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## **The Role of Trust-Control Mechanisms in Operations Processes:**

**Mitigating Mission Drift in a Microfinance Institution in Gujarat,  
India**



## Abstract

Microfinance Institutions have two missions competing for management attention. One is the increasing pressure to achieve financial self-sustainability and the other, more importantly, is the social development mission of poverty alleviation of its clients. Previous research suggests that prioritizing the goal of financial self-sustainability over the goal of social development has generated accusations of mission-drift. As a result of these dual missions of microfinance institutions, the fundamental question that arises is, how do managers of microfinance institutions balance the competing interests of dual missions to avoid mission-drift? This research answers that question by redefining the problem of mission-drift in the context of trust-building and task-control mechanisms. The research uses embedded case study strategy to collect and analyse the data in the context of Gujarat, India. Mission-drift presumes that a profit-seeking agenda of microfinance institutions would lead managers to emphasise profit-oriented task-control processes at the cost of socially-oriented trust-building processes. The results indicate that there is no automatic link between profit-seeking activities of microfinance institutions and mission drift and that the relationship between trust and control mechanisms for microfinance institutions is both substitutive and complementary. This suggests that a proactive balancing of trust-building and task-control processes in microfinance institutions can respond to the demands of two missions. The research also demonstrates that client-oriented stakeholder interests in the dual missions of the organization can be analysed through trust-building and task-control mechanisms to help balance joint interests of the stakeholders.