

**Paper Number:** PN022090

**Paper Title:** Putting Research into Practice: Increasing Cultural Participation

**Author(s):**

Ms. Sue Anne Lafferty, Ohio Arts Council, Columbus, OH, USA

**Description**

How can the Ohio Arts Council (OAC) better serve their communities and diversify, broaden, and deepen cultural participation? A three-year research study, State of the Arts Report (SOAR), has brought the need to readdress policy guidelines and reevaluate practice. SOAR has also resulted in the OAC receiving a three-year grant from the Wallace-Reader's Digest Funds to implement SOAR's findings – bringing about several issues and the challenge of putting research into practice into policy to better serve our communities.

Overall, this research and process has evolved from the field – learning from practice. Surveying the field and identifying the arts sector has become a major focus in arts research in the past several years, as well as the public's perception on the arts (i.e. American Assembly, RAND (Wallace-Reader's Digest Funds, PEW national studies, local studies). This topic is very relevant to arts and cultural policy and current movements within the field. Several components of our work relates to the efforts of arts agencies to inform practice and improve arts participation. American Assembly's work on avocational arts has influenced this work, as well as the cultural focus on quality of life issues and making the arts an active part of people's everyday lives. The relevant research comes from several disciplines and areas of interest, specifically, community development, cultural participation, and nonprofit research on 'better practices'.

Three papers will describe the research and our process of putting findings into practice:

Paper #1: Christy Farnbauch & Sue Anne Lafferty

Paper #2: Martin Nagy & Danette Olsen

Paper #3: Tom Shorgl

**Paper Number:** PN022090.1

**Paper Title:** Ohio Arts Council's State of the Arts Report: Research & Implementation

**Author(s):**

Sue Anne Lafferty, The Ohio State University, Columbus, OH, USA

Christy Farnbauch, Ohio Arts Council, Columbus, OH, USA

**Summary of Research**

How can the Ohio Arts Council (OAC) better serve their communities and diversify, broaden, and deepen cultural participation? A three-year research study, State of the Arts Report (SOAR), has brought the need to readdress policy guidelines and reevaluate practice. SOAR has also resulted in the OAC receiving a three-year grant from the Wallace-Reader's Digest Funds to implement SOAR's findings – bringing about several issues and the challenge of putting research into practice into policy to better serve our communities.

**Description**

(Paper #1: Farnbauch & Lafferty) In 1998, the OAC launched a three-year study of arts participation in Ohio. The State of the Arts Report (SOAR) is the most extensive research effort ever conducted by the OAC. The focus of this research effort was to 'refocus the OAC's mission toward strengthening the cultural life of Ohio's communities by increasing public participation in the arts. It provides comprehensive, realistic and user-friendly information about the arts and cultural environment in Ohio.' (\*OAC press release)

In the fall of 2001, the OAC staff visited eight regional community sites to introduce SOAR and share the findings, as well as to assist how arts organizations can use the SOAR data. This paper will describe the research findings and also the site visits.

Based on the results of State of the Arts Report the Ohio Arts Council was awarded \$1.1 million over the next three years by the Wallace-Reader's Digest Funds, a New York-based national foundation, as part of a new State Arts Partnerships for Cultural Participation (START) initiative. For this grant, the OAC will evaluate and revise its programs to reflect the findings of the State of the Arts Report, which showed that many citizens take part in arts and cultural activities through such venues as faith-based institutions and community festivals. This paper will describe this process of selection and also what goals we have set for 'better practices' due to the research findings. We will also describe how this has affected our work with faith-based institutions.

The OAC announced the selection of five regional sites to receive funds to work within their communities and expand on the State of the Arts Report research released by the OAC this fall. Arts councils and centers selected as regional sites include Arts Council of Lake Erie West, Toledo; Community Partnership for Arts and Culture, Cleveland; Greater Columbus Arts Council, Columbus; Fitton Center for Creative Arts, Hamilton; and Southern Ohio Museum and Cultural Center, Portsmouth. The grants to regional sites will help test this information as well as determine other ways that people participate in the arts, while helping to strengthen the cultural infrastructure of the regions. Two examples of the regional sites will follow this paper to describe their own process and grant information on how they are planning on increasing cultural participation in their region.

**Paper Number:** PN022090.2

**Paper Title:** Developing the Northwest Ohio Network of Culture and the Arts

**Author(s):**

Mr. Martin Nagy, Arts Council Lake Erie West, Toledo, OH, USA

Danette Olsen, Arts Council Lake Erie West, Toledo, OH, USA

**Summary of Research**

The Arts Council of Lake Erie West is in the process of developing the Northwest Ohio Network of Culture and the Arts (NCA). NCA proposes to continue the Black Swamp Arts Initiative (BSRAI) and further extend it into the Ohio Arts Council's northwest region of the state with the goal of creating a working network of arts agencies focused on increasing arts participation. We intend to accomplish this through dissemination, analysis, and dialogue about Ohio Arts Council's State of the Arts Report data, RAND data, and other research-based information as it effects planning and implementation of programs.

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The arts are surely present in northwest Ohio, but they are not fully embraced as an integral part of daily society. There is tremendous potential for growth of, and participation in, all facets of the arts in our region. NCA will centralize all regional administrative and advocacy activities in a single department making it possible to provide servant leadership to the field in a focused and effective manner for the first time in our eighteen year history. Through a three-year development approach, NCA intends to create a unified network of arts and culture entities that share a common vision: to live in a region where the arts are central to who we are. Through this project, the Arts Council Lake Erie West will be able to advance its efforts to increase audience participation in all categories – creators, spectators, stewards, and arts administrators.

**Paper Number:** PN022090.3

**Paper Title:** Community Partnership for Arts and Culture: Web-based Assessment

**Author(s):**

Mr. Tom Shorgl, Community Partnership for Arts and Culture, Cleveland, OH, USA

Ms. Julie Thorud, Community Partnership for Arts and Culture, Cleveland, OH, USA

**Summary of Research**

(Paper #3: Shorgl) Community Partnership for Arts and Culture (CPAC), Cleveland, Ohio: Funds will be used to develop a comprehensive web-based diagnostic system to examine arts organizations critical strengths and weaknesses in the areas of strategic planning, human resources, governance, financial management, communications and information technology.

**Description**

The web-based system components include: an assessment methodology and organizational assessment tool that will be pilot tested with a select group of organizations; a wide range of diagnostic protocols to provide initial diagnosis and technical assistance; a directory of consultants; and continuous evaluation of services. The project will target small to mid-sized arts and cultural organizations.

**Paper Number:** PN022131

**Paper Title:** Economists reach out: The relevance of nonprofit economics to other disciplines

**Author(s):**

Dr. Natalie J Webb, Naval Postgraduate School, Monterey, CA, USA

**Description**

This panel presents four papers to provide a forum for economists and non-economists to talk about "everything you wanted to know about economics and nonprofit research, but were afraid to ask!"

**Paper Number:** PN022131.1

**Paper Title:** What economics can and cannot explain about the nonprofit sector

**Author(s):**

Dr. Peter Halfpenny, University of Manchester, Manchester, UK

Dr. Natalie J Webb, Naval Postgraduate School, Monterey, CA, USA

**Summary of Research**

This paper will look at individual and organisational behavior, examining where neo-classical microeconomics provides precise problem formulation and possible answers, where it does not, and why. This non-technical look at economics, from a sociologist's viewpoint, will provide a point of departure from the economists views presented in the session.

**Description**

Economics, like many other disciplines, has many subdivisions or specialties. Much of economics simply has no relevance to the nonprofit sector, but much in it is relevant. One of the basic questions that economics seeks to answer is the age-old matter of making finite resources stretch over infinite wants. This question is elemental and very appropriate to nonprofits. The question leads to the problem of choice, and economics has a great deal to say about how people make choices. In particular is the fundamental rule, "one can do anything one wants with the resources at hand, but not everything one wants." There is no nonprofit entity that does not face this problem; there is never enough money to do all the things that need to be done. Thus, in developing and administering an expenditure budget, nonprofit managers necessarily have to deal with choices and trade-offs. This is purely an economic problem, which researchers and practitioners must solve before many other problems can be approached. Economics offers a variety of techniques for solving such problems, and those economists who are involved with nonprofits ought not be bashful about touting their use -- when appropriate.

The panel will provide a forum for economists and non-economists alike to discuss why, and perhaps, when economics offers a useful way of solving problems and addressing issues. We have three motivations for organizing the session. We want to promote legitimacy of the economic paradigm and its relevance to nonprofit research and practice. Secondly, we are often frustrated that our best explanations and uses of fundamental economic knowledge and awareness of market constraints are not well received by our non-economist colleagues. Finally, we would like to promote positive analysis, where useful and appropriate.

In keeping with our goal of providing a forum, we have asked both economists and non-economists to participate on our panel. Representatives from economics, law, and sociology have agreed to participate, either as paper presenter or discussant. We have encouraged our discussants and moderator to be prepared to discuss how economics has been useful (or not) in their own disciplines with regard to the study of nonprofits.

The first paper, presented by a sociologist, will discuss some history of the use of economics in philanthropic research, and will look at "what economics can and cannot explain about the nonprofit sector." The second paper will discuss the use of the rational choice model in economics. It will put this model in the context of the historical presentation of the first paper, and then talk about how economists have expanded well beyond that model. It will also give applications of the model to analyzing nonprofit organizations. A third paper will discuss the nonprofit economy, and will touch upon aspects such as labor supply to nonprofits, commercialization of the sector, and roles of government and nonprofit suppliers in mixed industries. Finally, the last paper will look at an application of economics by surveying use of economic thoughts, tools, and methods with regard to the nonprofit arts.

**Paper Number:** PN022131.2

**Paper Title:** The Rational choice model in economics: history, theory, and applications

**Author(s):**

Dr. Javier Stanziola, Florida Gulf Coast University, Fort Meyers, FL, USA

**Summary of Research**

This paper discusses the use of the rational choice model in economics. It first provides a brief history, then goes on to show how economists have expanded well beyond that model. Finally, it presents applications to analyzing nonprofit organizations.

**Description**

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**Paper Number:** PN022131.3

**Paper Title:** Economics of the nonprofit arts: Myths and realities

**Author(s):**

Dr. Charles Gray, University of St. Thomas, Minneapolis, MN, USA

**Summary of Research**

This paper seeks to distinguish empirically verifiable and/or theoretically supportable propositions from wishful thinking among arts policy makers, arts managers, artists, and arts advocates. Among the assertions examined are these:

- The arts deserve government subsidy because they are regional economic “growth engines.”
  - o□The arts create jobs.
  - o□The arts contribute to the quality of life.
  - o□The arts can reconfigure neighborhoods.
  - o□Cultural tourism is of net benefit to society.
- Artists who work for low compensation deserve subsidy because they already “subsidize” society.
- Art cannot be valued in monetary terms.
- The “starving artist” is in danger of extinction and with him/her would go a great deal of our cultural capital.

**Description**

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The first paper will present some history of the use of economics in philanthropic research, and will characterize the models, methods, and thinking that lead to present use of economics in such research. The second paper will discuss the use of the rational choice model in economics. It will put this model in the context of the historical presentation of the first paper, and then talk about how economists have expanded well beyond that model. It will also give applications of the model to analyzing nonprofit organizations. A third paper will discuss the nonprofit economy, and will touch upon aspects such as labor supply to nonprofits, commercialization of the sector, and roles of government and nonprofit suppliers in mixed industries. Finally, the last paper will look at an application of economics by surveying use of economic thoughts, tools, and methods with regard to the nonprofit arts.

**Paper Number:** PA021272

**Paper Title:** The Risks and Rewards of Nonprofit Revenue Concentration and Diversification

**Author(s):**

Dr. Elizabeth Keating, Harvard University, Cambridge, MA, USA

Dr. Peter Frumkin, Harvard University, Cambridge, MA, USA

**Summary of Research**

A widely held belief among nonprofit managers is that revenue diversification is desirable. Only by attracting multiple streams of funding, including earned income, government contracts, foundation and corporate grants, and individual contributions, can nonprofits be financially stable and expand programs over time. This project will ask and answer the following question: Is this assumption correct? We examine three related questions: What is the relation between revenue concentrations, nonprofit financial stability and growth? Does the type of revenue concentration affect future financial stability and growth? What is the sensitivity of program expenses to revenue concentrations and fluctuations?

**Description**

Problem or Issue to be addressed

One of the most broadly held assumptions of nonprofit managers is that revenue diversification is highly desirable. The logic behind this assumption is fairly simple. Only by establishing and maintaining multiple streams of funding, including some combination of earned income, government contracts, foundation and corporate grants, and individual contributions, can nonprofits maintain the necessary stability over time to sustain and grow their organizations. This project will ask and answer the following question: Is this assumption correct?

The intuitive appeal of the diversification argument is very strong. It rests on the idea of spreading risk across funding sources so as never to expose a nonprofit to the whims of any small funding constituency. Thus, when a nonprofit has funding from multiple sources, the withdrawal of any single source of revenue will not have catastrophic effects for the agency. By diversifying their funding streams, nonprofits should be able to shield themselves from some of the turbulence of the market around them.

No matter how broadly held the ideal of revenue diversification is within the nonprofit sector, we really do not know the relation between revenue concentration, sustainability, and growth. Finance theory might suggest that a broad diversification of revenue streams will reduce revenue fluctuations. However, the same body of theory also suggests that broad diversification may be associated with slower revenue growth. By spreading risk very broadly among many sources of funding, nonprofits may actually be foregoing the opportunity to master and capitalize fully on a particular segment of the funding universe that might allow them to experience substantial growth.

**The Topic's Relation To The State Of Knowledge In The Field**

To date, some early studies of revenue diversification in the nonprofit literature (Gronbjerg, Tuchman and Chang, Trussel and Greenlee, Greenlee and Trussel) have shown that revenue diversification may lead to lower levels of financial distress. But these studies have not probed the most important questions related to the revenue mix within nonprofits. First, we still do not know whether it is the level of overall diversification or the kind of revenue that is diversified that is driving these findings related to stability. Second, we also do not understand the connection – if any – between revenue concentration and the rate of revenue growth. What is needed, therefore, is a broader, more accessible approach to the core assumption of the desirability of nonprofit revenue diversification, one that asks whether, when, and why nonprofits grow, remain stable or decline depending on the choices they make in positioning their organizations in the funding markets.

## The Approach You will Take

To address these unanswered questions, we propose to look at the intersection of funding patterns with nonprofit financial stability and growth. Focusing first on the hypothesized benefits of revenue diversification, we will ask first a set of questions related to the sources of nonprofit financing:

- What is the relation between revenue mix and revenue volatility?
- Does revenue diversification really allow nonprofits to achieve greater levels of financial stability?
- Do specific mixes of revenue sources determine the level of stability that is achieved?

Focusing second on the drivers of growth, we will explore the following research questions:

- What is the relation between revenue concentration and growth in the nonprofit sector?
- Do nonprofits that operate with high levels of revenue concentration experience higher revenue growth rates than those that are diversified?
- Does the particular form of revenue concentration affect the growth rate?

□□

Beyond these core research questions that speak to central problems in nonprofit management practice, we see a set of related research questions that will be worth investigating as we carry out the project. These questions relate the financial side of nonprofits to their programmatic work and their ability to deliver services.

- What is the sensitivity of program expenses to fluctuations in revenue?
- Is the sensitivity different based on type of funding that experienced the fluctuation?
- Does the sensitivity vary if the firm has diversified revenue sources or has endowments?

The sample data used in our analysis originates from the annual Form 990 non-profit tax filings. The sample population is drawn from the non-profit organizations contained in the panel data prepared by the Statistics on Income (SOI) office of the IRS. The annual data is repackaged and disseminated to academic researchers by the Urban Institute's National Center on Charitable Statistics (NCCS). The annual data files were combined into a single database. Due to inaccuracies in the fiscal year field, tests were conducted to remove duplicate observations initially marked as being from different fiscal years and to reliable fiscal years to ensure that ending total assets for one year equaled the opening assets for the subsequent one.

## The Contribution To the Field Your Work will Make

Our study is designed to test the nonprofit maxim that revenue diversification is desirable. The project will expand our understanding of the inherent differences between the many different sources of nonprofit revenue and their impact on the ability of nonprofits to achieve stability or grow. Rather than treat diversification as a unitary concept, we will break it apart and look at its many possible meanings and many possible implications. We will add to our understanding of nonprofit financial management by clarifying whether some forms of diversification contribute to agency stability and whether high levels of concentration in any particular area (for example, commercial or earned income) is more closely connected to revenue growth than other forms of concentration (such as foundation grants or government contracts).

**Paper Number:** PA021285

**Paper Title:** What's in a Name? Selecting, Keeping and Changing Nonprofit Organizations' Names

**Author(s):**

Dr. Susan Chambre, Baruch College, New York, NY, USA

**Summary of Research**

Discusses the meaning and significance of selecting, keeping and changing organizations' names.

**Description**

The name of a nonprofit organization has an enormous impact on the image it conveys to its stakeholders. Despite the centrality of names, there has been no systematic effort to describe the significance of the initial selection of a name and the decision to either keep or to change an organization's name.

This paper is intended to address that gap in the literature and conceptualizes the name as an important symbolic representation that serves multiple functions.

The analysis is based on an ongoing study of New York's AIDS community. Detailed information has been collected on 140 newly formed AIDS organizations. The paper will present qualitative data on naming choices for these organizations based on qualitative data collected over the past 14 years as well as recent interviews with Executive Directors of several organizations.

For most organizations, the choice of a name is fairly straightforward: it captures the organization's major purpose, the ideology it espouses (e.g. the AIDS Coalition to Unleash Power or ACT-UP), and/or its geographic location. In many instances, the name might be selected because it is both clever and describes its purpose. For example, a fundraising organization established by the beauty industry was called Hair Cares.

But, the choice of a name may be more than descriptive. It is often a central part of the organization's mythology. If a name is unique and distinct (like God's Love We Deliver), it might attract support beyond a particular constituency. Choosing to retain a name may also reflect a desire to continue to link the organization with its historic origins even though the name may no longer accurately or fully describe the organization's source of support or its constituency. This has been the case with Gay Men's Health Crisis which has not, for a number of years, primarily served gay men nor is it responding to a health crisis.

Some organizations in the sample have changed their names. The Upper Room AIDS Ministry changed its name to the Harlem United Community AIDS Center. This reflected a shift in the role of religious commitments in its purpose and stronger ties to the community where it relocated. In another case, the change involved a renaming of the organization (AIDS Resource Center) to its best known program component (Bailey House).

Two organizations initially focused in New York (the Black Leadership Commission on AIDS and the Harlem Week of Prayer) changed their names to reflect a broader focus. The Black Leadership Commission added 'National' to its name; the Harlem Week of Prayer changed its name to Balm in Gilead to continue to reflect its religious mission and also to allow for a yearlong, national focus.

Another situation involves the naming decision when two organizations merge. The Persons with AIDS Coalition (PWA Coalition) and Body Positive merged in 1999. The resulting organization was called Body Positive, a name that was perhaps far more appropriate for a contemporary organization in light of the fact that the disease is better conceptualized as HIV illness rather than AIDS.

Names, then, serve a number of different functions. They are a key element in an organization's impression management and, at the same time, serve an important integrative function for supporters and clients.

**Paper Number:** PA021362

**Paper Title:** All Things Don't Stay the Same: Environmental Scanning and Scenario Planning for Nonprofit Organizations

**Author(s):**

Dr. Roland Kushner, Management Advisory Services, Bethlehem, PA, USA

### **Summary of Research**

The paper addresses the importance of environmental scanning in the strategic planning process. Planners are often biased to anticipate stability in the external environment, even though the outside environment is very dynamic. After evaluating this bias, the paper presents a set of techniques for analysis including scenario planning. The results of these analyses are placed in the context of the strategic planning process. Illustration and examples are drawn from several different types of nonprofit organizations.

### **Description**

Effective planning and implementation of strategy are key responsibilities of leaders in any organization. In nonprofits, strategic planning is often seen by managers in a conceptual framework in which plans are made and resources allocated as if the world was standing still. That is, the heuristic pattern of planning assumes that outside conditions will either stay the same or will evolve much more slowly than the pace at which a particular organization can change its policies. This heuristic lays the seed of errors that can grow in importance and consequence as the distance grows between default scenarios assumed by planners and the evolving realities of the external environment. Sometimes the difference is beneficial, and the environment becomes more munificent. But it is far more often the case that managerial errors in estimating the pace and nature of external change are problematic for the organization. Planning is based on the environment as it is seen (and enacted), and on mental models that can lead to cognitively biased estimates.

I argue that there is a bias towards anticipating stability rather than anticipating dynamic change. For example, in principles of economics, we teach the notion of "ceteris paribus," that given demand and supply relationships are valid only under certain conditions in which all other things remain the same. We say, for example, that the relationship between a set of prices and the quantities demanded at each price are based on assumptions of stable incomes, prices of other goods, expectations, etc. Changes in any of these shift factors will disturb the demand relationship and generate a new one.

Managers and planners often proceed as if the same constraints did not apply to them. Whether they are estimating demand or anticipating building costs, they often make "ceteris paribus" assumptions that they extend over the whole time frame of a plan. They may assume in planning that stakeholder relationships with donors and communities will remain stable, that there will be constant interest in their particular kind of service, that their pricing will remain steady. By using default assumptions and scenarios, they plan suboptimally. Moreover, strategic planning that does not take enough environmental change into account is not (almost by definition) strategic. This follows from a notion that strategy is how an organization fits into a dynamic environment.

