

Paper Number: PA031002

Paper Title: Cultural Clashes in Nonprofit Partnerships: What's Going On and What Can We Do?

Author(s):

Amelia Kohm, Chapin Hall Center for Children, University of Chicago, Chicago, IL, USA

Summary of Research

Cultural clashes are among the primary challenges in strategic restructuring partnerships. Strategic restructuring refers to both partial and full consolidations of nonprofit organizations. Yet research to date tells us little about how cultural issues factor in such partnerships, and, given this knowledge, what might be done to address problems of cultural integration. The author will reconsider the cultural issues involved in two partnerships examined as part of a national study on strategic restructuring among nonprofits. *Organizational Culture and Leadership* by Edgar H. Schein will provide the framework for the paper.

Description

Cultural clashes are among the primary challenges nonprofits face in strategic restructuring partnerships. Strategic restructuring refers to both partial and full consolidations of nonprofit organizations. Yet research to date on nonprofit consolidations, tells us little about what organizational culture is, how it factors in partnerships, and, given this knowledge, what might be done to address problems of cultural integration.

The proposed paper will draw on a national study on strategic restructuring. Executive directors, staff members, board members, and funders involved in six strategic restructuring partnerships were interviewed as part of the study. When asked what they meant by organizational culture, interviewees spoke vaguely about employee benefits, working hours, who attended which meetings, or professional philosophies. One executive director explained some of the difficulty in describing an organizational culture when she admitted, "You don't realize you have a culture until something like this happens." Culture seemed to be something so pervasive, so taken-for-granted, that those inside of it are not aware it exists until they bump up against another culture. And even then, most could say with confidence was only that their culture was different from their partner's organizational culture. They struggled to isolate how, exactly, they differed or why the differences were so vexing.

To elucidate the pervasive, yet poorly understood phenomena of cultural clashes in nonprofit partnerships, the author will reconsider the cultural issues involved in two strategic restructuring partnerships examined as part of the national study. *Organizational Culture and Leadership* by Edgar H. Schein, a classic on organizational culture, will provide the framework for the paper.

The paper will begin with a brief review of the concept of organizational culture. Some background on the two strategic restructuring partnerships that are the focus of the paper will follow. The author will then consider these partnerships in light of Schein's ideas about the role leaders plays in promoting organizational culture. The paper will end with the implications of this exploration for those considering strategic restructuring partnerships and those currently managing them and for further inquiry on the topic.

Paper Number: PA031004

Paper Title: Retailing Culture: The Shifting Rationales of Merchandising and the Case of the Metropolitan Museum of Art

Author(s):

Dr. Stefan Toepler, George Mason University, Arlington, VA, USA

Summary of Research

This paper reviews the underpinnings of the current commercialization debate in the light of the case of the Metropolitan Museum. The case suggests at least two avenues for additional research: Firstly, the economic crisis of the 1970s and the resulting erosion of endowment funds may also have been a driving force behind the commercialization trend. Secondly, although the institution's commercial activities are extensive, these activities failed to generate revenues and even resulted in losses over the last decade. This suggests a need for greater research efforts into the actual successfulness of nonprofit business ventures.

Description

In this paper, I use the case of one prominent cultural institution—the Metropolitan Museum of Art—to suggest that there are a number of key generalized assumptions underlying current theoretical and analytical frameworks for explaining the twin phenomenon of commercialization and social entrepreneurship that warrant closer examination. Specifically, there are two such assumptions. The first assumption concerns the historical roots of the commercialization issue. With the proviso that market-based earnings have always been part of nonprofit financing, it is generally taken for granted that increased commercialism is largely a result of developments in the 1980s and that entrepreneurial approaches to financing the private provision of collective goods and services have only been adopted in the 1990s. In the past, prevailing notions hold that nonprofits were largely funded through private philanthropy. Beginning in the post-war era and amplified in the 1960s, government funding became increasingly prevalent in most policy areas in which nonprofits are active (Salamon 1995; Smith and Lipsky 1993). The tremendous expansion of the nonprofit sector in the second half of the 20th Century was thus largely fueled by donative sources of income—whether private donations or public subsidies and contracts. In the 1980s, however, reductions in federal programs sharply decreased overall support, while social needs and demand for nonprofit services increased. Though growing in absolute terms, private philanthropy did not compensate for losses in public support or helped close funding gaps due to need-based growth of nonprofit programs (Abramson et al. 1999, Salamon 1995). The resulting relative decline of public and private donative support thus forced nonprofits to rely increasingly on program and other market-based revenues. Commercialization emerged as a serious issue. Since theories about the motivations of nonprofit managers suggest that commercial activities are non-preferred (Weisbrod 1998) as long as preferred donative financing sources are sufficiently available, there is little reason to assume that nonprofits did engage in substantial commercial ventures before the 1980s.

A second assumption suggests that commercial activities are pursued to generate new resources in order to off-set declining donative income in an effort to cross-subsidize mission-related activities. Since there is little point in undertaking these activities if they do not serve this purpose, this implies in turn that commercial ventures do indeed generate substantial income for nonprofit institutions. With few exceptions, however, the issue of the efficiency of commercial activities is typically not much thematized and the belief that entrepreneurial ventures are a viable solution for cash-strapped institutions has largely gone unquestioned. While there is considerable concern about possible negative impacts on the missions and the very nature of nonprofits, there appears to be no such concern about economic viability. The fact that nonprofit managers are increasingly reverting to commercial means by itself however should not be taken to imply that the desired outcomes are indeed achieved. By contrast, there are two reasons that should lead us to expect that the opposite may be true: Firstly, the majority of start-ups in the business sector fail within a few years and there are no good reasons to assume that the commercial start-ups of nonprofit firms should fare better. Secondly, business planning is still not

widely employed in the nonprofit sector (and much less so in the arts) and commercial undertakings of nonprofits may more likely be based on hunches and perceived opportunities than on sound planning.

Since the case study is an art museum, I will first discuss the applicability of the commercialization issues to the arts and the museum field in particular. After a brief description of the data and methodology, I then present findings from a content analysis of the Metropolitan Museum's annual reports between 1960 and 1999. The paper ends with a discussion of the findings and suggests additional areas of inquiry that could usefully inform the further evolution of commercialization theory.

References:

Abramson, A., Salamon, L. M., & Steuerle, C. E. (1999). The Nonprofit Sector and the Federal Budget: Recent History and Future Directions. In E. Boris & C. E. Steuerle (Eds.), *Nonprofits & Government: Collaboration and Conflict* (pp. 99-139). Washington, DC: Urban Institute Press.

Dees, J., Emerson, J., & Economy, P. (2001). *Enterprising Nonprofits: A Toolkit for Social Entrepreneurs*. New York: John Wiley & Sons.

Metropolitan Museum of Art. *Annual Report of the Trustees*. New York: Metropolitan Museum, 1960-1999.

Salamon, L. M. (1995). *Partners in Public Service: Government-Nonprofit Relations in the Modern Welfare State*. Baltimore: Johns Hopkins University Press.

Smith, S. R. & Lipsky, M. (1993). *Nonprofits for Hire: The Welfare State in the Age of Contracting*. Cambridge: Harvard University Press.

Weisbrod, B. (Ed.) (1998). *To Profit or Not to Profit? The Commercial Transformation of the Nonprofit Sector*. Cambridge and New York: Cambridge University Press.

Paper Number: PA031006

Paper Title: The Lion's Share: History of the State and Non-Profits in Australian Child Protection and Juvenile Justice

Author(s):

Ms. Kate E Gaffney, The University of Melbourne, Melbourne, Victoria, Australia

Summary of Research

This paper examines the historical development of the Australian state's reliance upon non government organisations in the child protection and juvenile justice systems. Recently, former wards of the state have sued the government and non-profits, claiming gross abuse while under state wardship and while being accommodated by non government organisations in orphanages and juvenile justice facilities. This paper will examine the claims by litigants and explain how this system of care developed. To this date, no former wards have been successful in suing the state for institutional abuse.

Description

This paper will examine the relationship between the Australian State and non-government welfare service providers in the area of child protection and juvenile justice.

Australia, and particularly the state of Victoria in southeastern Australia, has a long history of state reliance upon non-government organisations.

