Case Study

Analysis of Casa De Esperanza
**Introduction**

Casa De Esperanza, a non-profit agency created to serve Latina victims of domestic violence, was the culmination of Latina activists of the late 1970’s. The case study highlights the difficult leadership decisions which transitioned an ideological collective into a professional non-profit organization, focused on empowering Latina’s and ending domestic violence in the Hispanic community. Studying the incarnation and growth of Casa De Esperanza provides insight as to the daily challenges non-profit managers/executives must address regarding resource dependency, mission drift, and strategic management. The analysis will use open systems theory, strategic management, and concepts related to performance management and accountability to examine the case and make recommendations.

**Summary: Contextual Base of Analysis**

Casa was founded to support Latina victims of domestic violence; yet, their sources of revenue from the public sector skewed their methodology. At the inception of Casa, the organization was deemed a collective—shared responsibility and shared leadership. With reliance on government funding to support agency—formally incorporated as a non-profit in 1982—they quickly grew. During this phase in its life cycle the agency became dependent on government funding and drifted from its intended “mission” and struggled with its identity while relying on revenue streams from the public sector.

The growth of the organization—its funding streams and contingencies to continue to receive operational money from the government—turned an ideological collective into a mainstream, professional non-profit; Latina’s accounted for a very small percentage of the women who received services from the organization. Within fifteen years Casa’s annual budget grew from $30 thousand to $1.2 million. Annually, they provided shelter to 145 women and 175 children. Facing an organizational identity crisis in 1997—after numerous iterations of its mission statement—Casa’s
Board and Executive Director hired a consultant to go through a strategic planning process and resolve the identity conflicts among various stakeholders. The culmination of the process enabled Casa to redefine itself as a Latina organization with a revamped mission statement and vision.

Guadalupe Serrano assumed the Executive Directorship at the end of the strategic planning process. As such, the organization was restructured, new culturally-specific programs were implemented, and revenue streams were diversified. Latina’s now accounted for nearly 65% of clients served, and once reliant on government funds, by 2000, 55% of Casa’s support came from government and 45% was from private foundations and individuals. While increasing the level of professional staff members, Casa operated the only 24 hour crisis line in Spanish and received over 4000 calls in 2002. After a 2003 mandate requiring Casa to participate in the state referral network to continue to receive funding, Casa responded by collaborating with two other agencies in an attempt to improve access to all women of color.

**Analysis: Open Systems Theory and Strategic Management**

*Open Systems Theory.* Nonprofit organizations have a defining and unique quality—they are driven by their organizational mission statement and social impact (Shea, 2013). In doing so, staff must be committed to the organization’s “social purpose” (Worth, 2014). Looking at the Casa case through the lens of Open Systems theory proves instructive. Open Systems theory is an organizational theory which examines the external environment in which an organization exists. Two closely related components of Open Systems theory are resource dependency and mission drift.

Agencies that are dependent on resources from external sources—funders and government contracts—must accommodate funding mandates, hence, more seldom than not, alter their organizations mission and vision to remain eligible for the funding (Vaughn & Arsneault, 2014). Worth (2014) concludes, “...becoming primarily or exclusively a government contractor reduces a nonprofit organization’s autonomy and may lead to mission drift”. The linchpin of Open Systems
theory resides in the organizations ability to focus on its mission without being affected by the restrictions involved with receiving contract funding.

For Casa, resource dependency and mission drift emerged throughout the case, and the effects had its consequences. The requirements of the funding necessitated more professionally skilled staff and required the agency to meet funding requirements—a classic example of resource dependency. According to Pfeffer and Salancik (1978), “resource dependency theory explains the behavior of organizations in terms of their dependence on external constituencies—for revenue, information, and other resources” (as cited in Worth, 2014). A key hazard to resource dependency is prevalent when agencies alter their goals, drift from their intended mission, and modify their activities/programs to remain eligible for funding (Worth, 2014). As such, Casa had numerous iterations of its mission statement to accommodate external funding streams (Casa A, 2005).