After laying the foundation for this bias towards stability, the paper will present techniques to help NPO managers assess dynamic environmental change. It is an integrated methodology for assessing the source of change, the nature of change, the impact of change on a particular organization, and the urgency of response. The techniques are not specific to any particular kind of NPO, and can be employed across the sector. Some key issues presented in this session will include:

- 1) identification of sources of change, including competitive and "macro" environmental forces;
- 2) gathering evidence about change in outside forces;
- 3) analysis of the time frame of change (short-, medium-, and long-terms); and
- 4) identification of possible scenarios

Whereas the first three items on this list tend to disaggregate environmental change into different (and partially discrete) perspectives, the last item is more holistic. It is based on scenario planning techniques proposed by Schoemaker (1995). The core of the scenario planning approach is to examine environmental change as a combination of trends (e.g., gradually evolving demographic changes) and uncertainties, events that are likely to be categorical and are often rapid and unexpected (e.g., significant changes in licensing procedures, attacks of Sept. 2001).

The final element addressed in the paper is how to incorporate the results of environmental change analysis into strategic planning. Planners are often so anxious to get to the "fun" stuff (e.g., build buildings, start programs, spend money) that they fail to take advantage of the work that they have done to analyze opportunities and threats in the outside environment. The conclusion of the paper emphasizes the importance of placing environmental analysis in the planning process.

The paper will be illustrated with examples from arts, environmental, human service, and educational organizations.

#### References:

Schoemaker, Paul J. H. (1995), "Scenario Planning: A Tool for Strategic Thinking." *Sloan Management Review*. 36 (2), Winter, 25-40.

**Paper Number:** PA021563

**Paper Title:** Challenges and Opportunities for African Micro-financial Organizations in the Context of Globalization

**Author(s):**

Dr. Youssoufou Congo, University of Liege, University of Liege, Liege, Belgium

### **Summary of Research**

Globalization is redefining micro-financial services and reshaping the strategic behavior of organizations providing such services. It poses significant risks, increases competition between micro-financial organizations and leads them to innovate with the objective to improve outreach and sustainability. There are also unparalleled opportunities for micro-financial organizations that recognize the importance of these changes and incorporate ways to take advantage of them into their strategies. The purpose of this study is to identify these opportunities and to examine the challenges for African micro-financial organizations in the global economy.

### **Description**

In Africa, we are witnessing an emergence of micro-financial organizations (MFOs) such as member-managed savings and credit cooperatives, group credit organizations, and credit NGOs and associations. Contrary to commercial banks, which serve mainly rich urban households, MFOs focus on low-income people and the poorest and their demand for financial needs. Contrary to state-run banks, cooperatives and credit projects, which depend mainly on government and donor funds, MFOs are generally set up with the objective of maximizing the mobilization of local savings thus decreasing their needs for subsidies. Therefore, one can understand the increased interest of public authorities in African countries and various actors that emerged in the recent years for supporting the development of the micro-financial sector.

If until the mid-1990's, top priority was given to the increase of the number of organizations in order to provide financial services to the poor on a large scale, a widespread consensus has been reached since a few years. MFOs cannot be successful without sound financial reforms – including interest rate deregulation, the elimination of subsidies, and the setting up of legal and regulatory frameworks. It is hoped that these reforms, by increasing competition between organizations will lead to better allocation of financial resources and high performance micro-financial sector. Indeed, many research and studies (Kincaid, 1988; Gurgard, Pederson and Yaron, 1996; Mehran, 1998; etc.) proved that financial reforms and regulatory policies have substantial positive effects on the micro-financial sector. MFOs are more regardful of their viability and sustainability. At the same time, because of the liberalization of financial markets and the increased performance demands from donors and regulators, micro-financial organizations tend to neglect the poorest (Gentil and Fournier, 1994; Taillefer, 1996; Zeller and Sharma, 1998; etc.).

Now, the micro-financial sector is once again experiencing transformation. This time, it is a transformation induced by Information technologies (IT). In this connection, recent discussion about IT impacts on the micro-finance sector suggests radical benefits for IT-using organizations. On the other hand, MFOs that lag in adoption of IT (computers, management information software, credit scoring technology and other data-mining techniques, smart card operations, Internet, etc.) or fail to build up relevant innovative strategies may be left behind or may go bankrupt.

These ideas about high potential impacts of new information technologies on the micro-finance industry echo a recent academic literature on how innovative MFOs can benefit from IT. Sen (2001), for example, shows how IT are starting to allow consumers in developing countries to access some financial services on terms comparable to those available in advanced countries. He argues that the development of Internet makes direct local and international transactions available even to small organizations. Similarly, many authors (Bhatt, 1988; Morduch, 1999; IMF, 2001; etc.) have been pointing to the widespread benefits that IT can provide to MFOs that succeed to respond to these new technologies. Indeed, information technologies, by allowing MFOs to have access to appropriate management information

systems, lead to better institutional and operational efficiency, and can consequently be the basis of a new wave of sustainability. Besides, IT allow MFOs to improve the outreach performance and clientele satisfaction, to add value to their primary products, and to decrease the high fixed costs of small scale lending that limit access financial services for poor people. Finally, information technologies, by facilitating networking, exchanges of experiences and information lead to better integration of MFOs into the global economy.

If globalization – including the increased market penetration in societies and the fast development of information technologies- is to have such revolutionary effects on micro-finance industry, might any of those impacts be visible in Africa? In other words, are African micro-financial organizations are able to tap into the current economic and technological changes in ways that will best serve their clients? Even if some of these changes are strongly beneficial for African micro-finance organizations, don't others expose them to some new challenges? The present study addresses these questions. It confronts data from West African Economic and Monetary Union countries. Aside from the subregion-wide overview, the study also compares a number of divergent country based micro-financial experiences.

Identifying the opportunities and examining the challenges for African micro-financial organizations in the global economy is important for at least two reasons. First, it is important for the future of the sector and for African policy analysts and micro-finance practitioners, and for the efforts they do build a viable and sustainable micro-financial sector. Second many studies so far point out to the potential impacts of economic and technological changes on the micro-financial sector, but most of them are case studies in Asia and Latin America. Clarifying the relationship between globalization and micro-finance services not only has implications on the discussion of the effects of globalization on the nonprofits, but also contributes to a better knowledge of the interactions between the new economic context and the performance of African micro-financial organizations.

**Paper Number:** PA021306

**Paper Title:** Nonprofit organizations and the public sector in Austria --- when long-term liaisons are changing...

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### **Summary of Research**

Nonprofits in Austria have traditionally had close links to the public sector. A recent change of government, however, brought about a shift in policies towards nonprofits: the relationship between nonprofits and the state is about to change. This paper examines the directions of this change, and its consequences for nonprofits. It will also discuss potential strategies and measures nonprofits might take to deal with the new challenges in an altered political climate. Information will be derived from empirical research, which encompasses ten in-depth case studies in organizations engaged in the social services in Austria.

### **Description**

Nonprofit organizations in Austria have traditionally had close links to the public sector. This is above all the case of organizations engaging in the social services. There, the state has often financed the services which were provided by nonprofits. Based on this division of labor, the nonprofit supply within the social services sector is impressive (Heitzmann, 2001). For example, more than a quarter of all homes for the elderly are nonprofits in Austria, as well as about a fourth of all child care facilities. Also most of the organizations providing personal social services are nonprofits in Austria.

In 1999, however, after almost thirty years of participation of the social democratic party in government, a change of power brought about a coalition government made up of two conservative parties. The shift in politics went along with a shift in policies, not least policies towards nonprofits. And indeed, the relationship between nonprofit organizations and the public sector is about to change in Austria. On the one hand, the public sector increases the pressure for nonprofits to provide services more effectively and efficiently, and links financial support to the achievement of quantitative and qualitative performance indicators. Thus, accountability of nonprofits towards the state has enhanced. On the other hand, the primary political goal of budget consolidation leads to a general decrease of subsidies provided to nonprofits ? which has repercussions on the very existence of many smaller organizations. Thus, nonprofits are forced to think about alternative sources to finance their services.

In a first step, the paper examines in what ways the relationship between nonprofits in the social services and the public sector in Austria has changed in recent years. Fundamental changes, for example, regard the reliability of contracts between nonprofits and the state, the timing of financial resources granted to nonprofits, the modes of accounting and an increasing instability of applied instruments of performance-measurement.

In a second step, consequences of these changes for the nonprofit organizations will be analyzed. Here the paper will focus on three dimensions: the effects the change of relationship has

- (i) on the very work of nonprofits (e.g., effects on the quantity and quality of the services provided, potential amendments of the services provided, etc.),
- (ii) on the organization of work in nonprofits (e.g., effects on organizational strategies, security/insecurity of planning, effects on contracts for and payments of employees, etc.), and (iii) on the composition of financial resources within the organization (e.g., shift from state subsidies towards public or private fees, private sponsoring, etc.).

In a third step, the paper will go on to discuss potential strategies and measures nonprofits might take to deal with the challenges they face under the new political climate (Simsa, 2001). General future perspectives will be discussed, regarding the development of the demand and supply of social services

as well as the relationship of nonprofits and the state. In the future, the identity and the self-confidence of NPOs as well as offensive strategies towards the state will gain in importance. Thus, nonprofit organizations must stress their role as service providers rather than being mere petitioners for resources.

Information on these dimensions of change will be derived from empirical research, which encompasses ten in-depth case studies in organizations engaged in the social services in Austria both at a national, regional and local level. In this context, apart from other sources, hermeneutic interviews are taken with managers, so that valuable insights in both problems and organizational strategies should be gained.

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**Paper Number:** PA021346

**Paper Title:** Personal services in the post-industrial economy: Situating Quebec's social economy

**Author(s):**

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**Summary of Research**

This paper situates debates over the State's role in regulating and funding Quebec's social economy within the broader context of the role of personal services in post-industrial economies. It argues that while personal services play important roles under post-industrialism, the relation of the non-profit sector has been under-theorized, and the necessity that these services be low paying remains unproven. Paying particular attention to the women's movement's social economy strategies, the paper argues that the particular form of post-industrial economy adopted in Quebec depends crucially on the success of such strategies in structuring labour markets in the personal services.

**Description**

□ The question of the relationship of the not-for-profit sector and the state is not a new subject. Debates over whether voluntary organizations pick up the slack for governments intent on privatizing social services are long-standing (Shragge et al. 2001, Kramer et al 1993), and seem to occur in all countries where the not-for-profit sector is invested with a larger role (e.g. Castel 1996 and Demoustier 1998 for France; Barbetta 1998 and Ascoli 1992 for Italy). In a related vein, researchers have considered the conditions under which the sector is articulated to broader state strategies of neoliberal or social democratic reform (Amin et al. 1999; Lévesque & Mendell 1999; Shields & Evans 1998).

These analyses nevertheless suffer from two difficulties. First, they pose their analysis at a fairly abstract level, where the sector is seen to reinforce certain tendencies within the larger processes of economic and social change (e.g. the sector reinforces the neoliberal strategy of restructuring), but is not fully integrated into these larger processes. Second, they tend to gloss over how different social actors struggle to affect how the sector is articulated to broader strategies of reform. This paper, which looks at the development of public policies dealing with the social economy (*économie sociale* – a variation of the concept of the not-for-profit sector (see Vaillancourt 1999)) in Quebec, attempts to address both of these questions.

First, borrowing from Esping-Andersen's (1999) work on the social foundations of post-industrial economies, it will underline how the social economy sits at a strategic intersection of the post-industrial economy. Esping-Andersen argues that job creation in the post-industrial economy will centre largely in the tertiary sector, in part as the post-patriarchal, double-earner (and time-strapped) family increasingly purchases personal and domestic services. He argues that labour-market and social outcomes will vary between societies based on the extent to which these services are delivered by states or private firms, and the extent to which opportunities are provided to employees to move out of this sector into higher paid work. Indeed, two scenarios present themselves: a social democratic model with extensive public personal services and mobility options so as to provide equality for all over the life-cycle; and a neoliberal model where personal services are provided by the private sector (with less good pay and working conditions than in the social democratic model), and where limited mobility options reinforce labour market inequalities by trapping workers in marginal jobs. Evidently, this dualistic model ignores the important place that the not-for-profit sector occupies in the domain of the personal services. The first section of the paper will therefore enrich the analysis with a concrete consideration of how the funding and regulation of the social economy providing these services greatly determines whether the post-industrial economy will be neoliberal or social democratic.

Second, using Mahon's (2000, 2001) discussion of Esping-Andersen's thesis, it will highlight the gender implications of the analysis. Esping-Andersen's argument that the provision of personal services will have to remain poorly-paid due to their low productivity is particularly troublesome given the high concentration of women in the personal services, whether in the state, private or community sector (Lamoureux 1998). Mahon argues that there are indeed ways of recognizing the value of the labour performed, and of increasing productivity, in the personal services sector. There is therefore a third option offering better paid personal service jobs that stands beyond the two offered by Esping-

Andersen. However its achievement depends crucially on social actors mobilizing to bring it forward. Finally, the paper will turn to the development of social economy policy within Quebec, in order to situate it within these debates on post-industrial economies. It will pay particular attention to the social economy strategies and proposals emanating from the women's movement (e.g. David and Marcoux 1995; David 1997; Conseil du statut de la femme 1996; Comité d'orientation et de concertation sur l'économie sociale 1996) in an attempt to show how they in large measure point towards developing the bases of this third option. The direction taken by the broader development model is therefore closely linked to the ability of actors like the women's movement to intervene at strategic points such as the social economy, in order to structure labour market outcomes in the personal services.

This demonstration will therefore go beyond general analyses of the social economy's relationship to the state in two manners. First, it will locate the social economy's relationship to broader development models in a more concrete form by demonstrating its strategic position in post-industrial economies. Second, it will enrich our understanding of the role of agency in understanding this relationship by demonstrating how the women's movement (at least in Quebec) has targeted strategies around the social economy in an attempt to affect the development strategy adopted by the province.

This paper builds on my previous work (2002, 2001, 1999) assessing the relationship of Quebec's public policies dealing with the social economy to the demands and proposals of organized social actors like the women's movement, the labour movement, and the community economic development movement. It goes beyond this previous work by attempting to situate the social economy proposals of the state and the social actors within the context of fundamental decisions over labour market policy, and, by extension, over inequality and social welfare.

**Paper Number:** PA021554

**Paper Title:** Does a Compact Need a Concept of Citizenship? The Framework Agreements of Canada and Quebec Compared

**Author(s):**

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### **Summary of Research**

The dramatic differences in the framework agreements recently developed in Canada and Quebec are explored by applying the concept of citizenship. A conflict between the federal government and the voluntary sector over the underlying citizenship regime led to a very general accord in Canada, while a congruence of visions produced a very specific entente in Quebec. In addition to assessing how concepts of citizenship shape framework agreements, the paper considers whether such agreements can shape citizenship regimes. To address this, the relative effectiveness of the institutions and processes being established in Canada and Quebec to implement the agreements is compared.

### **Description**

A relational revolution appears to be underway in a wide diversity of countries as governments and voluntary sectors intentionally redesign their relationships and the policy instruments and programs that support them. This process of relationship building is having a variety of consequences including the creation of new funding arrangements, programs aimed at promoting volunteerism and capacity building, and revision of regulations. In many jurisdictions, the development of a framework agreement – sometimes known as a compact or an accord – has become the policy instrument of choice to help guide the future direction of the government-voluntary sector relationship. A framework agreement is both a document and a process. As a document, it contains not only shared principles and commitments on the part of both government and the voluntary sector, but, at least implicitly, embodies the essential character of the citizenship regime that underpins the kind of relationships to be reinforced or constructed. As a process, the way in which the agreement is developed, the actors who participate in the dialogue leading up to the agreement and the institutional machinery set up to monitor its implementation are important.

Within a very short time period in 2000, framework agreements were established in both Canada and Quebec. They are markedly different, however, in their content, the processes that led to their development and the institutional machinery put in place to monitor their effectiveness. In the case of Quebec, the underlying rationale for the “entente” is to support the development of an autonomous voluntary and community sector that is actively engaged in public policy. In contrast, the stated goal behind Canada’s accord is to “better serve Canadians.” While the Quebec entente makes specific governmental commitments supporting advocacy and core funding, the federal level recognizes the right to advocacy and the importance of funding, but goes no further. While the Quebec government has created elaborate institutional arrangements to support ongoing dialogue between government and the sector, the Canadian government is reluctant to create new machinery within government or institutionalize structures (rather than mere processes) for ongoing collaboration.

This paper argues that these differences can be explained by the fundamentally different conceptions of the citizenship regime that underpin each agreement. These agreements are the product of political struggles which are not void of ethical concerns regarding how to conceptualize and define citizenship. As such, they convey the principles for exercising the rights and carrying out the responsibilities and duties of citizenship in a democracy. The concept of a citizenship regime embodies three key dimensions: rights and responsibilities; access to political power that facilitates the development and protection of these rights and responsibilities; and a sense of identity or belonging that results from how one is treated as a member of the political community. (Jenson and Papillon, 2000; Jenson and Phillips, 1996; Kymlicka and Norman, 2000). Although the concept of citizenship is normally applied to relations between the state and individuals or societal groupings of citizens, it has equal relevance for

understanding relationships between governments and the voluntary sector. In the latter case, the key dimensions of citizenship play out in the form of debates over institutional arrangements, legitimacy of advocacy, and autonomy.

In the ongoing process of comprehensive reform of which the Canadian accord is a part, it is evident that voluntary sector leaders and senior government officials have differing conceptions of the citizenship regime to be constructed. While both favour a stronger working relationship and better service delivery, the federal government and, in particular, the Department of Finance which has wielded enormous power in the process, does not support expanding the political capacity of the sector to be strong advocates for public policy. Because the process which generated the accord was led by a joint process that involved individuals rather than organizations, the voluntary sector's view of citizenship was pushed aside to produce a highly general accord, in which a concept of citizenship is not well articulated at all. Although there are ongoing skirmishes over maintaining and recognizing the autonomy of the voluntary and community sector in Quebec, the government's and the sector's approaches to autonomy, advocacy, and funding are not dramatically different. Because voluntary and community organizations were able to stand as a sector representing voluntary organizations collectively, Quebec's experience was more successful in developing a common understanding of the concept citizenship.

As the first part of this paper argues, how concepts of citizenship shape framework agreements are important to their ultimate effectiveness. An equally important question is whether framework agreements can shape citizenship regimes. Although voluntary sector-government relationships are influenced by a considerable measure of path dependence (Pierson, 2000) and inertia, the future of the relationship is not predetermined by the concept of citizenship contained in a framework agreement. In the concluding section of the paper, we explore whether the Canadian accord, in the absence of its own articulation of a concept of citizenship can nevertheless give rise to a one. As our case studies show, the present is very much open as the implementation processes of these agreements begin, and the voluntary sector struggles to give direction to relationship building in both Canada and Quebec. Research for this paper rests on several sources: examination of the texts of the framework agreements and the background documents that led to their development; extensive interviews with participants in the processes and, in the case of Canada, participant observation (as the only external observer to the accord process).

**Paper Number:** PA021311

**Paper Title:** What Factors Lead Urban Neighborhood Residents to Get Involved in Their Neighborhood Association?

**Author(s):**

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### **Summary of Research**

Neighborhood associations can be effective at getting things done at the grassroots level, but they are dependent on neighborhood residents for membership, leadership, and project implementation. Increasing and sustaining participation of neighborhood residents is therefore an on-going concern of many neighborhood associations. This research surveyed 451 neighborhood residents in nine neighborhoods in three Michigan cities. Individual demographic variables and community contextual variables are examined to demonstrate their relationship to the involvement of residents in their neighborhood association.

### **Description**

What Factors Lead Urban Neighborhood Residents to Get Involved in Their Neighborhood Association?

Key Words: neighborhood, grassroots, participation

Neighborhood associations are a common and effective tool to getting things done at the grassroots level in many communities. However, these neighborhood associations are dependent on neighborhood residents for membership, leadership, and project implementation. While neighbors may solve local problems by coordinating and organizing their efforts (Rich 1980), this coordination is not automatic (Crew, Kim et al 1998). Increasing and sustaining participation of neighborhood residents is therefore an on-going concern of many neighborhood associations.

Benefits of active neighborhood associations are numerous. Participation by neighborhood residents in neighborhood associations is considered a major method for improving the quality of the physical environment, services and service delivery, crime prevention, traffic, and neighboring behavior (Wandersman and Giamartino 1980). Neighborhood associations also mobilize effectively when facing a challenge from industry, city planners, and/or politicians. On the individual level, participation has also been shown to increase satisfaction, self-esteem, and "sense of community" (Wandersman, Jakubs et al. 1981; Chavis and Wandersman 1990; Julian, Reischl et al. 1997) as well as enabling individuals to feel more competent and less alienated (Levens, 1968; Zurcher, 1970 from (Zimmerman and Rappaport 1988); (Chavis and Wandersman 1990; Julian, Reischl et al. 1997). Similarly, Zimmerman and Rappaport state that participation may be an important mechanism for the development of psychological empowerment (1988). Omoto and Snyder add that members may enjoy the accomplishments of successful community members (2002). Finally, others may find pride in the community's ability to provide services and support for its members (Omoto and Snyder 2002). Amidst all these benefits, a twenty-year-old question continues to be unanswered: if neighborhood participation is so rewarding and effective, why doesn't everyone participate? (Wandersman and Giamartino 1980)

By their very nature, neighborhood-based efforts require participation from the neighborhood. One of the major issues that challenge those who are trying to improve their neighborhood is citizen participation (Urban Collaborators Annual Report 2001). This paper sets out to explore the relationship between an individual's sense of community and involvement in the neighborhood association. By better understanding who participates in neighborhood associations and who might be willing to do so, it is hoped that neighborhood associations will be able to increase participation and eventually sustain it. Specifically, the paper explores the variables that may predict involvement in a neighborhood association. Without participation, the efforts, and their associations, cease to exist. For many neighborhood associations, participation, and thus existence, is always a concern. Some of the factors attributed to participation include: demographic characteristics of social status, life cycle stage, and race (Julian, Reischl et al. 1997).