In fact, in Victoria, private benevolent societies founded children's homes and orphanages in the colonial city of Melbourne in the early 1840s, more than twenty years before the state passed the "Neglected and Criminal Children" Act of 1865. At times the NGOs have been granted powers of detection and detention similar to those of police in order to carry out the State's welfare policies. Similarly, the majority of institutions for neglected and criminal children have historically been those of the NGOs. By the time the state had started to legislate, Victorian NGOs had well and truly staked out their ideological and philanthropic territory.

Subsequently, NGOs were traditionally regarded as the best suited to provide institutional accommodation for wards of the state and clients of the Juvenile justice systems. As a result the state has at no time administered more than half a dozen juvenile justice and child protection institutions.

This paper will show how the state has continued to be dependent upon NGOs for the provision of services. Similarly, NGOs have a role in directing state welfare policy. This relationship does not exist in a vacuum. The form and focus of the relationship vis a vis discretion and funding is shaped by social context.

The relevance of this research lies not in the fact that the state has an ongoing relationship with NGOs. The relevance lies in the issues of accountability and responsibility which have been raised by recent litigation. In recent years, former wards of the state who had been accommodated in NGO institutions in the 1950s and 1960s while under the care of the state, have commenced legal action against their former "carers"; the state of Victoria and NGOs.

While the state continues to rely upon the NGOs for service in child protection and juvenile justice questions about accountability and ultimate responsibility remain.

By examining the history of this relationship, this paper will shed light upon current arrangements and highlight the potential pit falls of the state relying upon under-funded NGOs while not first addressing the issue of responsibility for children under state wardship or in the juvenile justice system.

Paper Number: PA031007

Paper Title: The New Marketing Myopia: Why Is The Giving Literature So Often Ignored?

Author(s):

Professor Adrian Sargeant, Henley Management College, Henley-On-Thames, UK
Stephen Lee, Henley Management College, Henley on Thames, UK

Summary of Research

Questions why the management and in particular the marketing literature is largely ignored in multi-disciplinary reviews of giving behavior. Argues that there is evidence of a bias in leading sector publications against the use of this material. Introduces as an illustration a model of giving behavior compiled by reference to this additional literature and extant 'nonprofit' work. Explores the implications for further research in this field and also the publication strategy of management academics.

Description

The New Marketing Myopia: Why Is The Giving Literature So Often Ignored?

It has been forty years since Theodore Levitt (1960) famously accused managers in a variety of industries of marketing myopia. Railroad managers believed that travelers wanted trains rather than transportation and overlooked growing competition from airlines, buses, and automobiles. Slide rule manufacturers felt that engineers wanted slide rules and neglected the challenge from pocket calculators. In each case organizations were too busy simply looking into the mirror rather than looking out of the window at wider developments in their sector. They paid the price.

Levitt's idea is not without parallels in the realm of nonprofit research and in particular in relation to fundraising and giving. A variety of articles from the traditional nonprofit disciplines of economics, sociology, and psychology continue to be published in our multi-disciplinary journals examining in ever-greater detail why people give. When one examines the content of such work however, it is immediately apparent that the literature reviews are frequently partial and limited to the discipline in which the researcher(s) are working. Little or no attempt is made to sample the wider literature and in particular the management and marketing literature is consistently ignored. Even the now classic Nonprofit Handbook has yet to consider a review of the literature in this area, despite the utility that a managerial focus would offer the practitioner community and hence their readership.

Such a failure to consider the wider literature is highly significant since it results in needless duplication of effort and a grave disservice to the practitioner community who may never be able to avail themselves of the full range of extant research. Many hundreds of studies of relevance to fundraising have been produced in the economic, clinical psychology, social psychology, anthropology and sociology literatures. The main contribution of the marketing discipline has been to synthesize and build on this material, particularly in relation to who gives and why. Notable are the range of literature reviews such as those developed by Guy and Patton (1989), Burnett and Wood (1988) and Bendapudi et al (1996). None of these is without its weaknesses, and ironically they frequently fail to take account of the extant nonprofit literature, but each does consider up to 150 pertinent works in drawing their conclusions.

Of these Guy and Patton may be criticized for relying too heavily on literature drawn from the fields of marketing and psychology, to the exclusion of other pertinent work. Their model focused largely on the donor's decision-making process yet they lacked broad empirical support for the steps they postulate. The model developed by Burnett and Wood (1988) drew on a wider body of literature including social exchange theory, symbolic interactionism, equity theory and resource exchange theory to explain giving. They also review a number of the key characteristics of givers distinguishing between various

categories of helping behaviour (i.e. blood, body parts, political and charity giving). The authors postulate a process model of giving and offer a number of research propositions where their model is ill-supported by extant work.

The most recent model of donor behavior was developed by Bendapudi et al (1996) who consider a range of antecedents to giving, moderators on the process, the behaviors themselves and the consequences for the nonprofit. The piece may be criticized, however, for a failure to consider what we regard as 'processing determinants' or the factors that donors use to evaluate between the charitable alternatives available to them. The model also neglects the role of critical aspects of organizational performance such as service quality in determining whether subsequent donations will be made. Similarly, whilst the authors consider a variety of donor variables they do not give adequate consideration to the range of individual characteristics that would determine whether or not support would be offered and if so, the value and form this might take. The model may finally be criticized for failing to address the critical issue of feedback from nonprofit to donor and the role that this might play in facilitating further donations.

In this paper it is our intention to build on this extant material and to posit a composite model of giving behavior drawing on the collective literatures of marketing and management. Over 300 pertinent studies will be reviewed. It is our intention to consider and justify each dimension of the model in turn. We will provide a series of propositions to guide current fundraising practice at each stage and conclude by exploring the opportunities remaining for further research.

References

Bendapudi N and Singh S.N. (1996) 'Enhancing Helping Behavior: An Integrative Framework for Promotion Planning', *Journal of Marketing*, 60(3), pp33-54.

Burnett, J.J. and Wood, V.R. (1988), "A Proposed Model of the Donation Process" *Research in Consumer Behaviour*, 3, pp1-47.

Guy, B.S. and Patton, W.E. (1989), "The Marketing Of Altruistic Causes: Understanding Why People Help", *Journal Of Services Marketing*, 2,1, pp5-16.

Levitt T (1960) 'Marketing Myopia', *Harvard Business Review*, July-August, pp45-56.

Paper Number: PA031008

Paper Title: Exploring Brand Values in the Charity Sector: Just What Is The Span of Control?

Author(s):

Ms. Jane Hudson, University of the West of England, Bristol, Avon, UK

Dr. Adrian Sargeant, Henley Management College, Henley-On-Thames, UK

Summary of Research

Despite a widespread acceptance that branding can facilitate more efficient fundraising, no empirical studies have to date delineated those values that are ostensibly charitable in nature and identified the extent to which the values associated with nonprofit brands are genuinely unique or shared with others in the sector. We delineate these values and propose a typology thereof illustrating how various categories of value apply at the organizational, causal and sectoral levels. Our results are based on a series of nine focus groups undertaken with supporters of children's causes, international aid and cancer research. Brand management implications are explored.

Description

Exploring Brand Values in the Charity Sector: Just What Is The Span of Control?

Background

There is an increasing awareness of the relevance and significance of branding to nonprofit organizations in the U.K. Whilst for many years charities refused to describe much of what they did as branding, such organizations have long been concerned with 'maintaining a consistent style and tone of voice and conducting periodic reviews of both policies and actions to ensure that a consistent personality is projected.' (Tapp 1996, p335) Tapp argues that such practices are the very essence of brand management, irrespective of whether the organization's management might regard it as such. Grounds and Harkness (1998) argue that nonprofit organizations have been slow to adopt commercial branding practices because of difficulties in committing internal stakeholders to the process. Other authors have cited the perception on the part of some nonprofit managers that branding is too 'commercial' (Ritchie et al 1999) or even immoral (Sargeant 1999).

Saxton (1995) takes the view that branding is appropriate for nonprofits but suggests that the practice of branding in this context should be distinctive and should draw on and project the beliefs and values of its various stakeholders. This leads to what Hankinson (2000) regards as the greater complexity associated with managing charity brands. She argues that charity brands require a different approach that distinguishes between the 'functional attributes of the brands - their causes - and the symbolic values of the brand - their beliefs' (Hankinson 2001), p233). She cites the example of the RSPCA whose cause is preventing cruelty to animals, whilst its' values are 'caring', 'responsible', 'authoritative' and 'effective.' There is synergy here with De Chernatony and MacDonald's (1998) notion of a brand as 'organization plus', where the plus may be viewed as the values or personality that augment the fundamental product offering.

