enterprise while keeping the spirit of the founders.*" This statement, coming from a veteran of the organization, and the initiator of the most profitable program, illustrates the issue at stake.

Conversely, Sephora and Walgreens hire managers who come out of a typically transactional leadership background where the relationship between leader and follower is based on a preset exchange. These exchanges are limited, prescriptive where structure and order are prized. Transactional leaders do not seek creative, or developmental needs but are typically inflexible to employee perspectives (Northouse, 2021). Rewards and punishments are ways they motivate their employees. However, the inclusive transformation in the culture at Walgreens and Sephora has moved managers to become more participatory, focusing on the needs of their employees. Managers recognize they have changed to become employee focused as they establish authentic relationships with their direct reports. This is clearly articulated by one of the participants: "Caring for people is key to managing." These changes in leadership style are essential to address the complexities and challenges of disability communication. Table 2 compares field note quotes.

Table 2 : Participant quotes on social and economic responsibility

	Walgreens	Sephora	Arcenciel
PWD Social responsibility Personalized hiring vs. Standardized hiring	-Transitioning job seekers with disabilities to be effective team members through the TWG (Transitional Work Group). Benchmarking at 15, 30 and 45 days needing to hit 100% rate. -We just work like regular normal people. Everything is equal. Pay is the same. You must make rate. Set standards and demonstrate what you want. Be consistent (rules, expectations, holding accountable). Rate no matter who you are. -Company socially responsible. Cafeteria is not segregated by race or PWD.	-We modified the TWG program Walgreens developed. -8 to 9 weeks is the training time it takes to make them comfortable. -We had to get used to difference. Our best workers are deaf. They have a good attitude, never late. You need to spend more time with training.	-Our mission from the beginning was to provide assistance for the disabled, by the disabled. Our mission expanded into sustainable development with 43% of our volunteers (employees) having some kind of disability. We tailor jobs to their capabilities. -The focus was on the benefits of those working in the organization, with disability or not. When the focus became society as a whole, volunteers (employees) needed to deliver, more job demands and accountability. This created tensions.
Economic responsibility Effectiveness vs. Efficiency	-Job performance = everyone does the job they are assigned. Learn to communicate. Team member start shy, then you pull them in. Include them and talk with them. First, recognize the barrier. Second reach out to the team member, everyone makes	-You figure out who or what is the disability. Then you put the best fit on the team / don't rush to train. -Everyone brings a contribution. Connecting ability with right contribution. Invest in each other through basic training which brings communication compassion to the team.	-We're transforming into a social enterprise, and become more dependent of self-generating revenues, than donors. This entails more resource efficiency and financial objectives. Loss making operations should reduce their loss, and profit-making operations should be

	the effort to each other (regardless of PDW). -2 years ago, chaos, no structure. Managers were more friend than managers. Was not fair… Right now, much better. New managers, new supervisors. We work together, work more as a team. -Because PWD love their jobs it is contagious to others.	-We are all the same, we all communicate. I am adapting to their need (communication). No one is left out. We are all family. By helping disabled, I am helping me. I am helping the team	financially sustainable. -Each unit should negotiate their financial objectives with Bacha (headquarters). They should also negotiate these objectives with their volunteers (employees) taking into consideration individual capabilities and required improvements. Unit heads should be held responsible for their unit's objectives, and everyone for their personal objectives. -We have to re-integrate the tripod strategy that served us well in the past to conceive the right services: Discover the needs, pilot a program, roll it out only if it proves profitable and self-sustaining
Leadership responsibility Charismatic vs. Transactional	-Work as a team to get things done. Mandatory overtime I don't mind. Volunteer to be a mentor to PWD. Caring for people is key to managing. -It makes all the team members better people you become more involved in their lives; it forces you to connect more to people. There are	-PWD are developed by one on one communication. You build trust show that "I care". I am here to support you, develop you. -Because of communication issues and social issues are resolved we have team unity and achieve higher output. -Joy from humility plus courage equals transformed lives as you invest in others.	-Being compassionate, spiritual charisma, be at the service of the others, and don't worry about the consequences. God will get it right. This was the dominant leadership value. -Clemency and compassion towards the non-achievers and the wrongdoers, "There is no wrongdoer, but wrongdoing". The

personal connections forming here. Need to focus in building the bond.	lack of accountability is jeopardizing our very existence. -To keep on serving the people with disability, a system of reward and punishment is necessary, taking into consideration the disability and capacity of each.