Typically, sense of community refers to a specific place or geographic entity (Omoto and Snyder 2002; Schweitzer 2000; Crew, Kim et al. 1999). It is often described as the informal interactions, connections and alliances with one's neighbors, and neighboring (Forrest and Kearns 2001). It is also said to be a feeling that members of a group have of belonging and being important to each other, and a shared faith that members' needs will be met by their commitment to be together (McMillan and Chavis 1986). Further, it is the degree to which a respondent visits and talks with neighbors and the degree to which the respondent and his or her neighbors help each other out (Ross and Jang 2000; Schweitzer 2000). Sense of community may also be a cause of local action (Chavis and Wandersman 1990; Crew, Kim et al. 1999).

The relationship between membership in block and neighborhood associations and informal social contact with neighbors is a complex issue (Unger and Wandersman 1983). Ross and Jang found that social ties with neighbors consist of informal integration with neighbors and formal participation in neighborhood associations (2000). Many studies have shown that people are more likely to go to a meeting and feel more comfortable when there is regular communication among neighbors (Chavis and Wandersman 1990). Similarly, participation in a neighborhood organization (including such groups as block crime watch, block club, or neighborhood association) is positively associated with having informal ties with neighbors (Ross and Jang 2000; Perkins, Florin et al. 1990).

Roach and O'Brien found that the more individuals interact with individuals within the neighborhood, the more they will develop positive sentiments toward their neighborhoods (1982). Their evidence also suggests that variations in the extent to which individuals interact informally with their neighbors will be associated with whether or not they have positive feelings about their respective neighborhoods (Roach and O'Brien 1982). Similarly, Unger and Wandersman found that having neighborhood contacts might increase the chance that an individual will be familiar with and join an organization and participation in an organization may foster and encourage the development of informal relationships that help the organization sustain members' commitment and enthusiasm (1983). Interestingly, it appears that formal neighborhood association participation has little impact on how residents actually feel about their neighborhoods (Roach and O'Brien 1982).

This research was carried out in Flint, Grand Rapids and Lansing, Michigan representing medium-sized cities in the Midwest. All have older neighborhoods that are predominantly single-family dwellings. All continue to deal with the common urban problems that have destabilized urban neighborhoods in the last forty years. Within each city three neighborhoods were identified using the criterion that the neighborhood was represented by a neighborhood association whose leaders desired to increase participation of residents in the association. Using tax assessor lists, fifty residences in each neighborhood were selected randomly by geographic location to ensure that all areas of a neighborhood were adequately represented. These residences included single family and multi-unit dwellings as well as owner occupied and rental units. During the summer and early fall of 2001, 451 face-to-face interviews were conducted with one adult resident of the selected residences. Occasionally, a couple responded together.

The survey asked about the respondent's knowledge of their neighborhood association, their prior involvement and action with neighborhood activities, and their willingness to share their skills and talents in neighborhood improvement activities in the future. Prior research indicates that the quality of the connections or linkages within a community directly affects the capacity of social networks to mobilize collective action and address social problems (Backman and Smith 2000). With this in mind, the survey also asked about neighborhood concerns, life in the neighborhood, and neighborhood leaders. Because block boundaries are less ambiguous to local inhabitants and more easily defined than are neighborhood boundaries (Perkins, Florin et al. 1990), emphasis was placed on the surrounding neighbors of the respondent. Residents were asked about their interactions with their immediate neighbors and how their immediate neighbors interact with one another. Finally, information was asked about the respondent's civic involvement, length and status of residency, and other demographic information.

Three dependent variables will be examined: knowledge (respondent's awareness of the neighborhood,

the neighborhood association, and its leaders), action (level of respondent's prior participation in neighborhood activities) and willingness (respondent's self-reported willingness to be actively involved in neighborhood issues and improvements). Using regression analysis, individual demographic variables and neighborhood contextual variables will be tested to determine how much they predict knowledge, action, and willingness to get involved in a neighborhood association. Findings from the study should prove useful to neighborhood activists and community development workers trying to get citizens involved in voluntary action.

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**Paper Number:** PA021539

**Paper Title:** Too Much of a Good Thing:Proliferation and Factionalism Among Urban Neighborhood Associations

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**Summary of Research**

Neighborhood associations are often regarded as the most genuine form of citizen participation, local democracy and overall civic health in an area. The proliferation of grassroots organizations, neighborhood associations among them, is welcomed by scholars studying social capital and civil society. However, is more necessarily better? Is there a point beyond which the number of neighborhood associations within a geographic area signals fragmentation rather than civic health? We explore these questions by examining neighborhood associations in Baltimore, Maryland and find that neighborhood organization proliferation is sometimes the result of excessive factionalism and may ultimately undermine the development of social capital.

**Description**

Too Much of a Good Thing:

Proliferation and Factionalism Among Urban Neighborhood Associations

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**Keywords:** neighborhood associations, social capital, Baltimore, urban community

**Introduction of problem**

Neighborhood associations are often regarded as the most genuine form of citizen participation, local democracy and overall civic health in an area (Cnann 1991). They provide a forum through which neighbors can build relationships with one another, play a mediating role between individual citizens and government institutions, and generally aim to empower citizens and build social capital. This would suggest that the proliferation of grassroots organizations, neighborhood associations among them, is to be welcomed. However, is more necessarily better? Is there a point beyond which the number of neighborhood associations within a geographic area signals fragmentation rather than civic health? We explore these questions by examining neighborhood associations in Baltimore, Maryland, a city that has 750 registered associations (approximately 1 for every 850 people) and boasts a higher level of associational activity than most cities.

**Literature review**

□Data on the number of neighborhood associations in the United States is difficult to find, given that many associations do not even have formal 501c(3) status. However, we do know that grassroots organizations have proliferated since the 1960s (Fisher 1994). Within the last decade Paget (1990) estimated that 2 million citizen action groups existed in the United States, while Smith (1997) put the estimate of "grassroots associations" at 7.5 million and argued that, "associational participation is a major engine of democratic participation" (p. 296). These grassroots organizations are unlike the professional nonprofit organizations that also have proliferated since the 1960s (Wuthnow 1998), and (as some claim) do "for" rather than "with" others (Skocpol 1999; Salamon 1997). While these scholars seriously question the depth and quality of social capital created by nonprofits, neighborhood associations are typically viewed as desirable and necessary for civic health in America. Little research, however, has investigated the ways in which the density of neighborhood associations influences the effectiveness with which they pursue their goals. Can there be too much of a good thing? This study takes a first step toward answering this question.

**Approach/methodology**

Data for the paper were collected over a two-year period from eight neighborhoods within the city limits.

Data sources include community surveys, key informant interviews, stakeholder focus groups and observational notes from community meetings. Qualitative data were analyzed through the constant comparison method (Charmaz, 1983, Strauss & Corbin, 1990). Univariate, chi-square and ANOVA techniques were used to analyze the quantitative data. The multiplicity of data sources and analyses enhances the validity of the paper's findings.

#### Contribution

□The research findings suggest that neighborhood organization proliferation is sometimes the result of excessive factionalism and may ultimately undermine the development of social capital. Proliferation can lead to excessive competition for scarce resources and vitriolic conflict that not only decreases morale among residents but also stifles collaborative efforts for community improvement. There does appear to be a saturation point in communities such that too many neighborhood associations sabotage rather than facilitate democracy. The paper discusses the implications of these findings for the development of bonding and bridging social capital in American cities and concludes with suggestions for fostering collaboration among neighborhood associations.

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**Paper Number:** PA021553

**Paper Title:** Does Neighborhood Consensus Lead to Neighborhood Collaboration?: An Exploratory Analysis of an Urban Community

**Author(s):**

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### **Summary of Research**

This paper examines two questions regarding the building of social capital in an urban community. First, is there consensus over critical community issues and perception of community involvement across diverse groups? Second, if consensus is present does this lead to collaboration across these same groups? The implications for addressing urban problems through collaborative efforts are examined. Analysis is based on a random survey, focus group interviews, individual stakeholder interviews and observations of community meetings from a 100 block, racially and economically diverse, urban area.

### **Description**

**Keywords:** social capital, neighborhood collaboration, issue consensus

Common sense suggests that high levels of consensus regarding civic responsibilities and critical issues should result in high levels of collaboration within and between neighborhoods. In this paper, we examine the relative degree of consensus in a 100 block urban community that is racially and economically diverse. We then consider the extent to which this consensus results in collaborative actions among neighborhood associations.

Consensus, particularly on those issues that affect a community, is an important component in the generation of social capital and community capacity building (Chaskin, et al, 2001; Sirianni & Friedland, 2001). Trust and mutuality, both of which can come from consensus, are also critical formative factors (Lin, 2001; Messer, 1998). Consensus is more likely among homogeneous groups, yet in our increasingly diverse society a challenge to neighborhood associations is to build consensus across different groups. That is, civic associations need to compliment the creation of "bonding" social capital with the "bridging" of social capital. Bonding social capital connects similar types of people within homogeneous communities while bridging social capital fosters cooperative relationships between heterogeneous people, typically those divided along racial, economic, geographic and religious lines. As Skocpol asserts, the "biggest challenge ... is to recreate associational ties across class lines while progressing toward racial and gender integration" (1999: 504).

Data for this paper are from a broader evaluation of a community benefits district (a profit-nonprofit-public venture) in a mid-Atlantic urban area. This community benefits district covers a 100 block area, is comprised of 5 neighborhoods and has approximately 15 recognized neighborhood associations (residential and business). Data sources include a community survey, key informant interviews, stakeholder focus groups and observational notes from community meetings. Qualitative data were analyzed through the constant comparison method (Strauss & Corbin, 1990). Univariate, chi-square and ANOVA techniques were used to analyze the quantitative data.

The centerpiece for assessing community consensus was a random phone survey to area residents (n=191). The survey asked for respondents' views on community involvement (Bosworth, 1991); ratings of neighborhood strengths, weaknesses, and needs; and assessments of neighborhood changes. Responses were analyzed by gender, race, location, owner/renter status, and length of residency. Individual and group interview respondents were also asked to identify their neighborhood strengths and problems, ways in which the neighborhood had changed, and assessments as to what needed to be done to improve their communities.

Preliminary analysis of the survey findings indicates that there are few differences along the dimensions

of gender, race, location, owner/renter status or length of residency. This suggests that consensus exists regarding perception of community involvement, key community issues and level of community change. What is particularly striking is the high level of agreement regarding the critical challenges (crime and grime) that face the various neighborhoods. Examination of the qualitative data, however, reveals schisms between community members on the individual and associational levels. Despite common ground regarding issues, there is little cooperation or collaboration. Instead, these data suggest that suspicion, competition and antagonism dominate community discourse and action. Rather than building on consensus, neighborhoods are atomized in various residential and business associations as each group pursues what it believes to be a "unique" problem. While social capital bonding appears to be occurring, the bridging of social capital is not.

This study will contribute to a greater understanding of the complexity of building social capital, and by extension, civil society. In this case, the complexity comes from the lack of neighborhood association collaboration even when there is a high degree of consensus as to what constitutes key issues and challenges. We will consider other factors that enhance the building of social capital (such as networking strategies) that may be absent from this scenario (Figueira-McDonough, 2001; Hall & Hall, 1996). We will also examine the implications these findings have for addressing urban community problems given the inability, at least in this case, to capitalize on community agreement.

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**Paper Number:** PA021625

**Paper Title:** Evaluating the positive effects of having many associations : The case of Sweden

**Author(s):**

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**Summary of Research**

The paper presents an empirical study conducted in Sweden where the hypothesis of having many associations being beneficial for the welfare of the community is being tested. The empirical material consists of aggregate data at the municipal level from Sweden. The theory of social capital brought forward by Robert D Putnam (1993) seems to suggest that a positive correlation between having many associations and socio-economic development exists. Prior research, focusing on modernization, would suggest the opposite relationship. The aim of this study is to test them both.

**Description**

The well-known study of Italy performed by Robert D Putnam (1993) stated that empirical evidence seemed to show that the level of social capital determined the level of institutional efficiency. The study also claimed that the level of social capital explained the variation in socio-economic development to some extent. This and several other studies have led to the conclusion that social capital is beneficial for the welfare, or the economic efficiency, of a community as well. Special attention has often been paid to the associational aspect of the social capital. Previous studies such as the seminal article of Seymour Martin Lipset (1959), mainly relating to the concept of modernization, have given an opposite explanation to the phenomenon of welfare. Socio-economic development would, in line with modernization theories, be prior to the creation of social capital. Hence, socio-economic development could explain social capital.

Another contrasting theory to Putnam's (1993) conclusions is the one brought forward by Mancur Olson (1982) that stated that too strong organizations are detrimental for the economic development of a society. Ronald Inglehart (1997) manages to combine these two seemingly opposite effects of having many associations by pointing at the fact that the heterogeneity of the results might depend on the socio-economic development itself. With a relatively low socio-economic development level the effect of having a large civil society might be positive, whereas it might be negative to the development in later more socio-economically advanced stages.

The impact of Putnam's (1993) study has been great in Sweden and its results have spread far outside the academic environment, to politicians and activists in the civil society. Part of the interest in the phenomenon of social capital might be explained with the fact that the Swedish associational tradition has been relatively strong (see Micheletti, 1994) and the ties between the political parties and the associational life has in some cases been strong (Rothstein, 2001).

This study focuses on the local, municipal, level in Sweden. The theoretical reasoning behind the selection of the lowest administrative level as the unit is that the effects of a large number of associations are probably detected first at the most local level. The interaction between the local community and the associations are assumed to be greater at the local level than the regional or the national level. Having selected the local level there is also the possibility to perform comparisons between the different municipalities. The purpose of the study is to test whether any significant beneficial effects are conducive from having a large number of associations (per inhabitant) in the local community. Statistical methods are used as the aim is to find general relationships between the density of associations (as a measure of the social capital) and the level of welfare. Even though Sweden is among the most developed nations (see Inglehart, 1997) there exist differences within the country. Especially the most remote and Northern areas have lagged behind in economical development.

Preliminary findings seem to go against the fact that the number of associations would matter positively for the levels of welfare. Rather it seems to be that the areas with the highest number of associations

present also have a lower economic development. Partly this could be explained with the fact that the average age of members of voluntary associations is rising.

**Paper Number:** PA021371

**Paper Title:** Testing the Implementation, Board Performance and Organizational Effectiveness of the Policy Governance Model in Nonprofit Boards of Directors

**Author(s):**

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**Summary of Research**

This paper presents an empirical study of the relationships between implementation of the Policy Governance model in nonprofit organizations, board performance and organizational effectiveness. An implementation measure of the Policy Governance model was created to investigate these relationships. Data were gathered from three samples; organizations that have implemented Policy Governance, a matched sample of randomly selected nonprofit organizations, and nonprofit organizations that had received board development from the National Center for Nonprofit Boards. Analysis yielded several positive, significant relationships between implementation practices, perceptions of improvement in board performance following implementation of Policy Governance, and some aspects of organizational effectiveness.

**Description**

The involvement of nonprofit organizations in many facets of society has resulted in widespread scrutiny into how these entities are governed and focused attention on their boards of directors. In the past fifteen years, empirical and scholarly research on nonprofit boards has evolved from scarcity (Middleton, 1987) to the development of a "small, but identifiable subfield" (Ostrower and Stone, 2001).

**Problem**

A noticeable gap in the research on nonprofit boards and their governance is the lack of formal studies on the Policy Governance model. Developed by John Carver (1990), Policy Governance is a highly prescriptive, strong-board governance model, which has been widely promoted. As many as several thousand organizations in the US and Canada claim to be operating according to the Policy Governance model. Despite its popularity and longevity, and despite calls from researchers for close investigation of Carver's claims and assertions of the model's performance (Murray, 1999; Renz, 1999; Cornforth, 1999), it has remained unexamined in empirical research. The proposed paper presents a formal, empirical study of the relationships between the degree to which Policy Governance is implemented in nonprofit organizations, and (a) board performance and (b) organizational effectiveness.

Much of the research on nonprofit boards has centered on prescriptive practices, (Houle, 1997; Soltz, 1997; Herman and Heimovics, 1991; Axelrod, 1994; Connors, 1980; Oster, 1995), and the relationship between the chief executive officer and board members (Duca, 1996; Oster, 1995; Herman and Heimovics, 1991; Middleton, 1987; Houle, 1990; Heimovics, Herman, and Jurkiewicz; Herman and Heimovics, 1994; Heimovics and Herman, 1990; Harris, 1993). Later research proposes hybrid models that address unique characteristics of emergent types of nonprofit organizations (Bradshaw, Stoops, Hayday, Armstrong and Rykert, 1998), or socially constructed approaches to effective governance (Herman and Renz, 1997). Few studies have explored factors related to the process of implementing a board model, and the effects of implementation on subsequent board performance and organization effectiveness. Brudney and Murray's 1997 study on Canadian nonprofits is a notable exception. However, no study has examined the implementation of the Policy Governance model, and the extent to which adherence to its prescribed practices results in enhanced board and organization performance as Carver claims. To do so, we developed a measure of the implementation of the Policy Governance model.

**Approach**

□ This paper is based on data gathered from three samples:

- 1) Board members, chairpersons and CEOs from a group of organizations that have implemented the Policy Governance model (N=32)
- 2) A matched sample of nonprofit organizations chosen at random from 990 tax forms (N=290);
- 3) A group of nonprofit organizations that had received board development and training from the National

Center for Nonprofit Boards (N=26).

For the first sample, data were gathered from 32 organizations from 7 different categories of the National Taxonomy of Exempt Entities classification that have implemented, or are in the process of implementing the Policy Governance Model. Respondents consisted of chief executive officers (N=29), board chairpersons (N=28), and board members (N=243). The sample also included members who had been on the board prior to, and after implementation of the Policy Governance model.

To assess the effectiveness of the Policy Governance organizations, the research included data from two control groups. These groups allowed examination of whether measures of effectiveness from Policy Governance organizations varied significantly from either randomly selected organizations that may not be following a particular model, or from organizations that had participated in purposeful governance development. The first control group consisted of a stratified random sample of CEOs from 1500 nonprofit organizations that filed 990 tax forms in 1999 (N= 290). The second control group was comprised of CEOs of nonprofit organizations that participated in board development activities conducted by the National Center for Nonprofit Boards (N=26). Data from the three samples were compared on four models of effectiveness; goal achievement, internal processes, financial trends / resource acquisition, and CEO job satisfaction. In the Policy Governance organizations, we were also able to examine CEO job performance.

#### Findings

□ The research yielded new information and insights into the application of the Policy Governance model. Data from the Policy Governance organizations revealed that board members practice Policy Governance behaviors more than traditional board behaviors but not to the same degree, an indication that the model is not practiced as a whole as Carver recommends. The degree of implementation is significantly related to selected contextual factors thought to affect implementation. Policy Governance does not appear to be implemented similarly between boards in different categories of the National Taxonomy of Exempt Entities classification scheme. □ Board members, CEOs, and to a lesser extent, board chairpersons perceive significant improvement in the board's performance after adoption of the Policy Governance model. The relationship between the mean level of implementation of Policy Governance behaviors and board members' perceptions of improvement in board performance was positive and significant.

In the Policy Governance organizations, there appears to be a relationship between the extent of implementation of the model, and board members' and CEOs' impressions of enhanced organizational effectiveness.

□ In comparative analysis, Policy Governance CEOs' measures of effectiveness varied significantly from the random sample in goal achievement and job satisfaction. However, there was no evidence to support that the performance of Policy Governance organizations was superior to that of organizations trained in board governance by the NCNB.

The results suggest that boards of directors in nonprofit organizations benefit from adoption of, and adherence to a model of governance. There is little in these findings, however, to support that the Policy Governance model yields superior performance by the board or the organization. The research opens several doors to increased scrutiny of the Policy Governance model, and aspects of the relationships between implementation of a model, board performance and organizational effectiveness, which are examined in the paper.

**Paper Number:** PA021465

**Paper Title:** The Economic Mechanisms of Governance in Nonprofit Organizations

**Author(s):**

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### **Summary of Research**

The traditional economic theories of corporate governance focus on the concept of ownership of physical resources and the related economic mechanisms and, therefore, such theories cannot contribute much to the understanding of the governance of nonprofits.

We analyze a recently developed much broader economic concept of corporate governance due to Rajan/Zingales which is based on incomplete contracting and specific investments and which analyzes the functioning of networks between various stakeholders through the economic mechanisms of power and access to critical resources.

We show that this new approach can be fruitfully applied for analyzing the economic mechanisms of the governance of nonprofits.

### **Description**

From the (traditional) economic point of view corporate governance deals "with the ways in which suppliers of finance to corporations assure themselves of getting a return on their investment" (Shleifer/Vishny, 1997, 737). The underlying theory of the firm is rooted in traditional property rights theory and it focuses on the concept of ownership of physical assets and the related economic mechanisms.