Despite a widespread acceptance that branding can facilitate more efficient fundraising (Dixon 1996, Grounds and Harkness 1998), no empirical studies have to date delineated those values that are ostensibly 'charitable' in nature and identified the extent to which the values associated with nonprofit brands are genuinely unique or shared with others in the sector. This latter point is of particular significance, since if certain values accrue to an organization's brand by virtue of that organization being a charity, the need to focus on that value in individual marketing practice is greatly reduced. Equally, if some values apply at the level of certain categories of cause (e.g. animal welfare) the need to promote or manage that value becomes one for the sub-sector as a whole to address, rather than a

single organization per se.

Thus the manner and application of charity values is of great interest. A delineation of those values, or categories of values, that apply at either the sectoral, causal or organizational level would for the first time offer managers the ability to identify and prioritise those that they can directly address with their own organization's marketing activity. Clearly scarce marketing resource should be devoted to those values that are genuinely distinctive and differentiate the organization's brand from those of key competitors. Where values are shared with competitors working with the same category of cause, there may be scope to develop collaborative marketing activity that reinforces (or manages) public perceptions of the work they undertake and the manner thereof. This may, for example, take the form of a co-ordinated approach to public relations activities and lobbying where genuine benefits would result for all parties. Finally, some values could accrue by virtue of an organization achieving charitable status. Influencing such values would require a collective effort on the part of the sector and/or umbrella bodies. It is highly unlikely that one organization in isolation would be able to influence the nature and acceptance of this category of value.

To explore these issues empirically a series of nine focus groups were undertaken the composition of which was stratified to reflect supporters of three distinct causes, namely children, international aid and cancer research. In this paper we review the results of these focus groups and hypothesize a typology of values applying at the organizational, causal and sectoral level within the UK charity sector.

References

- de Chernatony, L. and M. McDonald (1998). *Creating Powerful Brands*. Second Edition. Oxford, Butterworth-Heinemann
- Dixon M (1996) 'Small and Medium Sized charities Need A Strong Brand Too: Crisis' Experience', *Journal of Nonprofit and Voluntary Sector Marketing*, 2(1), pp52-57.
- Grounds, J. and Harkness, J. (1998) "Developing A Brand From Within: Involving Employees and Volunteers When Developing A New Brand Position", *Journal Of Nonprofit and Voluntary Sector Marketing*, 3, 2, pp179-184
- Hankinson, P. (2000). "Brand Orientation in Charity Organizations: Qualitative Research Into Key Charity Sectors." *International Journal of Nonprofit and Voluntary Sector Marketing* 5: 207-219
- Hankinson P (2001) 'Brand Orientation in the Charity Sector: A Framework for Discussion and Research', *International Journal of Nonprofit and Voluntary Sector Marketing*, 6(3), pp231-242.
- Ritchie, R. J. B., S. Swami, et al. (1998). "A Brand New World." *International Journal of Nonprofit and Voluntary Sector Marketing* 4: 26-42
- Sargeant A (1999) "Charity Giving: Towards A Model of Donor Behaviour" *Journal of Marketing Management*, 15, pp215-238
- Saxton, J. (1995). "A Strong Charity Brand Comes from Strong Beliefs and Values." *Journal of Brand Management* 2(4): 211-220
- Tapp, A. (1996). "Charity Brands: A Qualitative Study of Current Practice." *Journal of Nonprofit and Voluntary Sector Marketing* 1: 327-336

Paper Number: PA031020

Paper Title: Practice what you Preach? Closing the Gap between the Rhetoric and Reality of Female Empowerment

Author(s):

Dr. Meenaz Kassam, University of Toronto, Toronto, CANADA

Dr. Femida Handy, York University, Toronto, CANADA

Summary of Research

Empowerment allows impoverished and marginalized groups to become agents of their own development. Therefore NGOs have deliberately targeted women in projects to improve women's status. Political autonomy must be included in a realistic measure of empowerment.

Description

FROM ECONOMIC TO POLITICAL AUTONOMY:
MICROFINANCE AND FEMALE EMPOWERMENT

The political philosophy of democratic pluralism involves peoples' right to plan their own development based on values of social equity and sustainability. Since the 1990's women have been identified as key agents of sustainable development and women's equality and empowerment are seen as central towards establishing new patterns and processes of development that are congruent to goals of democratic pluralism. NGOs that deliberately target women in income generation projects believe that this approach is appropriate not only to fight poverty but improve women's status and empowerment. If the ultimate goal of such programs is to empower women then it is important that we understand the concept of empowerment.

The word empowerment encompasses notions of power and "the ability to get one's way despite the resistance of others". Empowerment is defined as "the process whereby impoverished and marginalized groups become agents of their own development" (Elliot, 1999: 188). Empowerment is demarcated as the virtue of an effective NGO, it is seen as an instrument "that will enable ordinary folk to take control over development decisions" (Bratton, 1989: 569). This suggests that women must not only be able to meet their immediate welfare needs but move subsequently into actions that address the underlying causes of suffering and deprivation and promote self-reliant development through disbaring traditional barriers. In order to become agents of their own development women must have economic, personal and political autonomy. Whereas notions of economic and personal empowerment reflect advancement in confidence and awareness of rights that can be deemed progressive given traditions of patriarchy, they are still limited and passive when measured against the notions of power that is suggestive of the ability to bring about change despite traditional resistance. Political autonomy must be included as a measure if we are to create a realistic index of empowerment that is in step with the political philosophy of democratic pluralism.

This study constructs a valid measure of empowerment that includes political autonomy, a notion that has thus far received only cursory attention. This measure is then empirically tested on a select group of female participants of a micro-credit program offered by an NGO well-reputed in the empowerment of women as well as on non-participants of similar social status residing in the same area. The control group of non-participants are found to score lower on all indices of empowerment. The largest difference was in the area of political autonomy. All participants were cognizant of political issues and varied in their level of political involvement in the electoral process. The empowerment of these women did not simply happen but can be traced to holistic integration of services offered by the NGO that included political awareness alongside economic aid and vocational/entrepreneurial training. The construction of the measure of empowerment has implications for practitioners of social development in as much as the delineation of factors that contribute to empowerment so that they can be deliberately nurtured to ensure women as agents of their own development.

Paper Number: PA031021

Paper Title: The Values of Nonprofit Organisations: The Impact of External Environmental Factors

Author(s):

Mrs. Claire A Bradshaw, Sr., Aston University, UK, Aston University, UK, Birmingham, AL, UK

Summary of Research

Values are considered to be one of the distinctive features of nonprofit organisations. This paper, drawing from three UK case studies, examines what factors in an organisation's environment impact onto its value base and how they impact. The findings are discussed in the light of theoretical literature on values, culture and new-institutionalism. The paper concludes that the impact of factors from the external environment can lead us to question whether the values of nonprofits are as distinctive as previously thought.

Description

The values of nonprofit organisations have been studied and discussed by both academics and practitioners. This paper focuses particularly on how external organisational factors impact on the values of nonprofits. The practical and theoretical implications of this impact are explored.

The literature identifies 'culture' and 'commitment to values' as distinctive features of nonprofit and voluntary organisations (CFVS 1996; Paton and Cornforth 1992). Jeavons, for example, (1994:46) discusses the "values-expressive character" of nonprofits and that nonprofit organisations "usually have come into being and exist primarily to give expression to the social, philosophical, moral or religious values of their founders and supporters" (Jeavons 1992:404). Values are also considered to be the power base and the direct purpose of nonprofits (Mason 1996; O'Neill 1992), informing "board members and staff when establishing policies and making decisions." (Hudson 1999:102).

The literature acknowledges the implications for managing a values-based organisation including the expectations on managers and staff to maintain the integrity and vitality of the value base (Batsleer 1995), and how organising on the basis of values can bring conflict (Paton 1996). The assumption that nonprofits should conform to the values and mission that they espouse (CFVS 1996), that values should overrule any interest in the organisation's survival or strategies (Jeavons 1993; Mason 1996) and the conflict between maintaining the organisation and pursuing their objectives, mission and values are also discussed (Rathgeb Smith & Lipsky 2001).

This literature on values and their implications for nonprofit management is growing, although one aspect that has not been much considered so far is the effect of pressures from the external environment (Scott, 1998; Meyer and Rowan, 1991) on these values. However, the importance of considering environmental impacts on nonprofit organisational values has been noted by Jeavons (1994: 83) who discusses Christian Service Organisations "as part of a larger set of societal structures" and by Weisbrod (1998) in his considerations of the implications of commercialisation for nonprofit mission. Thus this paper responds to the gap in our understanding of the way in which external factors impact upon the values base of nonprofits, by drawing from three empirical case studies conducted as part of the author's doctoral research.