Discussion

Organizations are finding ways of bringing meaning to their existence. They seek to make sense of the chaotic transformation in the environments within and without them. They seek to bring order through alignments to personal and organizational motivations. This is true in both models, for-profit and NGO. Both models, although dichotomous in purpose and formative experiences, are subject to similar tensions.

As demonstrated in the findings, the same tensions apply to both sides of the aisle. That is, economic tensions priming efficiency, and social tensions to attend to people with disabilities and to their employees. These tensions seem to be centrifugal. They are bringing both models closer together, though still worlds apart. Both models are embracing the tensions and allowing the rapprochement. This is reinforced by the leaders themselves embracing a personal development, which feeds on and facilitates intra-organizational transformations. Quotes from leaders in both organizations read:

> Sephora: "I have seen so many lives changed since we started our hiring initiative to employ people with disabilities. Not just the lives of those employees but our leadership team has really changed. They have grown more compassionate and really changed the way they think to ensure that all employees with a disability are successful in their jobs. Our distribution centers foster a sense of belonging for everyone, disability or not. Especially seeing those without a disability embrace a team member with a disability, working alongside them, is truly something special to walk into each day! While this program yields good business results, it also changes the culture in each building to be more positive and high energy, which is just an added bonus."
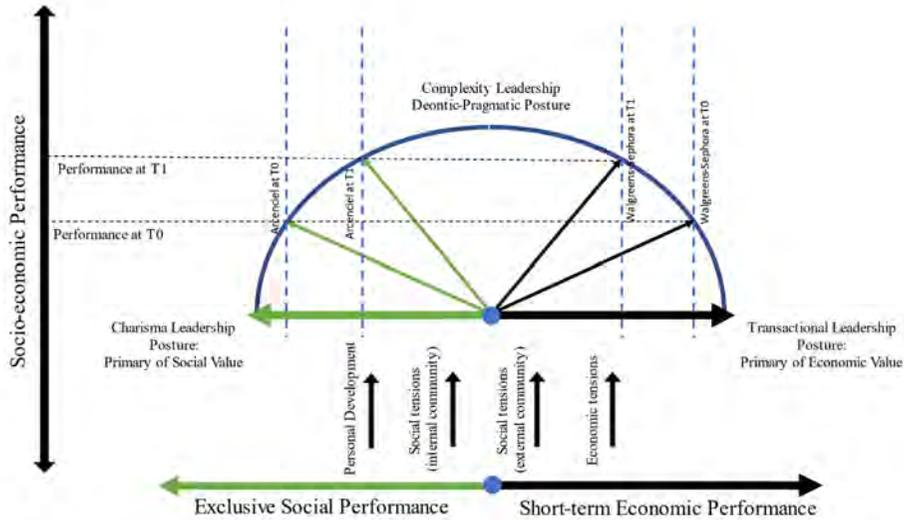> Arcenciel: "Every person has the ability to develop, progress and contribute to the diversity and abundance of the association. Disability is not only limited to the physical impairment, but also cognitive, psychological and social. Which means, that everyone of us has a form of disability which we are not aware of. The experience with Arcenciel does not only help in the inclusion of people with disability and endorse equal participation, but above all, guide the person in overcoming the faced personal barriers and challenges. This synergy is represented in a

leadership model, based on building trust in any resource and gaining the trust of the surrounding people.

This was and still is our "daily bread" which we pride ourselves with every day at Arcenciel…..This represents the core value upon which Arcenciel was built, and a personal value. However, carrying my responsibilities has driven me to become more sensitive about the material dimension. Persevering in the service of the differently abled, means we have to incorporate an economic dimension in our core values. For some at Arcenciel this evolution has been more natural than others, easier than others. I permanently struggle between efficiency and service, between the money and the good. But I have to show the example, otherwise, we're at risk, Arcenciel is at risk, and the most vulnerable are the most at risk."