Since it is a defining characteristic of nonprofits that there are no owners, this view is obviously not very helpful for analyzing the governance of nonprofits. Most recently, Zingales (1998) and Rajan and Zingales (2000, 2001) developed a new economic concept of corporate governance which focuses on incomplete contracts, specific investments and related quasi-rents, and the division of power between various stakeholders through the access to "critical" resources.

The starting point of their analysis is the changing nature of corporations which means that in the information age physical assets become less critical for firms while the importance of human capital and other intangibles like brand name capital, reputation or specific networks with customers and other stakeholders rises dramatically. Particularly, it can be argued that this implies that the allocation of power through the incentives provided by ownership can become less effective for enhancing stakeholders' specific investments than the allocation of power through other mechanisms (like access to critical resources). This point is of particular interest for analyzing the potential economic advantages of nonprofit organizations compared with for profit organizations.

The main message of our paper is that the approach of Rajan and Zingales can be fruitfully applied to the analysis of the governance of nonprofits. In particular we develop an economic stakeholder model and it is analyzed under what circumstances different sources of power are most effective for enhancing stakeholders' specific investments. From this we can derive interesting implications not only for an appropriate definition of governance in nonprofits and the design of governance systems but also for a clearer understanding of the role of different stakeholders in articulating the organization's goals (if there are no owners who should define the organization's goals from an economic point of view, who then?). This again has interesting implications for designing effective information tools for outside and inside stakeholders and for improving the accountability of nonprofits.

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**Paper Number:** PA021487

**Paper Title:** Governance Models: What's Right For Your Organization?

**Author(s):**

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**Summary of Research**

This paper presents a new conceptual framework of governance models developed from an extensive survey of the literature. The models were tested and refined through case studies on some thirty Canadian and international non-profits. The framework identifies a range of eight governance models in common use in non-profit and public sector organizations. It demonstrates that the 'one size approach' advocated by Carver 'does not fit all'. This presentation is intended to help boards and executive directors better understand what kinds of governance policies and 'best practices' might be best suited to their particular organization.

**Description**

Introduction

There is general consensus in the voluntary sector that promotion of the 'one size fits all' 'Carver model' of governance over the past decade has usefully focused attention on governance of voluntary, public and private sector organizations. This has left many organizations wondering about the legitimacy of alternative governance approaches and frustrated with the lack of a coherent framework for determining whether there are alternatives that might be more suitable for their particular organizational context.

A substantial majority of non-profit organizations in Canada and the United States operate with budgets of \$250,000 or less. These organizations require substantial support from volunteers, including board members, in the management and work of the non-profit. The framework of governance models presented here will assist board members and executive directors in understanding how alternative approaches to governance can be adapted to best meet the needs of their particular organization.

Governance Defined

Governance has been defined as "the processes and structures that an organization uses to direct and manage its general operations and program activities". (Broadbent Panel Report) These processes, structures and organizational traditions determine how power is exercised, how decisions are taken, how stakeholders have their say and how decision-makers are held to account.

Models and Frameworks

'Governance Model' is the terminology used in organizational literature to describe a set, cluster or constellation of structures, practices and procedures which typify a particular approach which a board of directors may use to govern, direct or oversee the operations of an organization. A 'Governance Framework', for the purposes of this paper, is defined as a collection or array of two or more 'governance models' intended to provide a comprehensive description of the range of alternative approaches to governance which are available to boards of directors.

Rationale for a Comprehensive New Conceptual Framework

Established frameworks for governance contain models which generally ignore vital issues such as organizational ownership, purpose, size, age, sector, legal status (charitable, incorporated or unincorporated), legal mandate (established to serve a particular public purpose such as hospitals, schools, universities, child welfare, and other government agencies), and board selection process.

Governance models are often promoted by the authors as the ideal or most effective approaches to

governance of non-profit organizations. In this respect the models are one-dimensional, with either explicit statement or implicit inference that there is only one best approach.

There is a limited number of frameworks currently published or in use. These frameworks generally fall into two categories: 1. Those which tend to focus on such uni-dimensional elements of governance such as organizational life cycle, degree of board involvement in operations, or distribution of power between the board and CEO; and, 2. Those which present a series of models without any integrating theme.

### Alternative Models

All of these models, in one fashion or another, deal with one or more of the following:

- the responsibilities of a board;
- the responsibilities of the CEO;
- the interrelationship and power balance between the two;
- the historical practice or formal policy framework which is created to govern the operation of the organization;
- the etiology of an organization and its financial viability;
- the organizational life cycle.

### GOVERNANCE MODELS

1.Operational – The Board does the work of the organization as well as governs it. This is typical of a board in the ‘founding’ stage and organizations, such as service clubs, that have no staff and that must rely largely on board members and other volunteers to achieve their aims.

2.Collective – The Board and staff are involved in ‘single team’ decision-making about governance and the work of the organization; board members may be involved in some of the work either in services or management functions.

3.Management – The Board manages operations but may have a staff coordinator. Board members actively manage finances, personnel, service delivery, etc. staff report to board member managers directly, through a staff coordinator or through a dual reporting line;

4.Traditional – The Board governs and oversees operations through committees but delegates the management functions to the CEO. Committees are used to process information for the board and sometimes do the work of the board. The CEO may have a primary reporting relationship to the Board through the Chair.

5.Policy Governance (Carver) – The Board governs through policies that establish organizational aims (ENDS), governance approach, and management limitations and define the Board/CEO relationship. The CEO has broad freedom to determine the ‘MEANS’ that will be used to achieve organizational aims. The CEO reports to the full board. It does not use committees but may use task teams to assist the board in specific aspects of its work.

6.Governance for Results – The CEO is a non-voting member of the Board, carries substantial influence over policy-making, is viewed as a full partner with the board and has a relatively free hand at managing to achieve objectives established by the Board. Committees are used for monitoring/auditing performance of the board, CEO and organization. Board members are selected for community profile, capacity to ‘open doors’ for the organization and may be used for selected tasks in their area of expertise.

7.Constituent Representational – An approach used by publicly elected officials, federations or other constituency elected boards whose primary responsibility is to balance the interests of their constituents against the best interests of the overall organization. They may, and in the case of publicly elected officials do, carry grievance resolution/ombudsman functions. They may, as in the case of school boards, have prescribed responsibilities for public consultation and human resources.

8. Advisory Board – CEO selected and dominated board. Provides prima facie legitimacy to the organization but governs only in a nominal sense. Board members selected for community profile and contacts. Essentially provide advice and rubber-stamp CEO recommended budget and plans.

**Paper Number:** PA021557

**Paper Title:** Strategic Forms: Analysis of Staff and Governance Structuring in Strategically Different Nonprofit Organizations

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### **Summary of Research**

As managers of nonprofit organizations seek to improve their performance, strategic choices are implemented, evaluated and re-evaluated. Two central strategic orientations of the Miles and Snow typology (prospector and defender) have been linked to improved organizational performance (1978). In addition, organizational structure has been associated with performance in for-profit and nonprofit organizations. This paper extends past research through semi-structured interviews with executive directors of successful prospector and defender nonprofit organizations in order to examine how successful organizations are utilizing their governance and staff structural resources and if any changes have been made to the structures due to shifts in strategy.

### **Description**

□As managers of nonprofit organizations seek to improve their performance, strategic choices are implemented, evaluated and re-evaluated. For many managers, the choices made are not merely random acts of administration, but rather have been analyzed as decisions within a larger strategic orientation (Miles & Snow, 1978). Having a strategic orientation has been linked to improved organizational performance (Ketchen, et al. 1997; Miles and Snow, 1978).

In addition to using a strategic orientation, organizational structure has been associated with better performance (Harris & Ruefli, 2000; Kushner & Poole, 2000) or poorer performance (Galaskiewicz & Bielefeld, 1998). As a mechanism to access and utilize resources, organizational structure shapes what the organization can and cannot do. With regard to nonprofit organizations, Brown and Iverson (2001) found that defender organizations have smaller committee size while prospector organizations have more stakeholder groups represented on their committees.

□Given the potential impact of both strategy and structure on organizational performance, both warrant closer examination for nonprofit organizations. Brown and Iverson (2001) analyzed the connections between strategy and structure of 139 nonprofit organizations. This research did "indicate a connection between structure and strategy for organizations" (p. 27). The organizations who used more prospector strategies "tended to have broader committee structures and tended to be more inclusive in committee participation" (p. 25). Additionally, defender organizations reported fewer committees and fewer members. Both defenders and prospector organizations showed high levels of satisfaction with performance. Although this research establishes a connection between managerial strategy and organizational structure, a more precise examination of the relationship between structure and strategy is warranted.

This paper extends the research of Brown and Iverson in order to examine how successful organizations of both the prospector and defender strategy are utilizing their organizational structure. Additionally, this paper goes beyond Brown and Iverson's focus on governance structure to examine how staff is utilized as a structural resource in the nonprofit organizations.

Specifically, exemplar organizations that employ prospector and defender strategies are studied through moderately structured interviews with the directors of the organizations. Since strategy is defined as a set of choices made by the organization, executive directors will be interviewed in order to determine their intended use of their organization's structural resources including governance (board and committee) and staff. This research explores how the structural resources are utilized, and if any changes have been made to the structures due to shifts in strategy.

## Method

□ In order to understand how nonprofit organizations utilize their structure to perform well within their strategic orientation, we utilize moderately structured interviews with the executive directors of nonprofit organizations. Specifically, four exemplar defender organizations and four exemplar prospector organizations were selected from the sample population of Brown and Iverson (2001) based upon their strength of association with one strategic orientation. Defenders were chosen, for example, due to a high rating on the defender scale as well as a low rating on the prospector scale. In this way, this sample does not represent the "typical" organizations, but rather the exemplars of each strategic orientation. For interviewing, these organizations are "ideal and exceptional" for highlighting the differences between strategic orientations in nonprofit organizations (Kvale, 1996).

□ The interviews are moderately structured (Frey et al, 1992) interactions with nine pre-established questions with freedom to probe each area further. For this interview, the terms "strategy" and "structure" are vague but central to this study. To create shared meaning, "structure" is not used, but instead, the constituent components of structure (board, committees and staff) are named specifically. In order to frame the meaning of "strategy," each interview begins with a verbal "briefing" (Kvale) which involved discussing the interviewee's answers on the assessment instrument so that a common understanding framed the interview (Fontana & Frey, 2000). From that point, the specific questions regarding the ways in which structures are used and how they relate to strategy were asked.

The transcripts will be analyzed according to phenomenological analysis (Giorgi, 1975; Kvale). Through this method, meanings are condensed into statements and then related to the larger research questions. This method preserves the individuality of the answers per organization yet allows the flexibility to interrelate the answers to the concepts of strategy and structure.

□ The interviews are all scheduled for April 2002 with analysis of data completed in May 2002. Results are expected to reveal the strategic use of structural resources in these exemplar organizations deemed most strategic. These "best practices" will be analyzed according to the theoretical expectations set out by the Miles and Snow typology as well as the current literature on strategy and performance in for-profit and nonprofit organizations.

□

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**Paper Number:** PN022178

**Paper Title:** What Civic Responsibility Lessons Can Corporate Executives Learn from Non-profits?

**Author(s):**

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**Description**

Corporations deserve an A+ in humanitarianism for their response to 911. However, within four months after 911 America faced the threat of recession. As a result, the corporate giving and civic engagement activities of many businesses were the first budget lines to be cut. Thus, quickly dimming any hope of private and non-profit partnerships for the public good. Additionally, the Enron debacle has raised much dialogue about ethics, corporate citizenship, humanitarianism, and community economic development. What will be America's CSR grade for 2002?

The tug between shareholders and stakeholders is seemingly the differences between doing well and doing good. Can ethics, citizenship and humanitarianism be the fundamentals of corporate core values? Why do companies need CSR incentives or tax benefits to be sensitive to the impact of their operations and the lives of those in need of assistance.

NGOs and NPOs have long operated by Rev. Leon Sullivan's principals. The bottom line for these organizations is improving the quality of life of those served. The paper presented by Dr. Jackson, "Value Added: The Representational Logic of Nonprofit Organizations", explores the differences between the third sector and the for-profit sector in managing the bottom line. It is here that we learn that all organizations exist reflexively within an environment and draw sustaining resources from it. It will be demonstrate that NPOs are committed to adding value to the environment that nurtures them (a lesson to be taught to the for-profit sector).

Papers presented by Ms. Julie Pietroburgo and Mr. Roger Boyd look at civic engagement as necessary to rebuild and revitalized impoverished communities. Leadership, networking and collaboration across sectors are presented as models for serving the public good. This research was conducted in 1999 and is the recipient of the Focus St. Louis "What is Right with the Region" Award for civic responsibility.

**Paper Number:** PN022178.1

**Paper Title:** Value Added: The Representational Logic of Nonprofit Organizations

**Author(s):**

Dr. Dwight W. Jackson, Greenville College, Greenville, IL, USA

**Summary of Research**

All organizations exist reflexively within an environment, drawing sustaining resources and legitimacy while contributing to the society and culture through its life and production. This paper explores the specific ways in which the logic of donative nonprofit organizations (NPOs) demonstrates their commitment to add value to the environment that nurtures them. The experience of seven NPOs during a three-year contract to provide welfare services provides the context for examining these issues.

**Description**

**Problem**

Organizations are value benefiting and value producing. This is their environmental context. Anheier suggests that the major difference between organizations in the third sector and those in the for-profit sector is one of 'managing the bottom-line.' (Anheier, 2000) If this is the case then the experience of non-profit organizations (NPOs) may have something to offer the managers of for-profits. Griswold (1994) would suggest that management is a social-structural issue with cultural implications. Organizations derive their culture from the larger culture in which they operate. As such organizations are producers of cultural objects and their activity can be analyzed as such. This is equally true of organizations in all sectors of our society. This paper suggests that we can understand the learning that takes place across sector boundaries as an example of this cultural production.

**Knowledge in the Field**

Generally NPOs have adapted for-profit management knowledge to their context. (Borum & Wetenholz, 1995; Mizruchi & Fein, 1999) More documentation of the cross-sector impact of nonprofits is need. For knowledge to flow from the NPOs to the for-profits, a case must be made that there is something for the for-profits to learn that is valuable and adds value to their activities.

What is missing is the degree to which corporate managers may see some direct civic contribution within their activity. If this perception develops, then a body of literature is necessary to demonstrate the contribution that NPO experience can offer.

**Approach**

Data gathered during a four-year period from all of these organizations will be analyzed using Griswold's cultural diamond model. In this model she effectively demonstrates the relationships between cultural variables and social structure. The cultural diamond model will structure the analysis of the qualitative data gathered on this network of organizations.

**Contributions**

This paper will contribute to the field of knowledge in two ways. First, it will demonstrate the contributions which nonprofit management can make to the field of management in general. As managers of multiple bottom-lines, NPO management practice illuminates the need for corporate managers to see more than 'the bottom-line' as appropriate management concerns. Second, this paper test the applicability of Griswold's cultural model for cross-sector analysis.

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**Paper Number:** PN022178.2

**Paper Title:** Focus St. Louis: What's Right with the Region

**Author(s):**

Julie Pietroburgo, St. Louis University, St. Louis, MO, USA

### **Summary of Research**

The research being presented focuses on elements of leadership, networking and collaboration exhibited by individuals and organizations located in the greater St. Louis area and engaged in a number of urban initiatives addressing revitalization, regional unity, race relations, education, crime prevention and regional core revitalization. These individuals and organizations were all nominees for the Focus St. Louis "What's Right with the Region" award for their dedication to community service and civic responsibility. The research was conducted by doctoral candidates in the Public Policy Studies program at Saint Louis University on 30 nominees for the awards.

### **Description**

When most people are asked to define civic responsibility, the first and often only thought that comes to mind is to exercise one's franchise and vote. Rarely do people think in terms of the civic engagement necessary to rebuild and revitalize crumbling urban infrastructure and local neighborhoods, as well as originate and maintain organizations and networks capable of providing support and services necessary for citizens to navigate the trials and tribulations of our complex society. The research being presented focuses on elements of leadership, networking and collaboration exhibited by individuals and organizations located in the greater St. Louis area and engaged in a number of urban initiatives addressing revitalization, regional unity, race relations, education, crime prevention and regional core revitalization. These individuals and organizations were all nominees for the Focus St. Louis "What's Right with the Region" award for their dedication to community service and civic responsibility. The research was conducted in the spring of 1999 by a team of doctoral candidates in the Public Policy Studies program at Saint Louis University on 30 nominees for the awards and included government, for-profit and non-profit organizations.

**Paper Number:** PN022178.3

**Paper Title:** Corporate Exec's Gain Glimpse of "What's Right with St. Louis" Working with NPOs

**Author(s):**

Roger E. Boyd, St. Louis University, St. Louis, MO, USA

**Summary of Research**

The most important change in administrative functions over the last century is the dramatic rise in organizational interdependence. Organizations can no longer be structured like medieval kingdoms, walled off and protected from hostile forces. Social and organizational structures that permit highly effective interactions of exchange, concerted action, and joint production are essential to effective service delivery in the 21st century. This paper focuses on shared strategies of networking, collaboration, partnership and connective leadership across sectors as civic organizations, lead by NPO's, tackle the daunting task of revitalizing metropolitan St. Louis.

**Description**

When most people are asked to define civic responsibility, the first and often only thought that comes to mind is to exercise one's franchise and vote. Rarely do people think in terms of the civic engagement necessary to rebuild and revitalize crumbling urban infrastructure and local neighborhoods, as well as originate and maintain organizations and networks capable of providing support and services necessary for citizens to navigate the trials and tribulations of our complex society.

□The most important change in administrative functions over the last century is the dramatic rise in organizational interdependence. Organizations can no longer be structured like medieval kingdoms, walled off and protected from hostile forces. Social and organizational structures that permit highly effective interactions of exchange, concerted action, and joint production are essential to effective service delivery in the 21st century. This paper focuses on shared strategies of networking, collaboration, partnership and connective leadership as civic organizations, lead by NPO's, tackle the daunting task of revitalizing metropolitan St. Louis.

□The research conducted by Mr. Boyd and Ms. Pietroburgo focuses on elements of leadership, networking and collaboration exhibited by individuals and organizations located in the greater St. Louis area and engaged in a number of urban initiatives addressing revitalization, regional unity, race relations, education, crime prevention and regional core revitalization. These individuals and organizations were all nominees for the Focus St. Louis "What's Right with the Region" award for their dedication to community service and civic responsibility. The research was conducted in the spring of 1999 by a team of doctoral candidates in the Public Policy Studies program at Saint Louis University on 30 nominees for the awards and included government, for-profit and non-profit organizations.

**Paper Number:** PA021468

**Paper Title:** Original Purpose - Completing the Triad of Accountability

**Author(s):**

Kimberley H. Pearce, University of Victoria, Victoria, BC, CAN

**Summary of Research**

The paper argues that, in addition to stewardship and governance, original purpose plays a significant role in achieving accountability.

The argument examines the disparate works of Nonaka/Takeuchi, Drucker and Carver and identifies 'intended results' to be a link that connects them to each other and to the definition of accountability.

The findings of an exploratory study that applied the principles of trusteeship described by David Smith to a sample of nonprofit organizations are presented and discussed.

Finally, three organizations that have changed to meet new social circumstances but remained consistent with the original purpose of their respective organizations are examined.

**Description**

Proposed Submission to ARNOVA:  
Accountability and the Public Trust

1. ☐ Issue: Achieving accountability

It is proposed that there are three aspects to address in order to achieve accountability: governance, stewardship and attention to original purpose. Governance refers to the processes and structures used to direct and manage an organization's operations and activities. "It defines the division of power" (The Effective Not-for-Profit Board: Governance of Not-for-Profit Organizations, Deloitte and Touche, 1995, p.3). Stewardship is "the active oversight of organizational governance by the board of directors (Panel on Accountability and Governance in the Voluntary Sector, Final Report, 1999).

Stewardship and governance have been thoroughly examined vis-à-vis achieving accountability. It will be argued that attention to original purpose is a third, largely unexplored but critical element in achieving accountability.

2. ☐ Relation to state of knowledge in the field

Achieving accountability continues to be problematic. Cutt and Murray (2001) note, "research on the extent to which improved accountability can be achieved is not encouraging" (p.24). They identify motivation to change (which requires a certain level of dissatisfaction with the status quo), ability (skills and knowledge) and adequate resources to do the job as essential factors in implementing the tools already available. Therefore, we continue to seek answers.

Given the plethora of information, ideas, described processes and procedures available, and in light of the difficulties noted above, perhaps it is timely to investigate in another direction. More specifically, look to the non-technical for inspiration. For example, do organizations that remain relevant in a way that is consistent with the purpose that brought them into existence demonstrate better than average ability or success in using existing protocols for achieving accountability?

3. ☐ Approach

Three steps:

First, document the common link (intended results) between such disparate theorists as Nonaka/Takeuchi (knowledge-creation), Drucker (organizations), and Carver (board development). Relate this shared understanding to the definition of accountability.

Second, describe findings of exploratory study (in partial completion of a Master of Public Administration

degree at the University of Victoria, 2000) that suggested support for David Smith's argument that beyond questions of "How well are we providing it" lie questions of what it is and whether it is worth providing. Organizations are created with a purpose and meaning in mind and, with that, the expectation that this purpose will provide reason to sustain the organization.

Third, examine organizations such as YW-YMCA and War Amputees that seem to have been successful in adapting their organization to meet changing social circumstances while maintaining a link with the original *raison d'être* of the organization.