The three case organisations are: a local women's refuge affiliated to a national network of refuges; an urban branch of a national and international movement; and an independent voluntary organisation providing advice, accommodation and support for young homeless people. The case organisations, all working in the broad area of service delivery, were selected to be predictably different from each other (Yin 1993) and on the basis of a theoretical typology. Two main data collection tools were employed: semi-structured interviews and document analysis. Interviews were held with a representative cross section of personnel in each organisation including volunteers and board members.

The paper focuses on two aspects of the case study findings: the factors in the external environment that were found to impact on organisational values and the ways in which they made their impact.

Nonprofits are under pressure from their external environment to adopt business management practices (Bush 1992), to respond to government initiatives (Courtney 2002) and to demonstrate and improve performance through audit procedures (Paton and Foot 2000). Responding to these pressures affects the definition and development of an organisation's value base but each pressure impacts in a different way. The case studies illustrate the way in which organisations make choices about how to respond to such pressures. The findings also show how organisations can move away from existing values in response to external pressures and/or develop their values within a new framework.

These case study findings are discussed in light of theories of organisational culture and organisational values.

The paper will add to the literature on organisational values by teasing out the impact of specific environmental pressures. It also raises questions about the 'distinctiveness' of values in nonprofit organisations.

References

Batsleer, J (1995) Management and Organisation in Davis-Smith, J. Rochester, C. and Hedley, R. (ed) An Introduction to the Voluntary Sector London: Routledge

Bush, R. (1992) Survival of the Nonprofit Spirit in a For-Profit World Nonprofit and Voluntary Sector Quarterly 21 (4) pages 391-410

CFVS (1996) Meeting the Challenge of Change: Voluntary Action in the 21st Century The Report on the Commission on the Future of the Voluntary Sector London: NCVO

Courtney, R (2002) Strategic Management for Voluntary Nonprofit Organizations London: Routledge

Hudson, M (1999) Managing without Profit 2nd edition London: Penguin

Jeavons, T.H (1992) When the Management is the Message: Relating Values to Management Practices in Nonprofit Organizations Nonprofit Management and Leadership 12 (4) pages 403-417

Jeavons, T.H. (1993) The Role of Values: Management in Religious Organisations in Young, D.R. Hollister, R.M & Hodgkinson, V.A (ed) Governing, Leading and Managing Nonprofit Organizations San Francisco: Jossey Bass

Jeavons, T.H. (1994) When the Bottom Line is Faithfulness Indianapolis: Indiana University Press

Mason, D.E (1996) Leading and Managing the Expressive Dimension San Francisco: Jossey Bass

Meyer, J.W and Rowan, B (1991) Institutionalized Organizations: Formal Structure as Myth and Ceremony in Powell, W.W and DiMaggio, P.J (ed) The New Institutionalism in Organizational Analysis Chicago: University of Chicago Press

O'Neill, M. (1992) Ethical Dimensions of Nonprofit Administration Nonprofit Management and Leadership 3 (2) pages 199-213

Paton, R. (1996) How are values handled in Voluntary Agencies? In Billis, D and Harris, M. (ed) Voluntary Agencies: Challenges of Organisation and Management London: Macmillan

Paton, R & Cornforth, C (1992) What's Different about Managing in Voluntary and Non-profit

Organizations? In Batsleer, J. Cornforth, C & Paton, R (ed) Issues in Voluntary and Non-profit Management Wokingham: Addison Wesley

Paton, R. & Foot, J (2000) Nonprofit's Use of Awards to Improve and Demonstrate Performance: Valuable Discipline or Burdensome Formalities? Voluntas 11 (4) pages 329-353

Rathgeb-Smith, S & Lipsky, M (2001) Dilemmas of Management in Nonprofit Organisations in Ott, J.S (ed) Understanding Nonprofit Organisations USA: Westview Press

Scott, W.R (1998) Organizations: Rational, Natural and Open Systems 4th edition London: Prentice Hall

Weisbrod, B.A. (1998) The Nonprofit Mission and its financing: growing links between nonprofits and the rest of the economy in Weisbrod, B.A (ed) To Profit or not to profit Cambridge: Cambridge University Press

Yin, R.K (1993) Applications of Case Study Research Applied Social Research Methods Series Volume 34 California: Sage

Paper Number: PA031024

Paper Title: Begging Your Pardon: Exploring the Impact of Pharmaceutical Industry Funding on Nonprofit Organizations

Author(s):

Ms. Pat Kelly, PISCES - Partners In Selfhelp Community Education and Support, Burlington, Ontario, CAN

Summary of Research

Nonprofit healthcare organizations and pharmaceutical industry alliances reflect the current trend in social marketing, shifting from “begging to partnering”. While media and academic reports frequently challenge these practices, there is a gap in documenting the actual experiences and desired future for participants in these complex relationships. This study of key informant interviews with NPO leaders adds to our understanding about the current contradictory demands for NPOs to become more risk-taking and more rule-following.

Description

A qualitative, action-based, approach was used in this study to evaluate NPO/pharmaceutical industry alliances in Canada. A series of seven key-informant interviews were undertaken with senior management leaders from five Canadian healthcare NPOs that accept pharmaceutical funding, seven representatives drawn from two pharmaceutical companies that fund NPOs, two senior Health Canada bureaucrats with experience in all three sectors, an academic who is widely published and who has a declared bias against corporate funding of NPOs. Regarding NPOs opposed to industry funding, information was obtained from published documents, media reports, website analysis and government documents. Additionally, a brief study of some of the literature findings related to systems thinking, structural interests, the NPOs sector, social marketing and public/private partnerships suggests a deeper understanding of the issues and possible methods for studying and solving the problems.

Study Conclusions:

- 1) There is substantial evidence that nonprofit/pharmaceutical industry alliances are linked with the NPO mission, vision and values.
- 2) Alliance partnerships between established NPO and the pharmaceutical industry have well-developed frameworks for transparency and accountability.
- 3) Nonprofit organizations that receive funding from industry, continue to challenge their funders.
- 4) A gap exists in determining Best Practices for each sector, which likely results from significant cultural differences between the sectors.
- 5) Capacity is critical for maintaining integrity in alliance partnerships.
- 6) Although understanding of the principles, practices and values of corporate social responsibility (CSR) is gaining ground, the pharmaceutical industry has not engaged top leaders in commitment to building CSR capacity.
- 7) Government has much to offer in building a better understanding in the private sector about the value for investment in the voluntary sector. Reinvestment by governments and the public sector can increase the capacity of the voluntary health sector to fulfill the role of public participation in policy-making and strengthening Canada's social architecture.

Paper Number: PA031026

Paper Title: Network Organization Systems: A Study of Current Network Types to Deliver Child Care Resource and Referral Services

Author(s):

Ms. Gail T. Wilson, CORRA, Denver, CO, USA

Summary of Research

Networks are an effective way to organize a non-profit delivery system. With a network system, local communities based organizations are able to operate within their community where they know and understand community needs. By participating in a network structure they are able to pull on the strengths of community based organizations in other communities. A network organized with a coordinating or hub office is best able to access outside resources, maintain quality control, offer training and technical assistance and other elements that lead to high quality services.

Description

The organizational design of a system highly influences the level of success of the system. American society today is demanding greater local control and participation in the delivery of human services. Simultaneously, American's are demanding greater accountability, higher quality of service and increased cost efficiencies. Because the non-profit sector is by nature responsible to address the needs of society it is incumbent upon us to design and utilize systems that can best meet these potentially dissimilar demands. This paper shows how a Network System of organization can, and in a specific industry, does, address these incongruent demands while being accountable and responsible to both.

In this paper 30 plus state child care resource and referral systems are analyzed. The analysis looks at the product output as well as the network structure. In researching this paper we find that there are three main types of networks. Within the child care resource and referral industry, two of those types are mainly employed. In comparing the two types to their structure and outcome we are able to make observations on the most effective and efficient type of network.

We also looked in depth at the two types noting strengths and weaknesses therein, and applied those observations to the child care resource and referral industry networks. We then did a systematic analysis of the outputs of those different network types to understand which type of network delivered services.