The quotes clearly demonstrate how the leaders are embracing the tensions and adopting language previously alien to their organizations' core values, or the least, utterly peripheral in their narratives. As they do so, organizations are recounting their strategies and building new core values. A socio-economic model has taken the lead at both organizations, thus replacing an economic primacy for Walgreens-Sephora and a prude social primacy for Arcenciel. In sum, the rapprochement brings more justice into efficiency, and more efficiency into justice. The following diagram illustrates the occurring tensions and rapprochement. Diagram 1 also shows the symbiotic relationship between the personal development of the leadership model with the organizational transformations. Arcenciel starts out on the left end of the diagram with Charismatic Leadership and a posture priming Social Values. On the other end of the diagram, Walgreens-Sephora start out with Transactional Leadership priming and unwavering Economic Value. Subject to the same tensions, both models develop idiosyncratically with different narratives, however, they find themselves tending towards, though still far from, a universal socio-economic performance model. Symbiotically, the personal development of the leaders is driving them towards complexity leadership with a combination of deontic-pragmatic postures.

Diagram 1: Rapprochement of the Non-profit and For-profit Models

Socio-economic Performance

Complexity Leadership
Deontic-Pragmatic Posture

Performance at T1

Performance at T0

Attendel at T0

Attendel at T1

Walgreens/Sephora at T1

Walgreens-Sephora at T0

Charisma Leadership
Posture:
Primary of Social Value

Transactional Leadership
Posture:
Primary of Economic Value

Personal Development

Social tensions (internal community)

Social tensions (external community)

Economic tensions

Exclusive Social Performance

Short-term Economic Performance

Summary

Few organizations have successfully hired large numbers of employees with disabilities and integrated them as full members of their teams. Three organizations, two for-profit and one non-profit, have overcome the challenge of building united workforces in spite of great employee diversity. Leaders adopted adaptive, participative and complexity leadership practices to enable and promote interconnectivity from which creativity, employee engagement and problem solving, emerged. These inclusive workforces brought three key tensions in the pursuit to achieve higher social impact and long-term business sustainability. The tensions are: which PWD should be hired, what leadership practices should be adopted, and should the operational focus be efficiency or effectiveness? Embracing these tensions, a rapprochement occurred between the for-profit and non-profit organizations, they overcame the challenges of creating united inclusive culture leading to greater socio-economic performance. These organizations are discovering, as they seek to increase their socio-economic contributions to society, that through this journey, they are similarly being transformed.

REFERENCES

Arena, M., and Uhl-Bien, M. (2016). Complexity leadership theory: Shifting from human capital to social capital. *People + Strategy Journal*, 39(*2*), 22-27.

Bass, B. M., and Steidlmeier, P. (1999). Ethics, character, and authentic transformational leadership behavior. *The leadership quarterly*, *10*(2), 181-217.

Burnes, B. (2005). Complexity theories and organizational change. *International Journal of Management Reviews*, 7(*2*), 73–90.

Burns, J. M. (2004). *Transforming leadership: A new pursuit of happiness* (Vol. 213). Grove Press.

Bushe, G. R., and Nagaishi, M. (2018). Imagining the future through the past: Organization development isn't (just) about change. *Organization Development Journal*, 36(*3*), 23-36.

Collier, J.and Esteban, R. (2018). Systemic leadership: Ethical and effective. In Werhane, P. and Painter-Morland, M. (Eds.), *Leadership, gender, and organization* (pp. 49-62). New York: Springer.

Crotty, M. (2003), The Foundations of Social Research, Sage, Los Angeles, CA.

Dewar, R., and Duncan, R. (1977). Implications for Organizational Design of Structural Alterations as a consequence of Growth and Innovation. *Organization and Administrative Science*, 7.

Eisenhardt, K. M., and Graebner, M. E. (2007). Theory building from cases: Opportunities and challenges. Academy of Management Journal, 50, 25–32.

Elkington, J. (1998). Partnerships from Cannibals with Forks: The Triple Bottom Line of 21st-Century Business. Environmental Quality Management, 8(1), 37–51. https://doi.org/10.1002/tqem.3310080106

Lichtenstein, B. B., Uhl-Bien, M., Marion, R., Seers, A., Orton, J. D., and Schreiber, C. (2006). Complexity leadership theory: An interactive perspective on leading in complex adaptive systems. *Emergence: Complexity and Organization,* 8(*4*), 2-12.