#### 4. □ Contribution to the field

If the argument is accepted, it is anticipated that it will assist organizations (1) to resist pressure from stakeholders to take action that is incompatible for the organization, (2) where resistance is not possible, to have the capacity to include an incompatible activity in a way that permits co-existence, and (3) adapt to changing circumstances in a manner consistent with the organizational structure already in place.

**Paper Number:** PA021638

**Paper Title:** The Market For Human Services

**Author(s):**

Dr. Joseph Galaskiewicz, University of Arizona, Tucson, AZ, USA

### **Summary of Research**

This paper examines trust and the consumption of human services. It draws on the work of James Coleman (1992). It describes various ways that consumers ensure that service providers can be trusted. Attention has been paid to ways in which providers can instill trust in consumers. This paper looks at the way consumers protect themselves. Our discussion applies to for-profits and nonprofits alike, however, since so many "risky goods" are provided by nonprofits, this discussion is most applicable to markets in which nonprofits operate. Finally, we offer suggestions why nonprofits do better than for-profits in markets where trust is important.

### **Description**

This paper focuses on the trust/distrust between consumers and nonprofit service providers. As Frumkin (2002) argues, nonprofits serve many purposes, but one of the most important is to provide services to resident populations. In 1980 Henry Hansmann (1980) argued that the nonprofit form and particularly the nondistribution constraint was one mechanism that helped to ensure that providers would not exploit the information advantages that they enjoyed over consumers. The nondistribution constraint supposedly would remove an important incentive to "cheat" consumers. Subsequently research and investigative journalism has found that nonprofits often betray the trust that consumers place in them, and Hansmann (1996) has repudiated his claim that the nondistribution constraint is an effective "consumer protection" device.

This paper develops a way to think about trust and the consumption of human services. It draws on the work of James Coleman (1992). It describes various ways that consumers ensure that service providers can be trusted. Attention has been paid to ways in which providers can instill trust in consumers, e.g., provide warranties, advertise quality, point to the firm's reputation for service, display external referents of prestige, etc. This paper looks at the way consumers protect themselves. Our discussion applies to for-profits and nonprofits alike, however, since so many "high risk goods" are provided by nonprofits, this discussion is most applicable to markets in which they operate. Finally, we offer suggestions why nonprofits may do better than for-profits in markets where trust is important.

The typology focuses on the amount of harm or loss that can result if trust is broken as well as the potential gain if trust is kept. Coleman (1992) argues that one actor will trust another based on the probability that the other actor is trustworthy as well as the gains and losses that can result from trustworthy and untrustworthy behavior. If the losses from untrustworthy behavior far exceed the gains from trustworthy behavior, then the probability of the other actor being trustworthy better be pretty high. On the other hand, if the gains from trustworthy behavior far exceed the losses from untrustworthy behavior, then the probability of the other actor being trustworthy can be quite low. Of course, in real life situations, it is often difficult to calculate these gains and losses, but it is not unreasonable to have some estimate of some actor's probability of acting in a trustworthy manner. Coleman's discussion just points out that there are times when you will do business with someone who has a poor reputation for following through on their promises if the potential benefits far out measure the potential losses.

The application of this model to consumer behavior in the market for human services is straightforward. In some instances consumers will incur minimal losses if providers behave in an untrustworthy manner, e.g., they will be bored by a lecture or musical performance. In other instances consumers will incur serious losses, e.g., they or their child may die. Clearly one is more concerned about the trustworthiness of a surgeon than a cellist.

On the other hand, sometimes consumers will experience very little gain if the provider acts in a

trustworthy manner, e.g., a referee calls a fair game. At other times, consumers may experience extraordinary gains if the provider acts in a trustworthy manner, e.g., a physical therapist spends an inordinate amount of time on a patient with a disabling disease.

In sum, we could categorize transactions between consumers and providers along a single dimension. First, the ratio of gains to losses is large as opposed to when the ratio of gains to losses is small. The first condition entices actors to trust others even if the others have spotty reputations or their reputations are unknown. In the second case actors are cautious about trusting others and need considerable insurance that the provider is trustworthy.

To make this more concrete, people are very likely to go to a concert without much thought, because the gains one can realize from a stellar performance far exceed the discomfort of sitting through an awful performance. In contrast people are likely to be very cautious about major surgery. The losses one can realize from someone acting irresponsibly (coming to work with a hang-over) far exceed the benefits of a successful operation.

The final part of the paper examines the strategies or tactics that consumers can use under these different conditions. The strategies that consumers use will differ depending upon the potential losses and gains (i.e., the probability that untrustworthy behavior will result in serious harm or that trustworthy behavior will result in significant gains).

In situations of low risk (untrustworthy actors cannot do you much harm) and potentially high gains, market forces can discipline providers as those who betray consumer trust will simply be ignored, while those who behave in a trustworthy manner will be rewarded with return business.

In situation of high risk and modest gains, the situation is different. Here several strategies are needed. First, consumers can rely on third parties to monitor providers and report on their behavior. Licensing agencies, accreditation bodies, citizen watch-dog groups, the press, Better Business Bureaus, critics, etc. will report to consumers on the trustworthiness of providers. Alternatively consumers can assume ownership of the provider, e.g., consumer owned day care centers. If the one consuming the service also controls those who provide the services, the former are more likely to trust the latter.

A third alternative is what we call embedded consumption. Provider-consumer transactions are not one-on-one but rather they are embedded in larger structures. These larger structures or contexts provide the information one needs on the provider, monitor the behavior of the provider, and ensure that the provider lives up to certain moral as well as technical standards by applying sanctions. The most common site of embedded consumption is the church, but other contexts include the neighborhood school, hospitals, and nursing homes.

We often hear the question: what makes nonprofits different? It isn't that they provide difficult-to-evaluate services and private vendors do not. Indeed, many nonprofits provide very simple services to people. I believe the difference is that they are often embedded in larger structures that ensure consumers that they can be trusted. They are embedded either in larger structures, e.g., church or health care systems, or in community networks of social control. This makes these organizations particularly useful to deliver services where there is a serious downside risk if providers betray the trust of consumers. This may be why they are particularly suited to these kinds of markets.

The paper ends with preliminary results from a pilot study of consumer behavior in the market for children's educational, health, recreational, and cultural services in the Tucson metropolitan area. Drawing on a random sample of households we hope to discover the conditions when parents feel the most anxious about service providers and the different strategies that parents utilize to ensure that service providers are trustworthy across four different service areas.

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**Paper Number:** PA021645

**Paper Title:** Nonprofit Accountability: An Examination of Definitions and Dependent Variables

**Author(s):**

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**Summary of Research**

Scholars, policymakers, and practitioners have forwarded varying and sometimes conflicting conceptualizations and definitions of nonprofit accountability. Recent calls for improved nonprofit accountability create an imperative to better understand and address the construct of nonprofit accountability. Although accountability definitions have been discussed in previous research, few authors have attempted to examine the definitions in terms of dependent variables. Drawing on scholarly and practitioner literature, this article identifies 32 key definitions of nonprofit accountability published or enacted from 1940 to the present. Associated dependent variables are examined by 11 participating scholarly and practitioner experts. A taxonomy oriented toward related dependent variables emerges.

**Description**

**Background and Purpose of Study:** What are the outcomes or intended results of nonprofit accountability? Related literature regarding this question is limited. This article attempts to answer this frequently forwarded, but often unanswered question regarding the dependent variables of nonprofit accountability. It is believed that this study is the first to specifically examine the outcomes of nonprofit accountability, the dependent variables associated with nonprofit accountability, through the exploration of published definitions from a variety of scholars and practitioners.

Accountability is difficult to define precisely and has been the subject of vague and often competing conceptualizations in the literature (Independent Sector, 2000; Kearns, 1994). The Independent Sector (2000) states that clarifying the concept of accountability is fundamental to understanding many current accountability challenges. "How individuals and organizations define accountability will directly affect how they frame and approach critical questions, respond to challenges, and even interpret their visions and missions" (Independent Sector, 2000). This imperative, combined with an increasingly complex and high stakes nonprofit environment, creates an environment in which it is vital to more fully understand nonprofit accountability, to engage sectoral and organizational reforms, and to respond to and mitigate public concern in the more immediate wake of the tragedy of September 11, 2002, and the enduring discourse regarding nonprofit accountability conceptualization and practice.

The purpose of this article, to investigate definitions of nonprofit accountability, emerges from this imperative and focuses on the following two questions: 1) what are the ways in which nonprofit accountability is defined? 2) What are the characteristics and relationships between dependent variables or outcomes that are identified in nonprofit accountability definitions?

**Brief Review of the Nonprofit Accountability Literature:**

The conceptual and descriptive literature related to private and public sector accountability is substantial. Kearns (1994) points to an extensive body of analytical literature related to distinctions between private sector and public sector accountability (Allison, 1980; Miles, 1982) and indicates that such topics are prevalent themes in "the curricula of schools of public policy and management" (p. 186). Kearns finds that this curricular and historical focus on accountability in the literature of the private and public sectors has produced extensive operational definitions (Shafritz, 1992; Levine et al, 1990), conceptual frameworks (Romzek & Dubnick, 1987; Gruber, 1987; Paul, 1981), and codification of explicit standards (Rosen, 1989).

Estes et. al. (1989) suggest that scholars of nonprofit accountability can learn much from the literature on

public and private sector accountability. Edwards & Hulme (1996b) posit that accountability concerns and related issues are not unique to the nonprofit sector. For example, the seminal debate between Friedrich (1940) and Finer (1941) regarding whether public accountability is best achieved by external mandates (formal regulations and oversight) or internal mandates (self-regulation and professionalism) has relevancy for discussions of nonprofit accountability. Some fifty years later this public policy debate over administrative controls, bureaucracy, delegation, and professional discretion continues (Gruber, 1987). A similar debate exists in the context of nonprofit accountability, with some scholars in support of accountability approaches tied to external consequences (Bothwell, 2000; Edwards & Hulme, 1996a, 1996b) and others in support of more internally driven accountability mechanisms (Fry, 1995; Lawry, 1995). Although encouraging utilization of private and public sector research on accountability, Kearns and Schene suggest that fundamental differences among the three sectors prohibit a nonprofit approach that simply borrows from those traditions. They argue that differences in terms of mission, philosophy, organizational structure, and sources of funding (Douglas, 1987; Hausmann, 1987; Mirvis, 1992) necessitate an accountability literature focused on the unique aspects of the nonprofit sector.

Literature on nonprofit accountability, however, is far less extensive than accountability studies in the public and private sector. Studies that do exist focus on nonprofit accountability in a general sense, outlining the dimensions of accountability and the numerous existing definitions and conceptualizations. Several studies provide an overview of nonprofit accountability from historical and disciplinary perspectives. Examples of this approach include Lawry's (1995) study linking accountability to managerial ethics, Hammack's (1995) historical perspective, and Chisolm's (1995) legal perspective.

The literature specifically addressing accountability in nonprofits includes numerous materials related to financial accountability as well as descriptive or practical treatment of various approaches to accountability (Schene, 1991; Kearns, 1996; Bothwell, 1999; Ferronato, 2000; National Center for Nonprofit Boards, 2000). Other descriptive studies or practitioner-oriented articles focus on more narrow accountability subtopics such as outcomes measurement (Kanter & Summers, 1982; O'Connell, 1988), board governance responsibility and oversight (Ben-Ner & Hoomissen, 1994; Dayton, 1987; Panus, 1992), disclosure of financial information (Council of Better Business Bureaus, 1982; Kahn, 1992), and fulfillment of certain tax exempt reporting requirements to government (Chisolm, 1995).

Despite ample descriptive literature, abundant conceptual work, and the proliferation of nonprofit accountability initiatives worldwide, scant evidence stemming from rigorous research on nonprofit accountability exists (Hall, 1987; Brett, 1983; Kearns, 1994; Edwards & Hulme, 1996a, 1996b). Eisenberg (1997) associates problems in academic rewards with the paucity of empirically sound research on NGO accountability. He argues that "Long term sectoral reform will require much more information and research than we currently have...if academia is vulnerable to criticism, it is on the score that it has ignored many of the most trenchant issues and problems on the sector. It has...done little work on subjects like accountability, ethics, governance..." (Eisenberg, p. 340).

An emerging body of literature, however, related to several nonprofit sub-sectors includes empirical studies related to accountability practices. This literature is most prominent in the sector of education, a trend that may be due to high profile international comparative studies and externally mandated local, state, and national high stakes accountability practices. Two recent sub-sector studies employing survey methods provide additional insight. Humphrey and Erickson (1997) conducted a ten-year study of nonprofit industrial development organizations and found that the boards of directors of such organizations are placing increasing importance on accountability, especially with regard to board governance. Humphrey and Erickson call for future comparative research on the issue of accountability in other NGO sub-sectors. Young et al. (1996) call for additional research to compare the effectiveness of umbrella organizations with other means of self-regulation such as independent watchdog groups or accreditation agencies. They conclude that "Case studies of umbrella associations where self-policing works and where it has been successful, would provide considerable insight into the overall potential for this mode of self-regulation" (p. 362-362). To do this, we would need to better understand the desired outcomes and measures for success.

The gaps described here result in the lack of a clear, analytical framework for use by practitioners and

the absence of clear and sufficient conceptual and operational definitions of nonprofit accountability and dependent variables associated with its conceptualization. Lack of a framework and definitions hinders efforts to conduct rigorous research into issues surrounding nonprofit accountability. Conceptual gaps may also lead to basing accountability initiatives on normative assumptions that enhanced accountability practices will automatically lead to enhanced public trust, increased or sustained funding, and improved organizational effectiveness. Currently, little is known about the effects of self-regulation on nonprofits in terms of the level of implementation of accountability practices, the organizational processes involved with successful or unsuccessful implementation, and the organizational outcomes as a result of the implementation of accountability practices. This paper seeks to contribute to the refinement of our understanding of the construct of nonprofit accountability and explication of key dependent variables associated with achieving nonprofit accountability outcomes.

**Methodology:** Through the comprehensive literature review, definitions from scholarly works and archival documents from practitioner initiatives from 1940 (selected because of the work of the National War Service funds related to the establishment of United Ways and accountability standards in various parts of the United States) to the present are identified and synthesized into key definitions, which capture primary themes. The dependent variables for each definition is, in turn, identified and explored.

In an effort to explore the identified dependent variables, six experienced nonprofit practitioners and five nonprofit scholars were asked to review the definitions and the dependent variables. Because many of the nonprofit accountability definitions have more than one dependent variable listed, each dependent variable (numbering more than 50) represented from the 32 identified definitions was included. Utilizing the process for creating affinity diagrams (Scholtes, Joiner, & Streibel, 1996), instructions were given to participants to examine the definitions and dependent variables. The expert panel was asked to review and categorize or group the dependent variables from the definitions of nonprofit accountability. From preliminary analysis of the expert panel's participation, consensus is emerging around several categories of key dependent variables in nonprofit accountability. Such categories include: transparency outcomes; efficiency outcomes; effectiveness outcomes; consistency with mission; honesty or accuracy; meeting legal requirements; fundraising ethics; managerial ethics; constancy of/consistency with mission; board governance; internal checks and balances; externally-oriented mandates; good citizen/good steward; and constituency responsiveness (to both internal and external constituencies). Several alternative dependent variables are also anticipated.

□The dependent variables that will emerge represent and extend the key definitions that have contributed to the shaping of nonprofit accountability as a domain of study and practice. Regardless of the method of inquiry, categories play an important role in the understanding of a phenomenon (Dey, 1999). For positivist or quantitative researchers, the units and categories make up the core elements of a theory (Dubin, 1976). Categories are important features that enhance our understanding and abilities to communicate about phenomena and help us to organize, compare and interpret physical matter and human interaction. According to Medin and Barsalou (1987), categories serve four key purposes: classification, inference and prediction, generation, and productivity. The dependent variable categories created by the research participants provide an opportunity to examine the aims of nonprofit accountability within a different framework: one that focuses on the outcomes of nonprofit accountability. An additional round of expert review will follow the initial categorization and calls for further specification of the categories. For example, how might transparency outcomes be operationalized?

**Significance and Future Direction:** This exploratory examination opens the door to potential refinement regarding questions of nonprofit accountability definitions and dependent variables. Future studies could examine the extent to which practitioners identify nonprofit accountability and intended outcomes, and how definitions and dependent variables may be evolving. Efforts to further investigate and extend insight regarding the specification of measures related to the dependent variables are warranted. Although ambiguity is likely to persist, the future success of nonprofit accountability and the focus of associated practice, policy-making and literature are dependent upon continuing dialogue and investigation into the dependent variables of nonprofit accountability, its intended results and outcomes.

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\*Because this paper relies so heavily on a thorough literature review, we thought it important to demonstrate work related to this. As such, we have an unusually long list of references. We include a partial list for purposes of conserving space. We are happy to provide the full list.

**Paper Number:** PA021360

**Paper Title:** The influence of class, status, and social capital on the probability of volunteering.

**Author(s):**

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**Summary of Research**

In current research, two major components of a general model of volunteering are the dominant status and social capital models. These are taken to represent the resources and dispositions that encourage and facilitate participation as a volunteer. But another source of resources and dispositions that rarely receives any attention is the class structure. This research elaborates each of these models, and using a set of Marxist class categories, compares the efficacy of class, status and social capital for predicting the probability of being a volunteer.

**Description**

The influence of class, status, and social capital on the probability of volunteering.

Across virtually the whole literature that investigates why people participate in voluntary organisations two conclusions dominate: those with higher social status participate more than those with lower status, and those with more social capital, in particular more extensive social networks, participate more than those with less social capital. These can be broadly described as the dominant status and social capital models of volunteer participation. With few exceptions, however, voluntary participation has not been analyzed from a social class perspective (but see Daniels, 1988; Van Til, 1988; Wilenski, 1962). This is surprising since as Wuthnow (1991: 307) notes, "Voluntarism is, and has been from its inception, largely a feature of the middle-class." Early research on voluntary participation was not mute on the relevance of class (e.g., Gordon and Babchuk, 1959; Kahl, 1957: 147-150). But more recent research has largely replaced the notion of discrete social categories (classes) with notions of gradational difference (social status and social capital) that lack identifiable group boundaries.

Typically, the dominant status and social capital approaches to volunteering focus on the way social status and social capital represent resources, dispositions, signals, and levels of exposure that are important determinants of who volunteers and for what reasons. At the core of the dominant status model is the assertion that volunteer participation is greater for individuals who occupy social roles or positions that are more highly socially valued or preferred (Smith, 1994:246). The factors associated with dominant status that facilitate participation include economic resources (Sundeen, 1988:548 ;Sundeen and Raskoff, 1994:384; Wilson and Musick, 1998:800), human capital resources, including education (Wilson and Musick, 1998:800: 1997a: 698), cognitive abilities (Goss, 1999: 381; McPherson and Rotolo, 1996:183) and civic skills and leadership abilities (Verba et. al., 1995:284; Wilson and Musick, 1997b:254-255). Dominant status is also seen as generating a set of attitudes and values that dispose the individual towards participation. These include a sense of civic responsibility (Wilson and Musick, 1997b: 256), confidence or competence in social interaction (Goss, 1999: 381; Wilson and Musick 1998: 800; Sundeen, 1988:551), and having a greater stake in the public goods that are the outcome of participation (Wilson and Musick, 1998:800; Sundeen, 1988:548; Verba et. al., 1995:281). Finally, dominant status act as a signal. A dominant status signals to organizations that individuals have the appropriate qualifications for participation. This is important because these qualifications are, presumably, in short supply in the population (McPherson and Rotolo, 1996: 183; McPherson, 1981: 718; Wilson and Musick, 1997a: 698).

As with the dominant status model, the social capital approach sees the connection between social capital and volunteering in terms of resources, dispositions, and the level of exposure to one's community. In this case however the origin of these lies in the character of social networks rather than the individual's social status. The social capital model typically begins with Coleman's assertion that social capital inheres in social networks, and generates the norms, obligations and trust that facilitate collective action (1998:799). The resources social capital makes available to members of networks

include amplification of personal resources, information, pooled labour (Wilson and Musick, 1998:800), contacts, and obligations (Wilson and Musick, 1997a: 695; Paxton, 1999:92). Along with resources, social capital generates dispositions that foster participation. These include trust, norms of group reciprocity, and an awareness of community, or what Portes calls bounded solidarity (Wilson and Musick, 1997a; Janoski et. al., 1998:497; Portes, 1998: 8). Finally, social capital in the form of social networks increases the individual's exposure to their community. This in turn increases the likelihood of participation.

□A third theoretical model of society that encompasses a description of the distribution of resources, dispositions and signals or exposures is that of social class. The class approach does not dispute that resources, dispositions, and signals or exposure are important proximate factors affecting participation. Instead it differs in the assertion that each of these is fundamentally related to an individual's social class rather than to their social status, and that social capital is itself a product of class position. This approach begins with Bourdieu's claim that both cultural and social capital are fundamental characteristics of the structure and reproduction of inequality in capitalism (Bourdieu, 1986:243). As a consequence, the basic nature of economic, cultural and social capital is to be understood in the nature of the capitalist class structure itself. Where the status and social capital models lack a clear theory that explains why social roles are dominant, or why social capital varies across individuals, the class model explains these characteristics of individuals as aspects of their class position.