Our research found that when a Network is constructed with a Hub or coordinating office they are able to deliver and operate at a higher level of productivity and quality. We found that networks are an effective structure answering to the needs of a locality and able to shift and restructure with relative ease to the needs of the local constituency. We found however when a coordinating office for the network existed that there was only slight degradation of local control and that was overbalanced with increased quality control, access to resources, policy impact, brand identity, sharing of expertise and other elements that dictate quality in a competitive environment.

The data of this report is sourced from a 2001 survey conducted by the National Association of Child Care Resource and Referral Agencies, the national trade association of that industry. This data is analyzed in light of additional research on networks as organizational structures. Findings of how the network structure fits to this specific industry is transferable to other industries providing services through community based organizations and wanting to maintain efficiencies and effectiveness.

□

Paper Number: PA031027

Paper Title: "Caring and Revitalizing". Church-based volunteering in a pluralistic Swedish Welfare State

Author(s):

Professor Eva Jeppsson Grassman, University of Stockholm, University of Stockholm, Stockholm, Sweden

Summary of Research

With the recent articulation of civil society in the Swedish discourse and the changing role of Church in a changing "pluralistic" welfare state as a frame of reference the scope and character of church-based volunteering in Sweden will be discussed. One question to be raised has to do with whether volunteers have the characteristics to match the expectations connected with the "new" role of the Church.

Description

The Aim of the Presentation is to analyze church-based volunteering in Sweden - extent, orientation and characteristics of volunteers. The context and frame of reference will be the recent articulation of civil society in Swedish discourse, the changing role of the Church of Sweden and new patterns of pluralism in the Swedish welfare state. One of the questions to be addressed during the presentation concerns to what extent church-based volunteers seem to have the characteristics needed to match the expectations connected with the "new" role of the Church - and be both caring and revitalizing.

Background

Contrary to some common beliefs, Sweden has a strong tradition of voluntary associations, for which recent research offers conclusive proof (Häll, 1997). Comparative studies carried out in the 1990s (e.g. Jeppsson Grassman & Svedberg, 1996; Lundström & Wijkström, 1997) confirm the image of a "land of associations". The so called popular mass movement tradition is one explanation to the comprehensive, "popular", character of the Swedish voluntary sector. Yet, in the past decade there has been a concern with civic participation which is by some believed to be diminishing and/or taking the wrong orientation in the Swedish society. This links up with a growing emphasis on the role of civil society and civic involvement, for social capital as well as for individual welfare, belonging and identity. Particularly since the beginning of the 1990s a new discourse has emerged which stresses the need for more civic involvement in local matters, voluntary organizations and volunteering, notably in the area of social care. Some explanations to this have to do with public expenditure problems in the 1990s as well as new ideological orientations in a Swedish welfare state under transition. Expectations have also increased of voluntary organizations as providers of social service.

The "free churches", outside the Church of Sweden, have always been considered part of the landscape of associations – the voluntary sector. Several of them have their roots in the popular mass movement tradition. In many of them, most of the work is carried out by means of unpaid, voluntary work. In the Church of Sweden as a national church and with a state function the tradition has been different. A common denominator is that neither the Church of Sweden, nor other churches, has had a key role as social service providers within the core areas of welfare, in the Swedish welfare model.

A Caring Church with participating members

After decades of debate, the national church – the Church of Sweden – was legally/formally separated from the State in the year of 2000. The Church was now to be a "kind of" voluntary organization, even if of gigantic size – and to be one church along with all the other churches existing in Sweden. This has urged the Church to revise and partly redefine its role in the Swedish society. The need to make itself useful has become one distinct pattern in Church discourse. How could this be achieved? After 2000,

when membership is no longer based on "automatic adherence", membership has started to go down. Creating a ground for more active involvement and addressing the needs of "modern man" are some ways of making the church attractive and useful. Another way of being useful is to focus more on social work and social service provision in the new pluralistic welfare situation.

Whatever orientation chosen, it implies - must build on - more voluntary participation. The need for more volunteers which is articulated from within the Church corresponds to the general concern with civil society which has been described. But is also has to with the more specific needs within the congregations: unpaid care work as well as making the Church more attractive through revitalizing volunteer participation.

Volunteering in Sweden

In the recent articulations of the importance of civil society, the need for more volunteering has been emphasised. The results of population surveys into volunteering of the Swedish people have shown that this kind of activity in Sweden is widespread (Jeppsson Grassman, 1993; Jeppsson Grassman & Svedberg, 1999). It has not decreased in the 1990s, rather there is a small increase, contrary to common beliefs. It is more common than in many other European countries (Jeppsson Grassman & Svedberg, 1995). From a comparative perspective, Swedish volunteering in the area of welfare and social services has, to date, been relatively unimportant, at least measured with traditional indicators. The scope of church-based volunteering is relatively limited if compared to volunteering in many other types of organisations within the country. Yet, results from a comparative study of volunteering in which 10 European countries participated, indicated that church-based volunteering was about as common in Sweden as in many other European countries (Gaskin & Davis Smith, 1995). The interest in doing church-based volunteering seemed to have increased in the 1990s: the number of volunteers for the Church of Sweden had doubled since the beginning of the 1990's – from 2% of the Swedish population in 1992 to 4% of the population in 1998. Has it changed in character? Is it apt to meet new from within the Church and from outside? These are some of the questions to be addressed in the presentation.

Method and Material

The presentation proposed for the ARNOVA meeting will be based on results from several studies in which the author participated: Two national surveys of volunteering in Sweden (Jeppsson Grassman, 1993; Jeppsson Grassman & Svedberg, 1999). A European, comparative study (Gaskin & Davis Smith, 1995; Jeppsson Grassman & Svedberg, 1996). A study of social work within all religious congregations in one local community (Jeppsson Grassman, 2001).

Paper Number: PA031029

Paper Title: In the Beginning: An Examination of Founders of Nonprofit Organizations and the Stories Told about Them

Author(s):

Professor Mary Tschirhart, Syracuse University, Syracuse, NY, USA

Summary of Research

My paper examines stories about founders of nonprofit organizations that were member agencies of the United Ways of metropolitan Dallas, New York City, or Detroit in 2002. Of these 457 agencies, 356 had active websites, and 142 had website information on founders. I test hypotheses about which organizational and founder characteristics predict the provision of founder information on websites, and the match of founder to organizational characteristics. The findings help us understand the role of founders in influencing organizational strategies, values, and culture. They also have implications for disclosure of founder information.

Description

Founders have been credited with leaving long-term legacies on their organization's strategies (Ogbonna and Harris, 2001), values (Kimberly and Bouchikhi, 1995), and culture (Schein, 1991; Boeker, 1989). Schein (1991, p.15) gives great importance to founders arguing "Founders usually have a major impact in how the group defines and solves its external problem of surviving and growing, and how it will internally organize itself and integrate its own efforts. Because they had the original idea, founders will typically have their own notion, based on their own cultural history and personality, of how to get the idea fulfilled."

Whether or not founders deserve this credit is under debate, but there is little argument that they are frequently the topic of organizational legends and myths that are transmitted to internal and external stakeholders long after the departure of the founder (Martin, Sitkin, and Boehm, 1985). Even if organizational members' overestimate the actual influence of the founder on their organization, what they represent about the founder can shape attitudes and behaviors, especially if stories about the founder are given a privileged place in the organization's socialization and public relations practices.

Some studies of nonprofit organizations have given prominent roles to founders (e.g., Bess, 1998; Block and Rosenberg, 2002) but most of the founder-centered literature focuses on for-profit organizations. Because of the for-profit literature's strong emphasis on the founder as entrepreneur and owner, it has only partial application to nonprofit organizations. For nonprofits, founders may emerge from various stakeholder groups including but not limited to philanthropists, consumers, caretakers of consumers, advocates for consumers, and existing service-providers. Once the organization has been established they may take the role of executive directors or board members, or choose to remain outside the formal administrative or governance systems of the nonprofit. Founders may be "prime movers" (Bess, 1998), that is one individual who takes the initiative and drives the formation of an organization, or a small number of committed people, or even organizations.

My paper examines the following questions: Are there patterns in which nonprofit organizations provide the stories of their founders on their websites and which do not? Is founder type and organizational characteristics such as age, mission, strategy, and espoused values related to whether information on the founder is provided? Is founder type related to organizational characteristics?