Casa’s resource dependency and mission drift were due to lack of a clear plan on how they would meet the goals aligned with their mission. Casa’s resource dependency is explained by Open Systems Theory which deems an organization is dependent on, and must frequently interact with their external environments. This is true because of their need for resources (Worth, 2014). Casa’s spent fifteen years muddling the waters of the aforementioned conditions which brought the organization to a fork in the road. The crisis was predicated on their inability to gain consensus pertaining to their organizational identity, and lack of strategic management. Should they recommit to being a Latina “service organization” or move forward as an agency serving all victims of domestic violence (Casa B, 2005). Casa’s efficacy did not measure up. External factors altered their mission and goals, and changed their organizational identity.

**Strategic Management.** The purpose of leadership within an organization is to guide the agency to fulfill its mission, drive its vision, and meet all fiduciary responsibilities. Casa lacked any
meaningful strategic management for nearly a decade and a half. Although the organization grew, it continually altered its mission and vision and drifted from its initial intent. One component of strategic management is performance measurements (LeRoux & Wright, 2010). Casa lacked any measurement explicitly linking their outcomes to their mission. Instead, they altered their mission to meet the requirements of their funders. Casa’s lack of a clear organizational identity exemplifies their lack of strategic management. Conflict and lack of consensus regarding Casa’s identity was rampant among Casa’s staff, Board, and the ED. Some felt it should be a battered women’s organization, others as a multicultural organization, and many of the Board saw Casa as a Latina Organization (Casa A, 2005).

Although the organization grew and became more professional, with each new program, conflict and stipulations to resources increased, while Latina’s were less than 1/3 of the clients served. Casa’s lack of clear direction and strategic management led them into the world of nonprofit abyss—they existed, but not for the reason they were founded. As Worth (2014) so artfully asserts, “Strategy is focused on the long-term, not on the day-to-day”.

Strategic Planning. In 1997, Casa finally took initiative—acted strategically—and completed a thorough strategic plan and redefined itself as a Latina organization. According to Worth (2014), “Strategic planning is more than strategy; it is a process that produces a product—strategic plan—that puts meat on the strategy and points the way to implementing it”. A strategic plan is an intentional process that renews the organizational identity—through its vision and mission—and details specific goals and objectives an organization wants to achieve through this systemic process (Shea, 2013a). For Casa, this meant redefining its organizational identity, then aligning programs that would support its mission statement. This is supported by Bryson (2011) who claims strategic planning is “a deliberate, disciplined approach to producing fundamental decisions and actions that
shape and guide what an organization...is, what it does, and why” (as cited in Worth, 2014). This was the inception of strategic management for Casa.

The process of strategic planning—as sought by the organizations fourth Executive Director Gloria Perez Jordan—operationalized the organizational strategy. According to Mittenthal (2002), “Strategic planning has long been used as a tool for transforming and revitalizing nonprofit organizations”. Casa emerged as a community based Latina organization and was no longer a government funded domestic violence agency. Although the documented plan was a step in the process of organizational change, it was not change in itself. “At that moment in time, Casa was an organization divided between its past and its vision” (Casa B, 2005). Guadalupe Serrano—the fifth ED of Casa—was a transformational leader with the ability to implement the strategic plan.

Transformational theories posit that vision and new processes are essential for organizational change (Van Wart, 2011). Serrano engaged staff and clients for input regarding new programs, left the implementation to the staff, allowed staff to pick their new positions within the restructured organization, and “stressed that everything the organization did needed to be understood through the lens of the mission” (Casa B, 2005). This is reinforced by MacMillian (1983) who contends that all “programs [should be] consistent with its mission and strategy (as cited in Worth, 2014). In 2000, Casa initiated Fuerza Unida, and solicited recommendations directly from the Latinas to rid their communities of intimate violence. Casa’s strategic plan was a living document as the organization “engaged in the systematic monitoring and evaluation necessary to see if strategies” were successful (Brest, 2012).