This sets the stage for the central focus of this research: what are the relative impacts of social class, social status and social capital on the patterns of voluntary participation. This paper examines all three models and empirically tests their efficacy for understanding volunteer participation using data from the 1998 General Social Survey. The first section of the paper outlines the central theoretical points of each model as they bear on the question of volunteer participation. The second section presents an operationalization of the key concepts: dominant status is operationalized as SES scores, social capital is operationalized in terms of the frequency of participation with individuals (family, friends, and neighbours) in social settings outside the household, including church attendance, and class is operationalized as a set of Marxist class categories as developed by Wright (1977; 1985). These are defined by the intersection of three dimensions of exploitation relations in capitalism – exploitation based on the ownership of capital, on control of organizational assets, and on the possession of credentials or scarce skills (Wright, 1985: 148). The third section of the paper uses logistic regression models to assess the relative importance of class, status, and social capital in predicting the likelihood of being a volunteer. The analysis shows that social capital has the strongest impact on the likelihood of being a volunteer, followed by social class and then social status. In fact, when class and social capital are controlled, status contributes very little to an understanding of volunteering. However, the classic conception of social capital as a consequence of class position (Bourdieu, 1986; Portes, 1998) suggests that social capital is an intervening variable in the structural model of volunteering. The main conclusion drawn is that class in the Marxist sense needs to be included in a general model of volunteering. And the appropriate way to incorporate both class and status into a general model would be to examine both their direct effects on the likelihood of being a volunteer, and their indirect effects through their influence on the distribution of social capital across class and status groups.

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Keywords: Volunteering, social class, dominant status, social capital

**Paper Number:** PA021361

**Paper Title:** Volunteers are Not All the Same: Heterogeneity in the Voluntary Sector

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**Summary of Research**

Attempts to understand the traits that make volunteers unique often overlook the fact that “volunteering” covers an array of widely disparate activities. One way to capture this heterogeneity is by attention to the type of organizations people volunteer for. This research examines the similarities and differences among individuals who volunteer for health, culture and recreation, social service, and religious organizations. Using data from a large national survey of volunteers, we find that “volunteering for what” is important for understanding who volunteers and why.

**Description**

Volunteers are Not All the Same: Heterogeneity in the Voluntary Sector.

This study takes as its starting point Wilson’s observation that an accurate picture of who volunteers and why must take into account the fact that volunteering is not a single homogeneous activity (2000: 233). Rather, the generic term “volunteering” covers an array of widely disparate activities, and the people who participate in these activities are themselves heterogeneous in regard to their socio-demographic characteristics, their motives, and their belief systems. To understand who volunteers and why requires that we account for this heterogeneity. One way to differentiate among volunteers is by the type of organizations they choose to volunteer for. This study compares individuals who volunteer for each of four different types of organization: health, culture and recreation, social service, and religious organizations. Two questions directed our inquiry: how do volunteers of each kind differ from non-volunteers, and do each of the four types differ from each other? Answers to these questions will enhance our understanding of the voluntary sector as a whole, and will provide specific types of organizations with information about the socio-demographic characteristics and social dynamics associated with their volunteers, thereby identifying components of the population they currently do not draw volunteers from and enabling them to adapt their recruitment strategies to tap such resources.

Various conceptual schemes for classifying the activities and organizations people volunteer for have been proposed. Gordon and Babchuck (1959) introduced the distinction between expressive and instrumental organizations. The immediate problem with this classification, as the authors themselves acknowledged, is that the two categories are not mutually exclusive: some organizations clearly fulfill both functions and so constitute a third category, instrumental-expressive organizations (1959:26). This three-fold scheme has since appeared with some frequency in the research literature (e.g., Tomeh, 1973; McPherson and Smith-Lovin, 1986; Palisi and Korn, 1989; and Caputo, 1997). Smith (1997: 273-274) makes a distinction between mutual benefit organizations, where members are the primary beneficiaries of their voluntary activity, and organizations where the beneficiaries lie outside the membership (program volunteering). Janoski and Wilson (1995: 272) distinguish between self-oriented associations (professional and union groups) and community-oriented associations (community volunteers, church groups, etc.). And as their application of this distinction shows, a different theoretical model is required to adequately explain each type of volunteer activity (1995:289-290). Others have pointed to important differences between individuals who volunteer for secular as compared to religious organizations (Cnaan et. al., 1993; Musick et. al., 2000). Lastly, there is an approach to the issue of heterogeneity in volunteer activities that simply uses the types of groupings of organizations that are typically found in survey data and looks for differences between volunteers for the various types of organizations. In one of the few studies that was specifically designed to address the question of multidimensionality in volunteer activities, Williams and Ortega (1986) explicitly follow this strategy. Others have looked at the factors that influence joining a specific type (or subset of types) of organization

(Cnaan et. al., 1993; Rotolo, 2000) or have compared those who join a particular type of organization versus all other types of organizations (Berger, 1991).

Each of these approaches has shown that there is merit to such distinctions for our understanding of volunteering, and that this effort deserves further attention. To this end, our research examines the traits of volunteers in several types of organizations that can be differentiated along two dimensions. The first follows the distinction between religious and secular organizations. The second is a new conceptualization that is akin but not identical to the expressive-instrumental and the mutual benefit/program volunteer distinctions. Our classification rests not on who benefits from the activity (members versus clients), but rather on whether the service provided is an amenity or responds to a basic human need. Specific amenities may enhance the overall quality of life in a society, but it can be argued that they are not essential for human existence. The basic requirements of life, such as food, clothing, shelter, health care, and education are needs that must be met by these specific services. In our research, the distinction between organizations that focus principally on amenities and those that focus on needs is the distinction between culture and recreation organizations on one side and health and social service organizations on the other.

Our research uses data from a large national survey of volunteering. The classification of the organizations individuals volunteer for is based on the International Classification of Non-Profit Organizations (ICNPO) developed at Johns Hopkins University (Salamon and Anheier, 1996). The analysis begins by comparing health volunteers with non-volunteers on 37 socio-demographic variables. Health volunteers are then compared to culture-recreation, social service, and religious volunteers as a group, and then to each separately. In addition, we use logistic regression techniques to identify, in a multivariate analysis, how health volunteers compare to the other three types. These analyses show that the traits that distinguish specific types of volunteers from non-volunteers are not different from those that distinguish volunteers in general from non-volunteers. However, comparisons among the other types of volunteers reveal that different types of individuals volunteer for different types of organizations. In particular, we found that health volunteers are virtually identical with those who volunteer for social service organizations, suggesting that organizations focused on need-provision draw similar types of people. Religious volunteers differ from health volunteers, but only on factors related to their "religiousness"; health volunteers are by and large a secular version of religious volunteers, and vice-versa. But the largest difference is that between health volunteers and culture and recreation volunteers. Organizations that provide amenities evidently draw from a different sector of the population than do organizations that provide for basic needs.

This research reveals significant heterogeneity in types of volunteers associated with different organization types, and that these differences are sufficiently large that type of volunteering must be taken into account in analysis of the voluntary sector. This new knowledge demonstrates that "volunteering for what" is important for understanding who volunteers and why.

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**Paper Number:** PA021370

**Paper Title:** The Patterns and Predictors of Volunteering in Sweden

**Author(s):**

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**Summary of Research**

This paper reports the findings of an investigation of volunteering in Sweden. It is based primarily on an analysis of the 1998 Swedish national survey of volunteers; The discussion includes comparison to patterns found in national surveys of U.S. volunteers.

The analysis focuses on the Swedish context of volunteering as well as the extent, nature, significance, types, and, using logistic analysis, predictors of volunteer involvement among Swedish volunteers. The conclusion will address the place of volunteering in Swedish society, similarities and differences between the U.S. and Swedish volunteering patterns, and implications for policy, practice, and future comparative research.

**Description**

1. Problem or issue to be addressed

Despite the various differences between Sweden and the US, including the nature and areas of volunteering, do variables generally predictive of volunteering in the US also predict volunteering in Sweden? For example, Smith (1994) points out that the determinants of voluntary participation tend to fall into five categories of variables: context, social background, personality, attitude, situation, and social participation. In the US context, social background models have received the greatest attention with dominant status emerging as one of the major determinants of volunteer behavior. In this paper, we explore the explanatory power of social background variables, such as socio economic status, education, age, gender, marital status, ethnicity, and work status, as well as residential context (size of community), family context, and other social participation activities on voluntary participation in Sweden.

2. Topic's Relation to State of Knowledge in Field: The Swedish context of volunteering

While recent research (Jeppsson Grassman, 1994; Stehle, 1995; Grassman and Svedberg, 1996, 1999) has revealed that the proportion of Swedish persons who volunteer is similar to the US and higher than most European countries, the rationale for and areas of volunteering differ significantly. The Swedish concept of volunteerism is closely related to the role played by nonprofit associations as well as how social welfare policy has developed and is implemented. Swedish society is characterized by numerous organizations, popular social movements, and associations, often with national level umbrella organizations (Jeppsson Grassman and Svedberg, 1994:418), devoted to representing the interests of their members, providing services to their members, and/or making available leisure time opportunities for participation to their members in the core organizational activities (Lundstrom and Wijkstrom, 1997:175).

A second distinguishing feature of Sweden's nonprofit sector flows from its large and comprehensive public social welfare program; that is, because of the expectation that the Swedish government will ensure that its citizens' core social and economic needs are met, nonprofits are not likely to be devoted to providing services in areas of health care, social welfare, and basic education (Jeppsson Grassman and Svedberg, 1996:418). An additional characteristic relevant to a discussion of volunteerism in Sweden is the role of the member in Swedish nonprofit organizations. Nonprofits not only serve as means for members to exercise their "voice" vis a vis the political system, but also they serve as "schools for citizenship" with the expectation that members will assume responsibility for governing their respective organizations (Wijkstrom, 2000). The act of volunteering is doing unpaid work for one's organization, including participating on a policy or governing board, administering the organization at all levels, assisting in the provision of the service to other members, e.g., coaching or teaching, or fundraising, e.g., selling lottery tickets. Consequently, volunteering to assist one's organization in carrying out its goals and programs through leadership roles, as well as occasionally helping fellow members in meeting their needs, is common, while volunteering to provide services to others in need who do not

share organizational membership is not as common.

Although these (and other) differences exist in the nature and areas of volunteering between the US and Sweden, it is the guiding hypothesis of this research that there significant similarities. For example, in our preliminary findings, it appears that as in the US context of volunteering, educational level, ethnicity, size of community, age, and family contribute to the decision to volunteer in Sweden, as well.

### 3. Approach and Data analysis

This paper reports the findings of an investigation of volunteering (unpaid work or service usually within voluntary or public associations and organizations) in Sweden. It is based on an analysis of the 1998 Swedish national survey of volunteers. Also, in-depth interviews carried out during June 2000 in Stockholm, Sweden with 14 representatives of 8 types of nonprofit organizations and Swedish researchers in the nonprofit and voluntary field.

Using the Swedish 1998 national survey on volunteering, the paper will document the proportion of persons who volunteer, their volunteer tasks, their motives, and participation in specific areas of volunteer activity, such as sports, cultural, labor and religious groups. We are able to compare some of these topics with the U.S. patterns using the Independent Sector 1998 national survey

Secondly, a logistic regression analysis will be utilized to predict whether or not a person will volunteer using demographic and social variables mentioned above that researchers typically use in US research on volunteering.

### 4. Contribution to the Field

The paper will address the place of volunteering in Swedish society, similarities and differences between the U.S. and Swedish volunteering, and implications for policy, practice, and future comparative research in the US and Sweden. Volunteerism and the voluntary sector serve as key mechanisms for citizens to participate in democratic society, contribute to its civic structure, and provide services not carried out by government nor sold by businesses. Therefore, it is important to develop and ensure such participation by its members and to improve our understanding of how that is done most effectively. Similar to other industrial democracies, the challenges and opportunities resulting from the changing nature of Sweden's welfare state and its growth as a multicultural society raise questions regarding the role of volunteers.

Further, the similarities and differences between Sweden and other industrial democracies raise interesting comparative questions.

**Paper Number:** PA021404

**Paper Title:** Events that Influence Giving and Volunteering

**Author(s):**

Dr. Chris Toppe, Independent Sector, Washington, DC, USA

### **Summary of Research**

People give and volunteer at different rates across income categories, so something must influence the observed differences. This paper examines two factors: involvement as a youth volunteer and involvement with giving and volunteering to religious congregations.

### **Description**

There is unprecedented interest from the President in increasing participation in volunteering by Americans. President Bush has asked that each American make volunteering a key lifetime goal. As a research question, the president's initiative to increase volunteering can be examined by identifying the antecedents of charitable behavior. That is, examining the factors that influence giving and volunteering can help practitioners identify and understand how strong givers and volunteers can be nurtured.

There are clear and measurable differences in the adult behavior of people who began volunteering when they were youth. Becoming involved as a youth begins a pattern of giving and volunteering that lasts a lifetime. Likewise, there is clear and compelling evidence that those who give to religious congregations are more generous with both their time and their money than are others.

These findings and more hold true across income categories, so these are non-economic measures of commitment. This paper will present these findings in detail, showing how each influences the charitable behavior of adults.

Based on a national sample of over 4,000 adults, this paper presents original research on giving and volunteering.

**Paper Number:** PA021318

**Paper Title:** Small voluntary organisations and urban regeneration in the UK: Balancing funding, accountability and independence

**Author(s):**

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### **Summary of Research**

Three case studies on small voluntary organisations actively involved in the renewal of their inner city neighbourhood found that they choose to engage with government funded regeneration programmes only if it directly supported their organisational goals and did not threaten their independence.

### **Description**

Key words: Community groups; Grassroots voluntary organisations; Organisational impact; Urban regeneration; Neighbourhood renewal; Inner city neighbourhoods; Sustainability;

#### **1.□Background**

The research described in this paper forms part of my part-time doctoral research on the impact of urban regeneration processes on small voluntary organisations. It is anticipated that the paper will make a contribution to the community and grassroots strand of the conference.

#### **2.□Purpose of the research**

The New Labour government in the UK is testing a wide range of innovative urban regeneration initiatives under the 'Neighbourhood Renewal' policy to encourage the active participation of voluntary organisations. While there are many promises of new resources for the voluntary sector, there is little research on the organisational impact of regeneration programmes on voluntary organisations. The purpose of the research described in this paper was to investigate the impact of current regeneration programmes on small voluntary organisations and to draw out possible implications of current practice for voluntary organisations as well as the emerging regeneration policy.

#### **3.□Current state of knowledge**

Research in the UK suggests that voluntary organisations have a marginal input into government funded regeneration programmes (Social Exclusion Unit, 1998; Hall and Mawson, 1999) and do not succeed in drawing in otherwise marginalized or excluded groups of deprived communities (Geddes, 1997; Lowndes and Skelcher, 1998; Taylor, 2001). The limited research on the circumstances voluntary organisations encounter in their attempt to participate in public sector partnerships suggests that there are conflicts around organisational values and accountability to stakeholders, negative impacts on organisational structures and processes and threats to organisational survival (for example Scott et al., 2000; Alcock et al.; 1999 Rochester et al., 1999). There is no specific organisational research on small voluntary organisations engaged in government funded urban regeneration programmes.

#### **4.□Research design**

A qualitative research strategy was chosen, using a primarily inductive approach towards data collection and analysis. The research methodology was based on multiple case studies, using semi-structured interviews, document analysis and observation as methods of data collection. The case study research was preceded by an attempt to define a conceptual framework for data collection and analysis. A framework was arrived at through the analysis of research literature that describes the impact of public sector resources and regeneration policy on voluntary organisations. This process led to the identification of four broad conceptual categories:

- Lack of political influence
- Conflicts around accountability and values
- Problems in maintaining volunteer support

## ·□ Organisational impact of public sector funding

Three organisations in Birmingham, who work in the top 5% of the most deprived areas in the UK were selected as case studies. Organisation A was a community association on housing estate contributing to a large scale regeneration programme; Organisation B was a social enterprise concerned with the provision of learning material for the Afro-Caribbean community; Organisation C was a community association concerned with the establishment and maintenance of a community garden.

## 5.□ Research findings

The research generated rich descriptive data about the impact of regeneration programmes on small voluntary organisations. By way of sketching out the areas where this research is making a contribution towards policy and organisational research three propositions are made:

The resources available often do not match the needs of small voluntary organisations. However, instead of the expected internal value conflicts resulting from succumbing to the temptation of government funding, resources on offer are not taken up: "We want what we want – if you adjust and compromise you have lost your values and your goals. ... You can't compromise on your values." (Resident Board Member, Organisation A).

Any threat to the independence of the organisation or the replacement of voluntary with paid staff is strongly resisted in organisations that were established prior to the advent of regeneration programmes in their neighbourhood: "If you have paid staff you just pile up the bureaucracy... As soon as you have a job spec you get side tracked into doing what you boss wants you to do – not the community. ... A paid worker couldn't do the job." (Steering Group member of Organisation C).

On the other hand, if the organisation was established to take advantage of the newly established regeneration programme the inadequacy of the funding and the onerous reporting requirements were bitterly resented and there was sense of betrayal: "They haven't got a clue what we do. They are not in touch. They need to take a crash course in working in a small voluntary organisation like this one to get a good feel for what the issues are. Because they give you a little bit of funding they say they need to know everything about you. The message is loud and clear: We don't trust you!" (Project Manager, Organisation B)

## 6.□ Implications for voluntary organisations and regeneration policy

Current regeneration policy and its implementation leaves small voluntary organisations with little choice: They can either let regeneration programmes run their course and stay on the margins of the regeneration process or face the force of the isomorphic pressures brought about by government funding and accountability processes. This is neither desirable for the voluntary organisations concerned, nor for New Labour's regeneration policies because the embeddedness of small organisations in local community networks appears to be precisely the capacity that needs to be harnessed if the sustained regeneration of a deprived neighbourhood is to be achieved. Helping small voluntary organisations to learn about and contextualise their important contribution to local regeneration would be an important 'capacity building' activity that should be resourced from government regeneration budgets. In line with New Labour's neighbourhood renewal policy, the purpose here would be to encourage distinctiveness, independence and assertiveness amongst small voluntary organisations, rather than continuing to roll out capacity building initiatives that tend to encourage voluntary organisations to become contract bound service providers. It is equally important to help practitioners in the public sector, especially in local authorities, understand the challenges small voluntary organisations face and to appreciate the diversity of the informal voluntary sector in inner city neighbourhoods.

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**Paper Number:** PA021488

**Paper Title:** Generational Changes in Nonprofit Management: A Study of Community-Based Organizations

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### **Summary of Research**

Generational Changes in Nonprofit Leadership is a qualitative study of generational differences in community-based nonprofits. Thirty-eight interviews were conducted with directors (older and younger) and staff (younger) in sixteen social change organizations. The interviews were designed to explore the attitudes and expectations of younger staff and older/younger directors by asking about issues such as leadership, organizational structure, impact of race/gender, decision-making, balance between work and non-work activities, education/work history, and the skills and training needed to run a community-based nonprofit. This paper will report on the findings of the study and their implications for leadership in community-based nonprofits.

### **Description**

#### **Introduction and Problem Statement**

This paper will report on the results of the Generational Changes in Nonprofit Leadership study, a qualitative analysis of differences between older leaders and younger leaders/staff in social change organizations. The nonprofit sector is preparing for its first major change in organizational leadership since the explosive growth of the sector in the 1960s and 1970s.(1) Now, forty years later, there is grave concern that the current directors of nonprofit organizations will be retiring without a new group of younger people ready to fill their shoes. Anxiety about the future leadership of nonprofits has been especially acute for those working in community-based social change organizations. Organizational leaders in their late forties and older are worried that there are few younger people in the field who hold the same commitment to the 'work'.(2) 'Younger' people counter that they are rarely given the opportunity to take on more responsibility by current leaders. The younger generations claim that older directors are unwilling to consider new ideas or different operational styles. It is a tension people often describe, but that has received remarkably little systematic attention. Although programs for 'emerging leaders', 'next generation leaders', 'young leaders', and 'new leaders' are popping up around the United States, few people have documented the specific problems these programs are designed to solve.

#### **Background**

Research on generational changes in leadership in nonprofit organizations has started to receive increased attention. There appears to be a general consensus that a 'problem' exists.(3) Interest in generational differences is not new. Generational studies and theory have long been a part of the sociological literature.(4) There is also a vast literature on leadership and leadership succession.(5) More recently, there has been a burst of publications describing the differences in leadership and work styles between 'baby boomers'(6) and 'Generations X and Y'.(7) However, it is difficult to find studies in the nonprofit sector that address the change from the baby boomer generation and the institutions they run, and the next generations - both Generation X and Generation Y - and their ability to take the reins.(8) For the most part, the work on this generational difference has been reported in popular literature, and in articles that focus on management in the for-profit sector.(9)

What has been written about the boomer generation and Generation X/Y usually identifies characteristics and traits that differ between these two cohorts. For example, descriptions of Generation X often refer to their lack of commitment to staying in a single organization, a need to work in peer-teams rather than alone, interest in being given a problem to solve without guidance on how to solve it, and a more relaxed and less hierarchical work style. There are also observations that Generation X employees have a shorter attention span and need frequent feedback. Several authors also note that the younger generations are more likely to see their work as only one aspect of a larger (and fuller) life. In contrast, boomer leaders are described as devoting more of their life to work and having a strong identity with the organization. There are also claims that baby boomers have trouble delegating responsibility and

authority, and worry that the younger generation wants too much power without 'paying their dues.' Other style differences frequently noted are how older leaders are more comfortable with formal meetings and lines of authority. They also expect younger employees to ask for guidance and help.