I examine these questions using the population of 2002 United Way member agencies in the Dallas (Texas), Detroit (Michigan), and New York City (New York) metropolitan areas. The United Way websites for these three cities provide a listing of contact information and websites for member agencies. Most of the member agency websites are for local organizations but some take you to national organizations such as the American Cancer Society. I looked at all the active websites that were not under construction, removing duplicates – a total of 356 sites. A high percentage of the

member agencies have websites without any founder information (60%). I am in the process of contacting these member agencies via e-mail and phone calls to obtain information on founders. The next phase of the data collection involves contacting the 101 member agencies without websites or with websites under construction to gather founder and other organizational information.

Current organizational leaders may have a variety of reasons for providing or not providing information on founders on their organization's websites. If scholars such as Schein are correct that founders imprint organizations in significant ways then we may gain perspective on an organization's current operations and governance by reading about its founders. In the interest of disclosure, we may even wish to recommend that information on founders be available to anyone interested. Even if founders do not have much actual impact on their organization, we may still learn much about an organization by what it says publicly about its founders. Legends and sagas, no matter how inaccurate, tell us something about organizational values. By looking at information on founders, and the stories about them, we can gain insights on who has and potentially still is shaping the nonprofit sector.

Bess, G. (1998) A First stage organization life cycle study of six emerging nonprofit organizations in Los Angeles, *Administration in Social Work*, 22: 4: 35-52.

Block, S. R. and S. Rosenberg (2002) Toward an understanding of founder's syndrome: An assessment of power and privilege among founders of nonprofit organizations, *Nonprofit Management & Leadership*, 12: 4: 353-368

Boeker, W. (1989) Strategic change : The effects of founding and history, *Academy of Management Journal*, 32: 3: 489-515.

Kimberly, J. R. and H. Bouchikhi (1995) The dynamics of Organizational Development and Change: How the Past Shapes the Present and Constrains the Future, *Organization Science*, 6: 1: 9-18.

Martin, J., S. B. Sitkin, and M. Boehm (1985) Founders and the elusiveness of a cultural legacy. In P. J. Frost, L. F. Moore, M. R. Louis, C. Lundberg and J. Martin (eds.) *Organizational Culture*, Sage, London.

Ogbonna, E. and L. C. Harris (2001) The founder's legacy: Hangover or inheritance?, *British Journal of Management*, 12: 13-3.

Schein, E. H. (1991) The role of the founder in the creation of organizational culture, In P. J. Frost, L. F. Moore, M. R. Louis, C. Lundberg and J. Martin (eds.) *Reframing Organizational Culture*, Sage, London.

Paper Number: PA031030

Paper Title: Executive Compensation and Organizational Performance: A Longitudinal Case Study of a Nonprofit Organization

Author(s):

Dr. Debra Mesch, University, Indiana University - Purdue University Indianapolis, Indianapolis, IN, USA

Dr. Patrick Rooney, IUPUI, Indianapolis, IN, USA

Summary of Research

This study uses a longitudinal research design to conduct an in-depth study of the relationship between CEO pay and performance in a nonprofit organization that uses multiple sites. On an annual basis, CEO compensation data are gathered through an annual executive salary and compensation survey that collects data on base pay and incentive pay. Additionally, performance data are collected through annual statistical reports. These data will allow us to conduct a thorough investigation and rigorous analysis of the relationships between pay and performance, as well as test for trends over time.

Description

Is There a Relationship Between CEO Pay and Organizational Performance?
A Longitudinal Case Study of a Nonprofit Organization

Debra J. Mesch

Associate Professor, Public and Nonprofit Management and Philanthropic Studies

School of Public and Environmental Affairs

Indiana-University Purdue-University Indianapolis

801 W. Michigan Street

Indianapolis, IN 46202-5152

Phone: 317-274-8635 Fax: 317-274-7860

Dmesch@iupui.edu

Patrick M. Rooney

Associate Professor of Economics and Philanthropic Studies

Indiana University-Purdue University Indianapolis

Chief Operating Officer and Director of Research

The Center on Philanthropy at Indiana University

550 West North Street, Suite 301

Indianapolis, IN 46202-3272

Phone: 317-684-8908 Fax: 317-684-8968

Rooney@iupui.edu

Paper Proposal

Submitted to ARNOVA

March, 2003

KEY WORDS: CEO Pay and performance

Is There a Relationship Between CEO Pay and Organizational Performance?
A Longitudinal Case Study of a Nonprofit Organization

ABSTRACT

Issues to be Addressed

The purpose of this research is to examine the relationship between executive compensation and organizational performance in a nonprofit organization. Although "pay for performance" systems are

widely used in the private sector, nonprofit organizations only recently have begun to look at these systems as a way to enhance their performance. Over the past ten years, we have seen an increasing number of nonprofits using different types of variable pay plans to increase motivation, improve staff morale, and increase the productivity of their organizations (Hall, 1993). Clearly, nonprofits are different from for-profit firms (Steinberg, 1990), and are an important part of the economy (Hallock, 2002). Yet, there is a paucity of theoretical and empirical literature concerned with determinants of executive compensation in this sector--little research has been conducted within the nonprofit sector, especially as applied to executive compensation (Alvarado, 1996; Carroll, Hughes, & Lukestich, 2002).

The researchers for this study have been provided with an excellent opportunity to conduct an in-depth, longitudinal study on the relationship between pay and performance in a nonprofit organization, using multiple sites. On an annual basis, CEO compensation data have been gathered through an annual executive salary and compensation survey that collects data on base pay and incentive pay. Additionally, performance data have been collected through annual statistical reports. These data will allow us to conduct a thorough investigation and rigorous analysis of the relationships between pay and performance, as well as test for trends over time.

Relation to State of Knowledge in the Field

Nonprofits are increasingly looking to merit and other forms of incentive pay to recruit quality employees and encourage performance ("Innovative Compensation," 1996; "More Nonprofits are Using Innovative Compensation Plans," 1998). Furthermore, the paucity of research that has been done in the nonprofit sector is mainly anecdotal case studies (Alvarado, 1996). Steinberg (1990) discusses the historical and legal backgrounds for the use of incentives in nonprofit organizations, as well as issues that must be considered when implementing incentive compensation in nonprofits. He notes that pay for performance systems are not easily found in within the nonprofit sector due to the legal, financial, and political climate in which nonprofits operate. Furthermore, "nonprofits have difficulty finding an appropriate output measure to serve as a basis for calculating bonuses" (p. 149).

This is troubling due to several reasons. First, practices found in the private (and public) sector are not necessarily generalizable to the nonprofit sector. Particularly when looking at compensation as a way to motivate employees to perform, incentives provided in for-profit organizations may be inappropriate for nonprofits (Deckop & Cirka, 2000; Nelson, 1991; Steinberg, 1990). This holds true for executive compensation as well. Although considerable work has been done on the determinants of executive compensation in the corporate sector, little research has been done on executive compensation among nonprofits (with the exception of Oster, 1998). We need to conduct research on compensation practices in the nonprofit sector. Second, the lack of empirical and rigorous research on this topic in the nonprofit sector makes it difficult to inform practice (Steinberg, 1990). The research that has been conducted often lacks suitable control variables that make it difficult to draw conclusions about their results (Alvarado, 1996). In order to answer questions regarding the efficacy of pay for performance in nonprofits, we need to conduct longitudinal research that uses appropriate controls composed of similar individuals in nonprofit organizations (Alvarado, 1996). Third, because reviews of the literature on pay for performance systems often combine results from all three sectors, the literature could be over-or underrepresenting some or none of the different sectors (Alvarado, 1996). The proposed research employs a longitudinal research design that uses multiple measures of performance and compensation indicators, with controls for organizational and demographic variables, and specifically looks at pay for performance in a nonprofit organization.

Approach

We use a longitudinal research design to address the research questions posed. The data set includes five years worth of data. These data are matched by year with specific CEO's, including their pay and the performance indicators for the different sites. In addition, because we will have several years' worth of data, we can look at short term and long term effects of pay for performance and trends over time.

Sample. The organization consists of a network of about 200 community-based, autonomous member organizations that serves individuals with workplace disadvantages and disabilities by providing job

training and employment services, as well as job placement opportunities and post-employment support.

Data Collection. We plan to use archival data that already have been collected. These data are internal documents that have been provided to the researchers for the purposes of analysis. CEO compensation data will be matched with organizational performance indicators for each site.

Performance Indicators. The organization has provided us with multiple, objective performance indicators that directly relate to the mission of the organization, such as, (1) number of clients served, (2) number of clients in paid training, (3) number of client job placements, (4) financial strength as measured by net worth, and (5) growth, both financial and number of persons served and placed on jobs. These performance data are matched to individual, local sites and their respective individual CEO's.