The strategic planning for Casa enables one to understand how a formal process can redefine an organization’s mission, values, and goals, and create a path for systemic organizational change. A key component to strategic management is the agencies ongoing evaluation process (Shea, 2013).
the summer of 2000, “Lupe [Serrano] and her management team surveyed the results of their work over the past two years” (Casa B, 2005). Casa’s leadership took its “first steps from tracking activities to tracking results” (Casa B, 2005). Casa’s new programs were not created based on their strategic plan; they were the result of their accountability to their beneficiaries and community. This is supported by Neville & Murray (2008) who so aptly state, “We tend not to start new projects based on strategic plans. Many of our most interesting and fruitful initiatives start simply because a group of people get excited about something”. For Casa, culturally specific programs were the result of what clients deemed necessary for Latina’s.

**Collaboration.** Another viable strategic management tool used by Casa was collaboration. This was explicit after the implementation of the strategic plan in the agencies “Board Direction for Change” (Casa C, 2005). A 2003 mandate from the state funders required Casa to participate in its Day One database. In a strategic response, Casa sought partnerships. “Casa’s leadership—in partnership with two other domestic violence shelters serving women of color—agreed to participate in the referral network only if they could work in a new, committed way to improve all women’s access” (Casa C, 2005). According to Gazely (2010), “The practice of inter-organizational collaboration offers many opportunities to apply a more comprehensive conceptual approach”. Casa’s leadership was able to act strategically, partner with other agencies serving women of color, and maintain its organizational integrity staying true to its mission. Collaboration allows agencies to exist in multi-organizational dynamics enabling them to collectively solve social problems (Gazely, 2010).

**Relevance of Concepts for Analysis.** The concepts of Open Systems theory and strategic management allow identification of the core issues in the Casa case. As such, their efficacy is sufficient as they enable one to understand the consequences of resource dependency, mission drift,
and lack of a viable strategy or strategic management tools which leads to mission ambiguity. One inherent deficiency entwined in strategic management is the inability of strategic plans to be implemented. Although this was not the case with Casa, it should be noted that many strategic plans are done in response to funding mandates—not for organizational change. It may have been helpful to examine Casa through the lens of capacity building and organizational life cycle theory as it pertained to the organizational change that transpired at Casa through the strategic planning, as it may have enabled proper identification of pertinent performance measurements and goals associated with the strategic plan (Herman, 2008).

**Recommendation: Performance Measurements & Accountability**

To secure its strategic plan and future, I would recommend that Casa implement focused performance measurement and accountability to its beneficiaries. These two measures would ensure Casa maintain its focus as an organization dedicated to preserving its mission. According to Rango, Wolslegel, & Yau (2013), “Nonprofits are recognized to be most effective when they are accountable to beneficiaries”. Performance measurements will allow Casa to empirically measure the extent to which it is achieving and fulfilling its mission. As Worth (2014) contends, “Performance management is an ongoing, internal process used to collect and analyze data in order to track the effectiveness of programs on an ongoing process”. These recommendations allow for organizations to stay focused, maintain its integrity, and organizational identity.

**Conclusion**

Casa De Esperanza is a community based organization committed to educating and assisting Latina victims of domestic violence, and ending domestic violence in Latina/Latino communities. After years of resource dependency and mission drift—through a strategic planning process—Casa emerged with a new organizational identity committed to end domestic violence in the Latina/Latino community. The case exemplifies Open Systems theory—the external environment in which
organizations exist—and the resulting factors of resource dependency and mission drift. Causal effects of the lack of strategic management lead the organization to mission ambiguity, yet it was redefined through a systemic process—a strategic plan—emerging with a new vision and mission with clearly defined goals and objectives. Effectively collaborating with other local agencies, Casa sought to increase access to all women of color with their roots fastened to the Latina community. Effectively focused, outcome-based, performance measurements—with accountability to its beneficiaries—will enable Casa to stay true to its mission and maintain its place as a viable asset to the community.
References