#### Current Study and Preliminary Results

Generational Changes in Nonprofit Leadership is a qualitative study of generational differences in community-based nonprofits. Thirty-eight interviews were conducted with directors<sup>(10)</sup> (older and younger) and staff (younger) in sixteen social change organizations.<sup>(11)</sup> The interviews were designed to explore the attitudes and expectations of younger staff and older/younger directors by asking about issues such as leadership, organizational structure, impact of race/gender, decision-making, balance between work and non-work activities, education/work history, and the skills and training needed to run a community-based nonprofit. This paper will report on the findings of the study and their implications for leadership in community-based nonprofits.

Preliminary analysis of the data has identified two major findings. First, there seems to be more similarity than differences between older and younger leaders in social change organizations. Although older leaders are more likely to identify their work as the most important part of their life, both older and younger directors had similar descriptions of the demands of the job. For the most part, they put in long hours, feel enormous responsibility for the organization, are constantly preoccupied with finding funds, and have a highly developed vision for the organization. The second finding is the role passion and values play across age and position. What attracted people to the organizations - both staff and leaders - was the meaning of the work. Some older and younger interviewees noted that this passion needed to be combined with better management skills, but overall younger people were as likely as older leaders to question the need for nonprofit management programs that focused on skills over content.

There are also other preliminary findings. For example, older leaders overwhelmingly reported their desire to stay in the work, and often the job, indefinitely. Even those transitioning out of their position as director were convinced that they needed to stay involved in organization. Younger leaders seemed as committed to the organization but were far more likely to talk about exit strategies. They also focused on the need to create more balance in their life. In all of the preliminary findings, it is not clear if the differences and similarities are the result of the generational cohort or can be attributed to the stage of life of those interviewed.

The findings from the study will be used to identify areas for future research. The results also have implications for how to identify, train, and support future nonprofit leadership, especially in social change organizations. For example, if younger leaders find that they have to put enormous time and energy into their work and they also want to spend more time with family and other non-work activities, it may be important to look at the structure of the jobs rather than qualifications and commitment of future leaders. In addition, if passion and values are what drive people to work in and lead social change nonprofits, then the question may be whether existing nonprofit management programs support and develop these values, or are they catering to more dispassionate students who are interested in running larger social service organizations.<sup>(12)</sup> These and other implications will be discussed.

#### Footnotes:

(1)Hall, Peter Dobkin. 1987. A Historical Overview of the Private Nonprofit Sector, in ed. Powell, W. The Nonprofit Sector: A Research Handbook. New Haven, Yale University Press.

(2)The original concept for this study came out of meeting held in 1999 with leaders (older and younger) of small social change/community-based organizations. The older participants expressed their concern about finding qualified younger leadership. The younger participants complained about the reluctance of older leaders to give younger people responsibility and authority to make decisions and train for senior positions.

(3)Foundations have increasingly supported programs to identify and train a younger generation of leaders. In addition, groups such as Grantmakers for Effective Organizations and the Alliance for Nonprofit Management are featuring this issue at their conferences this year.

(4)Karl Mannheim seminal work is frequently cited foundation for research in this area. Mannheim, Karl. 1952. The Problem with Generations, in ed. Kecskemeti, P. Essays on the Sociology of Knowledge.

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(5)The leadership literature, which spans political science, psychology, sociology and applied fields such as business and education, addresses innate characteristics, training, and environment among other issues.

(6)Definitions of baby-boomer cohort differs. Frequently cited are those born between 1945 and 1960.

(7)As with the idea of baby boomers, the definitions of Generation X (baby busters) and Y differ. It usually ranges from those born between 1965 and 1980.

(8)That is not to say that nothing has been written on this topic. Examples of articles include Kennedy, Marilyn Moats. Jul/Aug 2000. The Decline of Management, Across the Board; Nazy'at, Majma and Kenneth Bailey. 1999. Developing Potential Leaders through Experience, The Nonprofit Quarterly. Goss, Kristin A. Dec. 1999. Volunteering and the Long Civic Generation. Nonprofit and Voluntary Sector Quarterly. Vol. 28(4); Mitchell, Mark Andrew and Robert Orwig. Jan/Feb 1998. Generation X: How to Manage, Market and Motivate Them. Nonprofit World. Vol. 16(1); Kincaid, Amy. Nov/Dec 1998, Helm Dwellers. Foundation News & Commentary; Dunne, Matthew. 1997. Policy Leadership Gen X Style. National Civic Review, Vol. 86(3). Onyx, Jenny and Madi Maclean. Summer 1996. Careers in the Third Sector. Nonprofit Management and Leadership. Volume 6(4); Hall, Peter Dobkin, 1992 Inventing the Nonprofit Sector and Other Essays on Philanthropy, Volunteerism, and the Nonprofit Sector. Baltimore, Johns Hopkins University Press.

(9)For example: Mariotti, John. Feb. 21, 2000. Changing the Way America Works. Industry Week Vol.249(4);, Howe, Neil and William Strauss. 2000. Millennials Rising: The Next Generation. New York, Vintage Books.; Wagner, Cynthia G. March 1999. Generational shifts in values. The Futurist, Vol.33(30).; Waclawski, Janine July 1999; The Real World: Generation X or Generation Gap. The Society for Industrial and Organizational Psychology;; Kiely, Thomas. Mar/Apr 1997. Tomorrow's Leaders: The World According to Generation X. Harvard Business Review; Tulgan, Bruce. 1996. Managing Generation X. New York, W.W. Norton & Co.; Surette, Katharine. Jan/Feb 1996. Training generation 2000. Managers Magazine Vol.71(1); Ratan, Suneel. Oct. 4, 1993. General tension in the office: Why busters hate boomers. Fortune; Howe, Neil and William Strauss. 1993. 13thGen: Abort, Retry, Ignore, Fail?. New York, Vintage Books Coupland, Douglas.1991. Generation X: Tales for an Accelerated Culture. St. Martin Press.

(10)In most cases, director refers to executive director. Some of the organizations had nontraditional structures so the term executive director does not apply.

(11)Social change groups were those with a mission that included systemic change. Organizations in the study included service, advocacy and/or organizing. Sampling selection also took into account racial/ethnic and gender differences as well as age.

(12)Others have also been addressing this issue; see for example, Mirabella. Roseanne M. and David Renz. Sep 2001. Nonprofit management outreach programs: An examination of institutional mission and setting. Public Performance & Management Review; Thousand Oaks; and Mirabella, Roseanne M. and Naomi Bailin Wish. May/Jun 2000. The "best place" debate: A comparison of graduate education programs for nonprofit managers Public Administration Review; Washington.

**Paper Number:** PA021636

**Paper Title:** The 'Community' Center and the Social Construction of Citizenship

**Author(s):**

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### **Summary of Research**

My purpose was to explore the variety of meanings that citizenship takes on when associated with active citizen participation at a community center. Using a social constructivist framework, I attempted to understand research participants' personal descriptions of their voluntary activity and its implications for their understanding of citizenship. In total, three inextricably linked themes were interpreted from the data: participation, responsibility, and community. Each is discussed in relation to citizenship and social capital theory. Based on the findings, I argue the community center served as a salient venue for citizenship development because of its focus on process instead of product.

### **Description**

Citizen development is often mentioned as a tenet of community development strategies (Labonte, 1998; Rothman, 1995), yet it is unclear precisely what citizenship means to those individuals actually involved in the community development process. My purpose, therefore, was to explore the variety of meanings that citizenship took on when associated with active citizen participation at a community center that employs a community development strategy. I aimed to understand how active citizen participation in a social setting shaped perceptions about citizenship. In particular, what did citizenship really mean to those people actively involved in the process of community development? What role, if any, did their social interaction at the community center play in fostering their sense of citizenship? These questions, among others, were addressed in the following study.

### **Relevant Literature**

Beyond its formal definition – that is, membership in a nation-state (Bottomore, 1992) – citizenship has four dimensions: legal, ethical, integrative, and educative. With respect to the first, its legal dimension, citizenship is viewed as a combination of civil, social, and political rights (Marshall, 1992 [1950]). Though the status does not require citizens to exercise their rights or set aside their private interests, it does make it possible to do so by protecting them against infringement. In this regard, the legal dimension is necessary to all conceptions of citizenship, irrespective of their ideological underpinnings.

Under its ethical dimension, citizenship involves an obligation to participate actively in the pursuit of the public good. Personal sacrifices presumably contribute toward some public benefit, which those who forgo their private interests ultimately enjoy, too. In this fashion, ethical citizenship resonates with Tocqueville's (1969 [1835]) notion of "self interest properly understood." Even if limited to small sacrifices, Tocqueville believed this principle would eventually foster civic virtue in those who practice it. Ultimately, individuals cannot truly act as members of the public unless they have some understanding of the personal interests of those who reside in the wider community. For this reason, the democratic activity associated with citizenship is presumably structured toward such an understanding. Founded upon this belief, public spaces, such as community centers, play a necessary role because they facilitate public discourse, which is the practice of citizenship (Calhoun, 2000; Habermas, 1989; Hemingway, 1996). And so, citizenship performs an integrative function by enabling the individual to integrate the various roles he or she plays, and by immersing him or her into the community.

To the extent that active citizenship requires the individual to see him or herself as more than the sum of the various roles he or she plays, the practice of citizenship works to develop an intellectual, practical, and moral sense of self, which will be of personal benefit to those who engage in such practices. Dagger (1997) refers to this process as educative citizenship. Active participation promises to expose individuals to a variety of views and beliefs and deepen their sense of interconnectedness with their fellow community members, including people unknown to them.

□ It is with its ethical, integrative, and educative dimensions, that citizenship weaves itself into the rich fabric of community. Shaw and Martin (2000), among several others, have argued community development facilitates citizenship as a collectively asserted social practice. While I am inclined to agree,

my aim in this study was to understand how the community center serves as context in which these relationships are shaped. Here, I am in agreement with communitarians who trust that more encompassing webs are formed and reinforced in public gathering places (Etzioni, 2000). By exploring the subjective interpretations of those actual citizens who presumably work toward creating a greater sense of community, I focused on the structure of the community center as a possible place where citizenship happens.

## Method

My philosophical framework for the study was rooted in social constructionism. Without reporting its variety of uses, histories, and critiques, my aim here is to briefly describe the general tenets of social constructionism, which served to guide this research. That said, the following is a broad outline of the social constructionist agenda I pursued. Founded upon a concern about how people assigned meaning to their world, social constructionism is underpinned by three general principles: First, understanding is a product of culture and history, which makes it dependent upon the particular social arrangements prevailing in a culture at a particular time. Second, understanding is a product, not of an individual's objective observation of the world, but of the social processes and interactions in which he or she is constantly engaged with others. Third, these "negotiated" understandings can take a variety of different forms. Thus, there exists numerous "social constructions" of the world (Gergen, 1999). This framework served as my point of departure to explore the research participants' personal descriptions of their voluntary activity and its implications for their understanding of citizenship.

Face-to-face, active interviews, which lasted, on average, one hour, were conducted with committed volunteers from a community center located in Southwestern Ontario, Canada, which was operated by a voluntary association. Active interviews are conversational in style such that they capitalize on the dynamic interplay between the researcher and respondents (Dupuis, 1999, p. 57). Although the interviews were guided by a protocol that included key research questions, probes for each question, and space for recording comments (Creswell, 1994), the protocol served as a guide only. Under this premise, the interviews were reflexive; not only did I attempt to listen to the research participants' voices, but I encouraged the research participants to guide the interview with their own personal narratives and tell their own stories of their experiences at their community center.

With a focus on the idiosyncratic and contextualized lived experiences of the research participants, I began analyzing the text data by organizing and sorting them into several working themes. Based upon my own interpretations, I attempted to identify themes that captured the research participants' interpretations of citizenship (Van Maanen, 1988). The working themes were then compared, contrasted, and placed into thematic categories. The resulting three categories – participatory citizenship, responsible citizenship, and communal citizenship – were not exclusive of one another, but rather represented three inextricably linked dimensions of citizenship.

## Findings

### Theme 1: The Participatory Citizen

Because the community center at which the participants volunteered used a community development approach to service delivery, the impetus for program development came directly from community members. The participants thought it was important for people in the community to share in the decision-making because they believed such a process fostered a sense of ownership in the center. The empowering experiences of the participants led them to discuss citizenship in terms of active participation within the community. One participant believed, "it's just something more to be involved." She suggested that any form of involvement, no matter how seemingly insignificant, enhanced her individual experience of community. In brief, each research participant equated citizenship with civic-oriented activity.

### Theme 2: The Responsible Citizen

Overwhelmingly, each participant expressed the belief that citizenship entailed responsibility. In a comment not unlike those expressed by his fellow research participants, Ned (pseudonym) believed "a lot of people are putting a big emphasis on rights and nothing on responsibility. As a citizen you have rights, but you also have responsibility, too." Responsibility, another participant suggested, was connected to caring. "I think that if we don't care about our community and what's going on in it," he said, "then it's just going to deteriorate. By taking responsibility in the community for our own actions, then it

makes for a good environment. But if I didn't bother to care about what's going on around me, I didn't take responsibility for my recycling or voting or whatever, then I can't consider myself a part of the community or a citizen, for that matter." Given these perspectives, when asked to provide a definition of citizenship, one participant replied, "I think citizenship is taking responsibility for yourself and those around you."

### Theme 3: The Communal Citizen

Each participant explained how the staff, volunteers, and participants at the community center fostered a sense of belonging in those who used the facilities. The sense of belonging that pervaded among the research participants appeared to reflect the social networks that were formed at the center. Not surprisingly, the recreation services and informal leisure opportunities available at the center brought people together, both at the center and within the community. Many participants mentioned how the community center enhanced their relationships with their neighbors by connecting them to a particular program or activity. In this regard, participation at the community center served to make the community a social place such that the social networks extended outside the walls of the center. The participants found that the social networks they formed at their center helped create a safer environment within their immediate neighborhood. The participants acknowledged, too, that their experiences at the community center motivated them to pass along their community spirit to others. For this reason, the participants agreed that citizenship is communal, not individual.

### Discussion

In relation to existing theory, "the participatory citizen" is similar to "active citizenship," a term that pervades in the literature to describe spirited participation in the civic affairs of a community (Barber, 1984; Dagger, 1981, 1997; Kingwell, 2000). With respect to "the responsible citizen," the research participants fashioned relationships at the community center that increased their awareness of the plight of their fellow community members (e.g., educative citizenship), which led to the establishment of a support network upon which they felt they could count, if the need arose. In this manner, responsible citizenship resembles Coleman's (1990) conception of social capital (e.g., obligations and expectations). Finally, in the context of social behavior, citizens embody a shared identity, and a recognition that we belong to something greater than ourselves. In this way, communal citizenship is "one of the profound categories that makes us who we are, one of the crucial ways humans go about creating a life for themselves. Without it we are cut adrift from each other – and from ourselves" (Kingwell, 2000, p. 5). Citizenship operates, therefore, as a multifaceted structure for comprehending our profoundly social nature.

### Conclusion

It appears clear, in this context, the community center served as venues for citizenship development. This finding may be applicable to other centers, too, particularly if they adopt a community development framework. Community centers may also serve as venues for the development of community. In this sense, it is time practitioners took a critical look at the professional approach they have adopted with respect to the operation of community centers. In this regard, I join Stormann (2000) and Hemingway (1996) in calling for the reestablishment of public spaces as venues for the discourse of citizenship. In my view, it is time to put the "community" back into community center. And community only happens if, as Oldfield (1990) suggested, citizens have the opportunity to take citizenship seriously.

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**Paper Number:** PA021677

**Paper Title:** Nonprofits, Protest, and Civic Engagement in Chicago Neighborhoods: A Cross-Sectional View, 1970-2000

**Author(s):**

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### **Summary of Research**

This paper examines the role of nonprofit organizations in protest and civic events in Chicago neighborhoods during the past three decades. In addition to providing organization specific-services, local nonprofit organizations are also a voice for change in the communities they serve. Following conventions of social movement researchers in sociology and political science, the paper reports analyses of cross-sectional event data collected from the Chicago Tribune newspaper. This paper describes nonprofit involvement in these events, examines the spatial distributions of events and organizations across neighborhoods, and investigates the different organizational coalitions participating in events.

### **Description**

This paper examines the role of nonprofit organizations in protest and civic events in Chicago neighborhoods during the past three decades. In addition to providing organization specific-services, local nonprofit organizations are also a voice for change in the communities they serve. This paper describes nonprofit involvement in these events, examines the spatial distributions of events and organizations across neighborhoods, and investigates the different organizational coalitions participating in events. How has nonprofit involvement in civic and protest activity changed over time? More specifically, how does nonprofit participation in these events vary across Chicago neighborhoods of different social and economic characteristics? How do neighborhood characteristics impact what events happen in their locales and which organizations participate? Often, more than one organization sponsors or participates in an event. What coalitions of organizations work together in these events? Are there event partnerships between government or business organizations and nonprofits? How does nonprofit participation in these events vary from the participation of other types of organizations?

Following conventions of social movement researchers in sociology and political science, the paper reports analyses of cross-sectional event data collected from the Chicago Tribune newspaper. However, unlike traditional social movement data, civic events (e.g. ethnic festivals or fundraisers) as well as protest events (e.g. a march protesting a city policy) are included in the data. Events were collected and coded using a detailed research protocol. First, events were collected every third day in a month by scanning newspaper microfilm. (See Kriesi et al 1995, and McAdam et al 1997 for discussions of this sampling procedure.) Then the events were coded. The event information coded includes (but is not limited to) the event type (civic or protest), event size, and event location (community area), the names and types of organizations involved in the event, and the claims and forms of civic engagement or protest used in the event. This paper reports findings from an analysis of five year-interval data from 1970 up to and including the year 2000. This paper contributes to our knowledge of nonprofit involvement in social movement (grassroot) activity and to the growing literature on community social capital.

**Paper Number:** PA021207

**Paper Title:** Building Trust and Community through Comprehensive Planning: A Case History of Mt. Pleasant and the Saint Luke's Foundation of Cleveland, Ohio

**Author(s):**

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### **Summary of Research**

This paper discusses the building of trust as an element of civil society and uses the relationship between the Saint Luke's Foundation of Cleveland, Ohio and the residents and business owners of the Mt. Pleasant community, a working class, low and moderate income African American region located on Cleveland's east-side, as a case history example.

### **Description**

This paper discusses the building of trust as an element of civil society and uses the relationship between the Saint Luke's Foundation of Cleveland, Ohio and the residents and business owners of the Mt. Pleasant community, a working class, low and moderate income African American region located on Cleveland's east-side, as a case history example. The Saint Luke's Foundation was established as a private philanthropic health-care conversion foundation during the buy-out mania of nonprofit health and medical institutions by for-profit corporations in the mid to late 1990s (Weisbrod, 1998; Goddeeris and Weisbrod, 1999). The Mt. Pleasant community was identified by the Saint Luke's Foundation as one of three distinct residential regions in the service area of the former hospital grappling with the forces of urban disinvestment common in many industrial North American cities (Sugrue, 1996). Building trust for the comprehensive community initiative required the Foundation and community to create a temporary planning institution that served to mediate and facilitate (Berger and Neuhaus, 1977) cooperation to conduct the work of planning for the community.

The interaction between the Saint Luke's Foundation and the Mt. Pleasant neighborhood arose out of the strategic vision of the Foundation which positioned its giving to achieve sustained improvements in the quality of life of residents and others in a limited geographic service area. The Foundation envisioned that its involvement through planning and grant-making methods would engage innovative strategies which targeted root causes of problems rather than symptoms (Saint Luke's Mission and Vision Statement, 1997). As one of their two kick-off initiatives, the founding president of the Foundation led the crafting of a vision for comprehensive community planning (Mt. Pleasant Comprehensive Community Initiative Vision, 1999) based upon the philosophy of healthy communities and asset mapping (Kretzmann and McKnight, 1993; and Chaskin, 2001) in 1998. By 1999 the Foundation initiated a comprehensive community planning process for Mt. Pleasant that set out to develop innovative problem solving strategies that incorporated the articulated needs of the community by community stakeholders. The creation of a temporary facilitating institution in the process of building trust and planning served as an alternative power structure for community stakeholders who were otherwise excluded from active participation in the political life (Hammack, 1998) of the community.

The temporary facilitating organization also provided an illustrative and practical application of nonprofits sustaining civil society (Putnam, 2000) that has received scant attention in cities like Cleveland. Defined as those areas in which organizations and individuals play intermediary roles between community stakeholders, the market place and local government the Saint Luke's Foundation/Mount Pleasant example suggests that civil society and trust building are inextricably linked to the preservation of wealth and the establishment of a healthy community. The case history also suggests both a model for Foundation comprehensive community initiatives in urban communities and informs the thinking of nonprofit scholars and practitioners on the nature of partnership arrangements between grant-making institutions and community institutions and residents.

This paper will use as its primary source material an evaluation of the Mt. Pleasant comprehensive community planning process and supporting information generated to complete a project contracted out by the Saint Luke's Foundation to the Maxine Goodman Levin College of Urban Affairs at Cleveland

State University. The paper will also address the literature from a variety of scholarly and practitioner disciplines in the area of philanthropy, urban history, and comprehensive community planning. It will raise provocative questions regarding the role of a private philanthropic foundation in building an urban community's ability to help itself, comment on the ways the foundation and community stakeholders used formal and informal institutions to perform the work of planning, and frame the discussion under the definition and literature of nonprofits operating within the boundaries and sustaining a civil society.

This paper will be of interest to scholars and nonprofit professionals interested in comprehensive community planning initiatives, uses of philanthropy in creating mediating institutions, private partnership arrangements, and capacity building for nonprofit organizations serving urban communities.