Compensation Measures. The organization also will provide us with multiple, objective compensation variables for all CEO's such as, (1) base salary, (2) bonuses, (3) total cash compensation, (4) percent of variable pay relative to base salary, (5) deferred compensation.

Control Variables. Previous work on pay for performance systems in nonprofits has been criticized for lack of adequate control variables (Alvarado, 1996). We will use control variables such as CEO tenure and organizational size in our study.

Data Analysis. To answer the research questions posed in this proposal, we use multivariate techniques to more carefully isolate the variables of interest. After examining the data, it will be determined if we need to segment by size of organization and size of local population. Because we will be able to collect several years worth of data, we can conduct trend analyses and use pooled time series cross sectional analyses to more precisely isolate the cause and effect of the pay for performance link as well as more precisely estimate the size of the impact.

Contribution to the Field

We predict that this research will make a strong contribution to the literature on pay for performance systems. Very few studies have been conducted that examine pay for performance over time. The results of conducting a longitudinal analysis will allow us to determine which performance variables—if any—actually contribute to explaining the variance in CEO compensation. Furthermore, there is a paucity of research that has been conducted on pay for performance in the nonprofit sector. Having access to this large data set will allow us to examine a wide range of research questions about pay and performance. Additionally, this research will provide practical information in aiding senior management in making better compensation policy decisions.

References

- Alvarado, E.I. (1996). The validity of supplementary pay systems in nonprofit organizations. *Nonprofit Management & Leadership*, 6, 291-304.
- Carroll, T., Hughes, P., & Luksetich, W. (November, 2002). Executive compensation: Are nonprofit managers rewarded for efficiency? Paper presented at the ARNOVA conference, Montreal, Canada.
- Deckop, J.R. & Cirka, C.C. (2000). The risk and reward of a double-edged sword: Effects of a merit pay program on intrinsic motivation. *Nonprofit and Voluntary Sector Quarterly*, 29, 400-418.
- Hall, H. (1993). Charities Bonus Debate. *Chronicle of Philanthropy*, 5, 33-35.
- Hallock, K.F. (2002). Managerial pay and governance in American nonprofits. *Industrial Relations*, 41, 337-405.

Innovative compensation: What should you try? What should you avoid? (1996, January/February). Nonprofit World, 14, 54.

More nonprofits are using innovative compensation plans. (1998, July/August). Nonprofit World, 16, 55.

Nelson, W.C. (1991). Incentive-based management for nonprofit organizations. Nonprofit Management & Leadership, 2, 59-69.

Oster, S.M. (1998). Executive compensation in the nonprofit sector. Nonprofit Management & Leadership, 8, 207-221.

Steinberg, R. (1990). Profits and incentive compensation in nonprofit firms. Nonprofit Management & Leadership, 1, 137-151.

Paper Number: PA031034

Paper Title: Balancing the Dynamic Tension Between Traditional Nonprofit Management and Social Entrepreneurship: To What Situations and Challenges is Each Most Appropriate for

Author(s):

Mr. Michael G Stull, Case Western Reserve University, Yucaipa, CA, USA

Summary of Research

The nonprofit sector in the United States has undergone significant change over the last decade. This has resulted in considerable challenges that nonprofit organizations must confront in order to survive and prosper in the future. Social entrepreneurship practices have emerged as one of the innovative responses to these new demands confronting nonprofit organizations. To assess the impact of social entrepreneurship and its efficacy relative to traditional nonprofit management practices, this study investigated nonprofit managers to determine how and when both traditional and social entrepreneurship approaches were used and how the tension between the differing approaches is balanced.

Description

Like both the private and public sectors, the nonprofit sector in the United States has undergone significant change over the last decade. Unfortunately, much of the change has led to considerable challenges that nonprofit organizations must confront in order to survive and prosper in the future. As demand in our society for the services provided by nonprofit organizations has intensified, so too have the demands for effectiveness and sustainability in achieving the social mission. At the same time that nonprofit organizations are facing increased expectations, they also have to deal with decreased funding from traditional sources, while operating in an environment of escalating competition between nonprofits as well as the public and private sectors (Salamon, 1997; Thompson, Alvy, Lees, 2000; Young, 1991; Tuckman, 1998). These challenges have led many in the nonprofit sector (as well as the public and private sectors) to believe that nonprofit organizations must improve their business practices and adopt new approaches if they are to survive and meet the needs of society in the future. Given these factors, and the critical role that nonprofit organizations play in society, it is not surprising that a new paradigm of nonprofit management would arise in response to these challenges.

The concept of "social entrepreneurship" has emerged in the nonprofit sector as an innovative response to deal with these new demands confronting nonprofit organizations. Social entrepreneurship seeks to integrate "for-profit" entrepreneurial principles and practices such as innovation and the relentless pursuit of opportunities into the nonprofit operating environment, while maintaining the underlying social mission of the nonprofit organization (Schuyler, 1998; Dees, 1998). Increasingly, nonprofit executives are adopting a social entrepreneurship approach in running their organizations as a response to the changing environment and societal demands. This trend, however, has raised some concerns in the nonprofit sector, most notably whether for-profit, entrepreneurial practices are appropriate for the nonprofit operating environment. Some have argued that because of the fundamental differences that exist between nonprofit and for profit sectors, planning and strategic actions that are focused on matching an organization to changes in its external environment have limited value for the long term viability of the organization (Salipante and Golden-Biddle, 1995). Others in the sector believe that the "bottom line mentality" of social entrepreneurship is a distraction that will lead nonprofit organizations away from dealing with the more intense societal problems, and will ultimately result in a weakening of the social bond and contract that is a fundamental imperative for nonprofits (Spinali and Mortimer, 2001).

Like many new models of practice, the implementation of social entrepreneurship has yet to be rigorously evaluated as to its effectiveness in the nonprofit sector beyond case studies advocating its use. In a review of the emerging field of social entrepreneurship, Johnson (2000) noted that "there are significant gaps in the literature currently available on social entrepreneurship," and that specific concepts warrant further study, including examination of effective social entrepreneurship models as

well as an examination of the tension and potential balance between “old assumptions (traditional models of practice)” and “emerging approaches (social entrepreneurship).” Indeed, many questions remain unanswered as to the long-term viability of social entrepreneurship: is it truly an effective approach to meeting the demands and challenges facing the nonprofit sector or just an ad hoc response? Is there a fundamental difference between social entrepreneurship and traditional nonprofit management practices, making the approaches mutually exclusive? Can all nonprofit executives employ social entrepreneurship practices? Does the injection of “for profit” practices in the nonprofit sector represent a commercialization of the sector and a dilution of the social mission? Is the social entrepreneur an innovator, competitor, or partner with traditional managers in the change and adaptation of the nonprofit environment?

To assess the impact of the social entrepreneurship approach and its efficacy, this study seeks to answer “To what situations or challenges are entrepreneurial approaches and traditional approaches most appropriate in the nonprofit environment? The aim of the study is to investigate among nonprofit practitioners how and when these differing approaches are used and how the nonprofit manager balances the dynamic tension between traditionality and social entrepreneurship practices.

To discover the tacit behaviors and management approaches of nonprofit executives from their perspective – what they do, and why and how they do it in a particular context – I conducted an in-depth ethnographic study of Helping Families*, a nonprofit family services organization in Southern California. The organization, which provided access to its chief executive officer (CEO), key management staff and board members over a six (6) week period, was selected due to its widely acknowledged success in implementing social entrepreneurship practices while maintaining its focus on the social mission and traditionality. This research setting, then, presented a unique opportunity for me to use participant observation and phenomenological interviews to explore and uncover tacit knowledge and practices regarding the application, tension and balance of both traditional and emerging models of practice in a “natural and dynamic” nonprofit organizational context.

The data collected, analyzed and presented here represents the “lived experiences” of the CEO and management team of Helping Families. The findings are aimed at helping both nonprofit managers and researchers to better understand the situations, decision making processes used in adopting and implementing specific management practices and the tension in balancing differing approaches. Beyond informing practitioners, this study, because of its inductive approach, may also provide the grounding for the development of an effective conceptual model that could provide a framework for assessing and implementing social entrepreneurship practices that coexist with traditional nonprofit managerial practices. Most importantly, the knowledge generated will inform nonprofit managers as to the relative merits of social entrepreneurship and traditional nonprofit management approaches, enabling them to better meet the new demands that exist in the nonprofit sector and their respective communities. Given the changing environment and challenges faced by the nonprofit sector, the strategic decisions made and resulting management approaches implemented by executives will represent the most important adaptations they will make to ensure their future success (Sharfman and Dean, 1997).