Marion, R. (2008), "Complexity theory for organizations and organizational leadership", In M. Uhl-Bien and R. Marion (Eds.), *Complexity leadership, Part 1: Conceptual foundations* (pp. 1-15), Information Age Publishing, Charlotte, NC.

Maxey E., Moore, J., Hanson, W. (**2017**). Book title: *Handbook of Research on Training Evaluation in the Modern Workforce*. Book chapter: "Impetus for Culture Transformation: Disabled Employee Pre-Hire Training". IGI Global, Hershey PA.

Merriam, S.B. (2009), *Qualitative Research: A Guide to Design and Implementation*, Jossey-Bass, San Francisco, CA.

Moore, J. R., Waite, A. M., Maxey, E. C. and Wendover J. (2020). Inclusive organizations: developmental reciprocity through authentic leader-employee relationships. *Journal of Management Development*, Volume 38, Number 1 Spring 2020 issue.

Moore, J. R., Hanson, W. R., and Maxey, E. C. (2020). Disability Inclusion: Catalyst to Adaptive Organizations. *Organizational Development Journal*, Volume 38, Number 1 Spring 2020 issue.

Moore, J. R., Hanson, W. R., and Maxey, E. C. (2019) Beyond Inclusion: Team Impact of Hiring People with Disabilities at Sephora and Walgreens. Paper presented at International Conference of the Dutch HRM Network; The Societal Impact of HRM. Tilburg, Netherlands: Tilburg University.

Northouse, P. G. (2021). Leadership: Theory and practice. SAGE Publications, Incorporated.

Strauss, A. and Corbin, J. (1990), "*Basics of Qualitative Research: Grounded Theory Procedures and Techniques,* Sage, Newbury Park, CA.

Uhl-Bien, M., Marion, R. and McKelvey, B. (2007), "Complexity leadership theory: shifting leadership from the industrial age to the knowledge era", *The Leadership Quarterly*, Vol. 18 No. 4, pp. 298-318.

Yin, R.K. (2003), *Case Study Research: Design and Methods* (3rd ed.), Sage, Thousand Oaks, CA.

Appendix A

Gender? Age?

What position do you have (manager or team member)?   How long in current position?

How long in the company?   How many years have you lead an inclusive team?

How long have you lead your current team?

      How many disabled team members are in your team?

Do you or someone in your family have a disability? Explain

> *"What is the impact of having team member (s) with a disability in your team?"*
>   HOW has it changed? …
>   WHY the change?

Supporting questions:

1. How has the **team changed** since we becoming an inclusive team (added a team member with a disability)?

    Do you think having person with a disability influences the work climate? If so, what's different? Why does that happen?

    In what ways do employees go beyond their job duties to help others? (e.g., help someone with a heavy workload or who has been absent; help orient new employees)

    Do you think having person with a disability on the team affects how other team members treat each other? If so, what's different? Why do you think that happens?

    Do you think having person with a disability on the team affects how other team members feel about their job/company? If so, what's different? Why do you think that happens?

2. How have you **changed** since we have had an inclusive team?

3. How has **team members changed** since you have had an inclusive team?

    What kinds of impacts on coworkers, if any, happen when you hire people with disabilities?

    a. What do you think is required for any positive impact to occur?

    b. Do you think that impact is short lived, or continues?

4. How has the **team member with a disability changed** in effectiveness and behavior since being part of the inclusive team?

Appendix B: Details from Arcenciel Intervention Research.