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**Paper Number:** PA021211

**Paper Title:** Engaging with the Regional Agenda? Third Sector Organisations and the New English Governmental Structure

**Author(s):**

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**Summary of Research**

This paper focuses on the role of voluntary and community organisations within the new constitutional and policy context of 'regionalisation' in England. It reports a study, the first of its kind, which looked at the current involvement of third sector organisations in the emerging regional agenda. The paper analyses the difficulties and barriers to participation and possible means by which involvement could be increased. It concludes with a discussion of the organisational and policy implications of the findings for local community and voluntary groups, for regional 'umbrella' organisations and for new governmental structures.

**Description**

Proposal for a Paper for the ARNOVA 2002 Conference, Montreal

Conference themes to which the proposal relates: the nature of the third sector and its place in society; the management of nonprofit organizations; community and grassroots associations;

Key Words: public policy; UK regionalisation; policy advocacy; governance; community organisations; government/nonprofit relations

Proposed Title: 'Engaging with the Regional Agenda? Third sector organisations and the new English Governmental Structure'

This paper focuses on the role of the voluntary and community sector within the new constitutional and policy context of 'regionalisation' in England. In so doing, it provides new perspectives on relationships between governmental structures and local third sector organisations.

English regionalisation is part of a broader constitutional trend within Britain to devolve power and responsibility from the Central (National) Government structures based in London to Scotland, Wales and newly-designated regions of England (Labour Party, 1996). Scotland now has its own Parliament and Wales has its own Assembly. England has nine designated 'Regions' with offices staffed by civil servants and embryonic forms of citizen representative bodies (none as yet elected).

The development of the English Regions has raised questions for voluntary and community sector organisations about how to relate to the new Regional structures. Third sector 'network' or 'umbrella' organisations have been formed within each of the new Regions and there is now a national 'network of the networks'. The intention is that the regional networks should provide the organisational means through which third sector organisations within each Region can engage with the emerging regional agenda.

Now that the third sector Regional Networks are in place, these intentions require further examination. In what ways can, and should, voluntary and community organisations within each region relate to the regional governmental structures and the regional policy agenda? What are the priorities for the voluntary and community sector in relation to the regional agenda? And to what extent can the new third sector regional networks facilitate these links? These are the key questions which the study described in this paper sought to address.

The study broke new ground because it examined the English third sector within a totally new constitutional and policy context. Since the election of the new Labour government in 1997, there has been heightened academic interest in regionalisation and particular interest in issues of identity and boundary delineation (Mawson and Spencer, 1997; PIU, 2000). But there has been no significant research into questions of policy implementation or into the new and complex organisational relationships being created as a result of regionalisation (DETR, 2000). And there has been no other research to date which focuses on the emerging role of the third sector within the new context.

The study was conducted in one of the new English Regions, the West Midlands. It involved semi-structured telephone interviews with 34 local, sub regional and regional voluntary and community sector infrastructure agencies and seven representatives of other sectors active at a regional level. In addition, 21 postal questionnaires were completed by individual local voluntary and community organisations.

The study revealed that a key building-block for third sector engagement with the regional agenda - background knowledge - is not yet in place; voluntary and community sector organisations in the West Midlands have low levels of awareness of the regional agenda and its implications for them. Others are confused or have focused on only one aspect such as urban regeneration or access to European Union funding. Those few which have tried to engage regionally have been frustrated by the complexity of procedures and structures.

Representatives of local voluntary organisations we interviewed felt that there were a number of barriers to their further engagement including the time involved in attending meetings (often involving travelling long distances); competing priorities at the local level for agencies with few staff; doubts about the relevance of the regional agenda for their own work; and the fact that economic issues and governmentally-determined priorities are seen as dominating the regional agenda to date.

On the more positive side, the study identified a number of ways in which the engagement of the third sector with regional matters might be facilitated including developing the organisational capacity of voluntary organisations; increasing the geographical and cultural accessibility of regional meetings; using ITC to raise levels of participation in new ways; teasing out the local relevance of the regional agenda; and raising levels of relevant knowledge and skills.

The paper concludes with a discussion of the organisational and policy implications of the study findings for local community and voluntary groups, for regional 'umbrella' or 'network' organisations and for the new governmental structures.

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**Paper Number:** PA021329

**Paper Title:** Addressing The Culture of Distrust: A Case Study of County Child Welfare Services and Community Partnerships

**Author(s):**

Dr. Jennifer Alexander, Cleveland State University, Cleveland, OH, USA

### **Summary of Research**

The study examines two neighborhood collaboratives that were established with the county child welfare agency to foster prevention of child abuse and the difficult of establishing and maintaining trust relationships among organizational stakeholders as well as the neighborhood centers and the county child welfare agency.

### **Description**

With the advent of welfare reform and the devolution of social programs to local governments, there have been an increased reliance on local government-nonprofit partnerships as the vehicle for social service delivery. One of the key service areas under reform has been the child welfare system. A variety of grants have been offered by the federal government and foundations to encourage local governments to redesign their child welfare systems from "large-scale bureaucracies to community-based prevention-oriented approaches that involve a complex neighborhood service network of complementary programs (Mulroy 1997 cited in Mulroy and Shay, 1997). Such decentralization of child welfare and redirection of services to a neighborhood based model returns to communities the responsibility for raising their children, and on a larger scale, it affords citizens the possibility of becoming actively involved in transforming their communities.

□ This paper presents a case study of a county child welfare department in northeast Ohio which has undertaken such a reform. County child welfare departments are notorious for poor community relationships, in part because their mission is adversarial. In 1993, the Annie Casey foundation funded five states to redesign their child welfare systems from a centralized bureaucracy that focused on an adversarial, problem-oriented perspective with the intention of protecting children to a decentralized, neighborhood based system directed to building family and community capacity to assume responsibility for the welfare of their children. This case study examines the difficulties and conflicts regarding trust relationships that neighborhood centers confront as they institutionalize partnerships with the county child welfare system and become a part of government service delivery.

□ The study examines two of the six neighborhood collaboratives that were established with the county child welfare agency since 1993. Specifically, we will outline trust relationships that are critical to making the county/neighborhood centers partnership successful, ways in which the neighborhood centers have sought to build and sustain these trust relationships, as well as the ways in which these trust relationships are challenged and problematic.

**Paper Number:** PA021301

**Paper Title:** Engagement with Nonprofit Organizations: Explaining Participation in Meetings and Events

**Author(s):**

Dr. Kirsten Gronbjerg, Indiana University, Bloomington, IN, USA

### **Summary of Research**

Drawing on theories of social capital and citizen engagement and a recently completed telephone survey of 526 Indiana residents, this paper examines the extent and nature of personal engagement with nonprofit organizations. I first document the ways in which individuals are engaged with nonprofits through worship, attending meetings or events, volunteering. I then explore four sets of factors that may account for variations in the level and form of meeting participation: demographic characteristics, socio-economic status, community attachment, and religious engagement.

### **Description**

Social scientists and policy makers alike have expressed considerable concern in recent years about the apparent decline in citizen engagement and social capital (e.g., Schlozman, Verba, & Brady; Putnam). A growing body of research has sought to examine whether the decline postulated by Putnam and others has in fact occurred, and if so, what factors may account for it (Skocpol & Fiorina; Heyring; Clemens). In the process, considerable efforts have also been directed at questions of how to measure various forms of engagement and the existence of personal networks characterized by trust and shared norms. Involvement with nonprofit organizations, whether as members of bowling leagues or national advocacy organizations, has played a central role in both the conceptual and methodological debates.

The paper proposed here examines the extent and nature of individual engagement with nonprofit organizations with particular attention to participation in meetings and events. It draws on a random-digit dialing telephone survey of 526 Indiana residents (May 2001) that examined the active involvement of respondents with Indiana nonprofits. The survey was designed to develop a so-called hyper-network sample of nonprofits by asking respondents to provide the names and addresses of nonprofits with which they had had a face-to-face contact during the previous 12 months (Popielarz & McPherson; Chaves). It used probes for four types of direct involvement with nonprofits to obtain as complete a nonprofit inventory list as possible for each respondent: employment by a nonprofit organization, participation in religious services, attendance at meetings or events of other types of nonprofits (probing for 20 types of non-religious membership associations), and volunteering (probing for ten different types of volunteer work). The nonprofits identified in this manner have since been surveyed.

This approach allows for a significant improvement on traditional measures of nonprofit involvement on four counts. First, the survey focuses on active, face-to-face engagement with nonprofits across four dimensions of engagement, not just formal membership status. Second, because the survey was designed to obtain a complete list of nonprofits with which people are involved, it is possible to examine the number of nonprofits with which people are engaged, not just count the different categories of nonprofit associations in which they hold formal membership. Third, the availability of a comprehensive database of Indiana nonprofits will make it possible to use information contained in the database (e.g., major field of activity, IRS registration status, formal incorporation status) to characterize the portfolio of nonprofits with which individuals are engaged. Finally, when combined with the recently completed survey of nonprofits identified by respondents, the more detailed characteristics of responding nonprofits (e.g., size, mission, religious denomination, program activities) can also be incorporated.

The paper will first document the extent and nature of engagement with nonprofits. I report on the percent of respondents who are involved with nonprofits as attendees at religious services, as participants in events or meetings of non-religious membership associations, as volunteers, as employees, or through any combination of these four mechanisms.

I then turn to one of these four types of engagement – participation in meetings or events of non-religious membership associations – to explore factors that may account for the observed variations in the nature

and extent of nonprofit engagement. I consider four types of explanatory factors: demographic characteristics (age, gender, marital status, number of children in household), socio-economic status (race/ethnicity, income, education, and employment), community attachment (length of time in the community, likelihood to stay in the community, voter registration, home ownership, and frequency and source of community news), and religious involvement (religious preference and participation). I expect those with high socio-economic status, strongest community attachments, and protestant religious preferences to demonstrate the most extensive level of participation. I expect demographic factors to be important, but to vary by the type of organizations involved.

This paper is the third in a series exploring individual engagement with nonprofits. Two previous papers have explored factors that respectively predict any type of volunteering and specific types of volunteering. Subsequent papers will examine the nature of individual engagement with nonprofits in greater detail by showing the extent to which individuals differ in the total number of nonprofits with which they are engaged through these four mechanisms and in the extent to which their portfolio of nonprofit engagement is concentrated in one major nonprofit field or spread across several fields.

**Paper Number:** PA021325

**Paper Title:** The Effects of Participation in Voluntary Associations: A Cross-National Comparison

**Author(s):**

Dr. Corwin E. Smidt, Calvin College, Grand Rapids, MI, USA

Corwin D. Smidt, Ohio State University, Columbus, OH, USA

**Summary of Research**

This study assesses whether, in the American and Canadian contexts, the scope of affiliations with voluntary associations is more important in terms of social capital formation than is the level of activity within them.

**Description**

Scholars disagree concerning the extent to which participation in voluntary associations contribute to the formation of social capital. Such disagreements tend to center around the effects associated with the level of activity (passive versus active participation), the scope of involvement (few versus many affiliations), the type of organizational structures of such associations (hierarchical versus horizontal), and the purpose or end to which the association is directed (e.g., political versus non-political; religious versus non-religious, etc.).

A recent article by Wollebaek and Selle published in *Nonprofit and Voluntary Sector Quarterly* (March 2002, pp. 32-61) reported findings that "challenges the notion that active participation is necessary for the formation of social capital," as differences in the level of social capital between active and passive members were either absent or minimal in nature. The authors found, instead, that scope of such affiliations were more important than the level of activity in that "the only cumulative effect of participation (on social capital formation) occurs when a member belongs to several associations simultaneously." As a result, the authors suggested that greater attention should be given to the importance of passive involvement in, and multiple affiliations with, voluntary associations.

While the study by Wollebaek and Selle was both analytically and empirically rigorous, it was based on data drawn from a random sample of Norwegians. As a result, one is left wondering whether their findings are unique to the Norwegian context or whether such findings are evident within other cultural contexts as well.

Our proposed study seeks to test the findings reported by Wollebaek and Selle within the American and Canadian contexts. The data to be employed are part of a study conducted in 1996 based on data collected from a random sample of approximately 3000 Americans and 3000 Canadians. This survey contains a battery of questions related to civic engagement—including membership with, and involvement in, a range of voluntary associations differentiated in terms of their particular purpose or function. In addition, the two-country study contains a variety of other questions related to social capital formation (e.g., questions on political trust, willingness to accept various social groups as neighbors). Thus, the data are well suited to test whether the Norwegian patterns—namely, that in social capital formation the scope of affiliations with voluntary associations is more important than the level of activity within them—holds within the American and Canadian contexts as well.

**Paper Number:** PA021345

**Paper Title:** Generations and Organizational Change

**Author(s):**

Dr. Per Selle, University of Bergen, Bergen, NORWAY

### **Summary of Research**

Summary

Generations and Organizational Change

Traditional Norwegian voluntary associations are expressing concerns about declining participation. At the same time, recent research concludes that the amount of volunteering is stable. The article explores the reasons behind this discrepancy. It argues that underneath a surface of apparent stability, associations are undergoing profound changes. Generational differences both among individuals and associations are used to capture the content of these changes.

### **Description**

Generations and Organizational Change

Traditional Norwegian voluntary associations are expressing concerns about declining participation. At the same time, recent research concludes that the amount of volunteering is stable. The article explores the reasons behind this discrepancy. It argues that underneath a surface of apparent stability, associations are undergoing profound changes. Generational differences both among individuals and associations are used to capture the content of these changes. The results indicate that the bonds between associations and their participants are weakening. New associations demand less from their members than their predecessors, and place less emphasis on ideology and formal structures. Young participants are more indifferent to core values traditionally attached to associational activity in Norway. The findings corroborate the view that individualisation processes are transforming the role of important institutions. However, it is not self-evident that the upshot of these changes is less volunteering. New associations may be more flexible, thus possibly more attractive to individualists.

**Paper Number:** PA021655

**Paper Title:** Comparative analysis of social capital in North America

**Author(s):**

Dr. Virginia Hodgkinson, Georgetown University, Washington, DC, USA

Ms. Ejonta Pashaj, Georgetown University, Washington, DC, USA

**Summary of Research**

See full paper description.

**Description**

Issues to be addressed

The World Values Survey, a cross-cultural survey conducted in 75% of countries around the world, explores how belief systems are changing in ways that have far-reaching economic, political and social consequences. The most recent round conducted in 2000 collected information on 60 countries, and for the first time it included a question that can be used to analyze social capital. This exploratory research paper will attempt to reveal if and how values and beliefs are changing in North America and how they are influencing civic participation.

More specifically the purpose of this paper is to look closer at volunteering, citizen participation in organizations, and the role they have in the production of social capital, tolerance and other values in the societies of North America. The cultural backdrop of North America is quite diverse. By making a comparative analysis of citizen participation in Canada, Mexico and the United States as a function of value-laden, culturally based issues such as family structure, gender relation, the importance of work and religion, politics, and morality we might be able to better understand the influence that culture has on civic participation and civil society.

Relationship to the state of knowledge on the field

To date researchers have documented the importance of culture, social capital, and civic participation in individual country studies (Hodgkinson and Weitzman 1996; Hall, 1999). Social capital is considered to be an important resource of democratic governing and the creation of healthier civil society. Bowling Alone of Dr. Putnam has opened a forum of debates over social capital and its indicators. The social capital debate had widened in the literature, going "beyond Putnam." In a recent study on "Civil Society and Social capital" (2001), Bob Edwards and Michael W. Foley argue that Putnam's work has "assimilated social capital to the civic culture model, using it as just another label for the norms and values of the empirical democratic theory of the 1950s" (pg. 124) and thus "undermines the empirical value of James Coleman and Pierre Bourdieu's useful social relational concept" (pg. 124). Building on Coleman's concept of social capital, in the center of which stand individual norms and values, Edwards and Foley insist that "norms and values held by individuals become social capital only insofar as they facilitate action by others...and in this respect, they are context specific" (2001, 129).

In his study "Social capital in Britain" (1999), Peter A. Hall following the traditional line of enquiry, already started with the work of James Coleman, Pierre Bourdieu and Robert Putnam gives a comparative perspective on social capital in Britain and USA, going back in his research data to the early 1950s. In his work, Hall uses data from the 1981, and 1990 World Values Surveys examining the indicators of social capital in both countries. According to Hall the membership in voluntary associations is at the core of the conventional definition of social capital is membership in voluntary associations along with gender relations, quality of education, giving and volunteering, social status, age, social trust, and socialization. Like Peter Hall's cross-national analysis, this paper will examine social capital and its changing indicators throughout North America

In the literature, cultural and economic characteristics have been found to have a strong effect in shaping the values and behaviors of citizens of different cultures (Inglehart 1996, Salomon, Anheir 2000).

This analysis of the 2000 World Values Survey allows us to examine the relationship between these bodies of literature. In this research, it is hypothesized that both social capital and citizen participation are somehow correlated with culture and changing belief structures within a particular nation.

#### Source of Data

The fourth wave of the World Values Surveys (1999-2000) will be the primary source of statistical data. These surveys present a cross-sectional, time series dataset of changing beliefs, perceptions, and levels of civic engagement of citizens of over 60 countries, covering about eighty percent of the world's population. In the usual sampling design, each country conducted a multi-stage, random selection of sampling points. The fourth wave included for the first time questions on measures of social capital on which our analysis will be based. .

The results of the survey provide academic researchers, policy analysts, journalists, and citizens of various nations with crucially important information on their respective societies. These data highlight the changes in family structure, the role of women, work, religion, citizen participation, politics, tolerance, confidence, and morality as well as a host of other social capital indicators. Moreover, the database offers an exceptional opportunity for analyzing the system of values and its impact on behavioral and institutional changes in an international perspective. An in-depth analysis of these data also enables analysts to hypothesize about the future of our society.

#### Contribution to the field

This comparative analysis will offer unique perspectives on the development of social capital and its relation to values and behaviors in North American nations. It will also provide the first reporting and analysis of this 2000 data for the three countries.

The results are expected to generate discussions on the future development of the North America, and the role that civic engagement will play in increasing social capital.

Key words: volunteering, membership, social capital, civic participation, civic engagement, culture.

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**Paper Number:** PN022137

**Paper Title:** Nonprofit Challenges for the Future

**Author(s):**

Professor Felice Davidson Perlmutter, Temple University, Narberth, PA, USA

**Description**

Critical issues and critical challenges were identified in the special and spontaneous 9/11 session and in other sessions at the 2001 ARNOVA conference. In fact those comments stimulated, in part, the themes of this year's conference on community and accountability. This panel will continue the conversation on the assumption that these topics require continuous attention.

A major goal of this panel is to have an interactive dialogue with the session attendees on the assumption that their participation will enhance implementation of some of the ideas stimulated by the presentations. This should thus be an opportunity for practitioners and academic scholars to develop meaningful collaborations.

**Paper Number:** PN022137.2

**Paper Title:** Nonprofits: Social Responsibility, Economic and Political Justice

**Author(s):**

Dr. Mark Rosenman, The Union Institute, Washington, DC, USA

**Summary of Research**

As nonprofit organizations face a "blurring of the boundaries" between them, the corporate world and government, questions arise about the essential role and functions of the nonprofit sector. What is its relationship to social, economic, and political justice? In an exploratory study, a selected sample of 50 nonprofit executives from seven states, were invited to consider their own organizations and the nonprofit sector as a whole to explore what they thought to be charities' essential roles and functions which distinguish them from the market and government sectors in relation to these critical issues.

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**Paper Number:** PN022137.1

**Paper Title:** Economic Contributions of Nonprofits to Urban Areas: Implications for Public Policy

**Author(s):**

Professor Carolyn Teich Adams, Temple University, Philadelphia, PA, USA

**Summary of Research**

Using Philadelphia as a case study, this paper will show how state and local government policies have affected medical and higher institutions in the city. It will consider public policy alternatives that would more effectively support and expand these important urban institutions and will examine strategies to achieve these goals (e.g., civic coalitions).

**Description**

Medical and higher education institutions have become centerpieces of urban economies. Most regard these institutions as reflections of our communities' commitments to humanitarian values, or as monuments to philanthropists who endowed them, while overlooking the economic contribution made by these predominantly nonprofit institutions. Those who study urban economic development have paid little attention to the strategies that public officials might employ to gain the greatest economic benefit from the presence of nonprofits within their communities because economic development is usually defined to encompass only profitmaking enterprises. Using Philadelphia as a case study, this paper will show how state and local government policies have affected medical and higher institutions in the city. It will consider public policy alternatives that would more effectively support and expand these important urban institutions and will examine strategies to achieve these goals (e.g., civic coalitions).

**Paper Number:** PN022137.4

**Paper Title:** Research Opportunities and Implications

**Author(s):**

Dr. Felice Perlmutter, Temple University, Narberth, PA, USA

### **Summary of Research**

#### **Description**

There have been major changes in the nonprofit sector as the relationships with both the public sector and the foundation world have often set the nonprofit agenda. The past decade has also witnessed an enormous expansion in all aspects of our sector. Is this due to our creativity or is it due to the fact that the government has withdrawn from supporting major societal functions (e.g., the arts, social services, among others). Has this expansion also been a cooptation, causing us to focus internally while removing ourselves from some of the broader social policy concerns and advocacy/political roles? A major role of the voluntary agency in the human services in the past was to meet the needs of unserved populations, to provide demonstration programs for new and untried services, and to be a thorn in the ointment, a social critic, an advocate. Are these roles still possible for us to perform? Do we have the capacity to face the enormous problems the sector will face in the future? What approaches are necessary to make these roles happen?