Dysfunctions: Perceived, intersubjectivized. The analysis of interviews revealed six pivotal ideas entailing overlaps: (1) **Strategic choices** to transform the organization into a decentralized social enterprise are not assumed. Particularly because "*strategy seems to be unclear, too dispersed, not inclusive, nor revised systematically.*" This is manifest in "*the values clash between the efficiency driven and the socially oriented actors.*" The blurriness extends to the authority line and decision-making since "*founders still wield decisive powers, despite their absence from executive positions.*" The result is a "*lack of decisiveness and accountability that does not abide by the new vision to transform the organization into an efficient social enterprise.*" Notably, centralized programs were stripped of their powers, while regional centers were left without "*the prerogatives and resources to conduct their operations autonomously and successfully*". The restructuration undertaken five years ago caused "*loss of social and economic performance because the relationship between centers and programs became confrontational, while both are not sufficiently empowered.*" (2) **Excessive multi-disciplinarity and non-adapted procedures** as result "*lacks focus, and too many business models.*" Attempts to reign in on this problem introducing "*procedures and policies that assure the link between organizational values and procedures*" gave way to a "*procedural trap of non-applicable and fragmented procedures, non-adapted to organizational functioning.*" (3) ***Revenue concentration and jeopardized salaries*** revealing concerns about "*non-diversified revenues dominated by one governmental resource, bearing monetary devaluation risks, and uncertainty in cash flow projections.*" One consequence is a "*low salary scale that does not reflect performance, nor does it attract or retain talent.*" (4) **Reactive time management and competing priorities**. Time allocation was described as reactive to urgency rather than anticipating, causing "*frequently missed deadlines because there is no commitment to internal requests*" result is "*lack of time for strategic and creative activities.*" (5) **Lack of communication on strategy, information sharing processes, and unproductive meetings organization**. (6) **Lack of decentralized competencies, existing competencies are not transferred, and mismatch between competencies and jobs**. Organic growth came from the development of distinctive competencies; however, "*knowledge and expertise are fragmented, unstructured, and not handed over to newcomers.*" Another facet of the problem related to the *regional centers not having the needed capacities to conduct their operations autonomously*.

Root causes of dysfunctions. They revolve around the founders' role and the transformation into social enterprise. Despite the decision to pass the executive powers from the first to the second generation of leadership, the founders still yield executive powers. The passage is hampered by the absence of an effective board, and the accessibility of the founders through informal channels that circumvent the organizational structure. There is, therefore, lack of control and accountability at all echelons of the organization. Nevertheless, the size of the organization (among the biggest NGOs in Lebanon), its reputation, its impact, and the ongoing intimate relation with the 'heroic' founders, shields actors from any sense of urgency or survival concerns. The second axis relates to the decision to transform from an NGO centered on providing help to people with disabilities to a social

enterprise working on development and privileging efficiency. The decision was a top-down resolution that did not entrain actors.

Prescriptive findings: Complexity leadership and contractualization. Against a backdrop of skepticism resulting from the previous attempt to remodel Arcenciel, cross-functional project groups started deliberating and applying solutions. (1) **Simplifying and unifying the missions and visions of the organization**, in a context of several business models within the organization and value clash between the efficiency driven and the socially oriented actors; (2) Devising a five-year strategic plan in order to develop the organization and **align the goals of each employee with the goals of the organization**; (3) Nominating new **board members** to bring new areas of expertise to the board, and to define the priorities of development and evaluate the results. (4) Monthly meetings between **center directors and heads of program** to solve issues and ambiguities. Agendas preceding meetings define the specific topics to be addressed; resolution charts concluding the meetings delineate the actions to be taken, and who is responsible for them. This method has been identified as the best to solve issues while avoiding direct confrontation and infinite discussions about roles and responsibilities based on the outdated or non-applicable job descriptions; (5) Brining out **societal needs** in terms of services and products directly from the field. Thus, mending for the lack of information impairing program managers in defining their strategy, and centers from providing the right services or products.

These solutions cued the topic of job descriptions, critical tasks, versatility of competencies, flexibility of positions, working from home, and compensation and retribution. They were combined into one undergoing project addressing the inclusive contractualization of the workspace. Contractualization in socio-economic terms empowers the ensemble of employees into devising organizational objectives, trickling them down to the individual level, and appending them with a concerted accountability system. This tackles the issue of sustainability of the organization past its heroic leadership phase. The project is perceived as a milestone in the transformation from NGO to social enterprise because it defines the responsibilities and rewards of every actor in conjunction with the organizational performance.

Particularly vulnerable to shifting environments are growing companies that draw their foresight from a charismatic leader (de Vries, Manfred FR Kets, 1996; Harvey, 2001; Paulsen et al., 2009). It is evident that the transition into organizational agility (Arbussa et al., 2017; North and Varvakis, 2016) revolved around the socio-economic approach to management that stipulates a structure in synchronized decentralization, with procedures adapted to the inclusive participation and the dynamic of contractualization in the organization (Savall and Zardet, 2008).