* In order to maintain the confidentiality of the organization and the participants involved all company and participant names are pseudonyms.

REFERENCES

- Dees, G. J. (1998). *The Meaning of Social Entrepreneurship*. Palo Alto: Stanford University.
- Johnson, S. (2000). *Literature Review on Social Entrepreneurship*: Canadian Centre for Social Entrepreneurship.
- Salamon, L. M. (1997). *Holding the Center - America's Nonprofit Sector at a Crossroads* (1 ed.). New

York: The Nathan Cummings Foundation.

Salipante, P. F., & Golden-Biddle, K. (1995). Managing Traditionality and Strategic Change in Nonprofit Organizations. *Nonprofit Management & Leadership*, 6(1), 3-20.

Schuyler, G. (1998). Social Entrepreneurship: Profit as a Means, Not an End (98-7): Kauffman Center for Entrepreneurial Leadership - Clearinghouse on Entrepreneurial Education (CELCEE).

Sharfman, M. P., & Dean, J. W. Jr. (1997). Flexibility in Strategic Decision Making: Informational and Ideological Perspectives. *Journal of Management Studies*, 34(2), 191-217.

Spinali, L., & Mortimer, H. (2001). A Scan of Not-for-Profit Entrepreneurship: Status of the Field and Recommendations for Action: Kauffman Center for Entrepreneurial Leadership.

Thompson, J., Alvy, G., & Lees, A. (2000). Social Entrepreneurship - A New Look at the People and the Potential. *Management Decision*, 38(5), 328-338.

Tuckman, H. P. (1998). Competition, commercialization, and the evolution of nonprofit organizational structures. In B. A. Weisbrod (Ed.), *To Profit or Not to Profit - The Commercial Transformation of the Nonprofit Sector* (1st ed., pp. 340). Cambridge, UK: Cambridge University Press.

Young, D. R. (1991). The Blurring of Profit and Nonprofit: Strategies for Nonprofit Success in the 1990's. Paper presented at the Association of Ohio Philanthropic Homes and Housing for the Aging - Spring Educational Retreat, Ohio.

Paper Number: PA031036

Paper Title: So, How do We Figure Out Our Overhead Rate?

Author(s):

Dr. Elizabeth Keating, Hauser Center for Nonprofit Organizations, Harvard University, Cambridge, MA, USA

Summary of Research

The goal of this paper is to develop a system – albeit simple – for nonprofit organizations to determine overhead costs and then allocate them to particular grants. The paper outlines a five-step process for analyzing overhead costs drawn from accounting theory. The paper describes the five steps conceptually and then works through the methodology using several sample grants. spreadsheet program that helps users conduct an analysis accompanies the paper. We anticipate having some additional insights from having implemented this system to improve grant proposal writing at a major Boston area nonprofit organization.

Description

The Problems or Issues to be Addressed:

Many executive directors, fundraisers, and program staff want to know their agencies overhead rate need to determine the attractiveness of various funding opportunities and for internal management purposes. When they ask the financial staff for this rate, they are often greeted with a blank expression and then the question, “Who’s asking?” After some discussion, the financial person often says, “I’ll have to get back to you.” This response mystifies and often frustrates, for it would seem that the finance staff ought to know immediately what the overhead rate is. If they do not know, then the nonprofit would seem poorly run. However, the finance staff of even well-run institutions may be unable to answer this question easily.

For the finance staff to provide an overhead rate, they need more information. For example, is the desired rate a percentage of a grant, program, or organization? The staff also needs to know what kinds of items are included or excluded from the grantmaker’s definition of overhead. Also, is the overhead being discussed a price or a cost? Each set of answers yields a different rate.

So, if there is no single overhead rate, how can a nonprofit determine whether to apply for a particular grant and determine the indirect cost rate to quote? This paper presents a five-step analysis to help answer that question. The analysis is based on managerial accounting theory but is informed by nonprofit practice. Currently, this five-step analysis is being converted into a set of procedures and worksheets that will be used to improve grant proposal writing at a major Boston area nonprofit organization.

Relation to State of Knowledge in the Field:

□

The importance of understanding overhead costs has long been recognized in accounting literature (Clark 1923). While most of the academic research has focused on the manufacturing setting, a few papers address the issue of overhead costs at hospitals and universities (Noreen and Soderstrom 1994, Noll and Rogerson 1998, Goldman and Williams 2000). These articles, however, focus on the intricacies of indirect cost reimbursement in these two subsectors and provide little guidance to help the broader audience of nonprofit practitioners.

In the area of practice, managerial accounting techniques have developed to identify and allocate overhead costs to assist in pricing of products and services. Most cost accounting textbooks devote considerable space to overhead absorption and allocation as well as product costing (see Zimmerman 2003 as an example). The goal of this paper is to develop a system – albeit simple – for nonprofit

organizations to determine overhead costs and then allocate them to particular grants.

The Approach We Take:

□The paper outlines a five-step process for analyzing overhead costs associated with a potential grant. These steps are:

1. Assessing the Full Costs and Benefits of Ownership of a Grant
2. Distinguishing New from Existing Costs
3. Conducting a "Break-Even" Analysis
4. Deciding the Grant's Fit with the Organization and Other Funding Sources
5. Preparing the Grant Budget

The paper describes the five steps conceptually and then works through the methodology using several sample grants. A spreadsheet program that helps users conduct the analysis accompanies the paper. By the time of the ARNOVA conference, we anticipate having some additional insights from having implemented this system to improve grant proposal writing at a major Boston area nonprofit organization.

Anticipated Contributions of the Study:

This study offers a methodology to help nonprofit practitioners better understand the indirect costs associated with various grants. The methodology can assist nonprofit managers, by better determining the attractiveness of a particular grant opportunity, The methodology should be of interest to grant writers and grant makers as well as nonprofit educators. Hopefully, the methodology will be adopted in the nonprofit sector and be included in nonprofit management, accounting and grant writing courses.

References

Clark, J. 1923. *Studies in the Economics of Overhead Costs*. Chicago: University of Chicago Press.

Goldman, C. A. and T. Williams. 2000. *Paying for University Research Facilities and Administration*, Science & Technology Policy Institute, RAND.

Kaehler, J. and A. Sargeant. 2002. The Size Effect in the Administration Costs of Charities. *The European Accounting Review*, 11(2).

Noll, R. G. and W. P. Rogerson. 1998. *The Economics of University Indirect Cost Reimbursement in Federal Research Grants in Challenges to Research Universities* Ed. R. G. Noll. Washington, DC: Brookings Institution Press.

Noreen, E. and N. Soderstrom. 1994. Are overhead costs strictly proportional to activity? Evidence from hospital service departments. *Journal of Accounting and Economics*, 17: 255-278.

Zimmerman, J. 2003. *Accounting for Decision Making and Control*. New York: McGraw-Hill/Irwin.

Paper Number: PA031038

Paper Title: Danger and Bonding Social Capital in Volunteer Fire Departments

Author(s):

Dr. John H Benoit, Dalhousie University, Halifax, Nova Scotia, CAN

Dr. Kenneth Perkins, Longwood College, Farmville, VA, USA

Summary of Research

Drawing upon a survey of over 300 volunteer firefighters from 20 fire departments located in rural communities in Canada, a link is found between the experience of danger and the trust building among volunteers that leads to bonding social capital. Experienced volunteers who have engaged in interior fire attack are more likely to report having more friends within the volunteer fire department than those who have not engaged in interior fire attack. Moreover these experienced volunteers are more likely to involve their volunteer firefighter friends in other community activities.

Description

Danger and Social Capital Formation in the Community: The Influence of Volunteer Fire Departments

Our ultimate research goal is to examine how volunteer fire departments can affect the level of social capital in their rural communities. The intermediate goal, however, is to explore how bonding social capital is developed within the volunteer fire department, and how this enhanced bonding social capital will increase bridging social capital between fire department members and other members of the community. Our past research has examined how the attitudes and behavior of volunteer firefighters has changed as their human capital increased and as socialization to the organizational culture of the volunteer fire department proceeded. This research showed that, as the volunteers gained more experience and aged, volunteer satisfaction evolved from firefighting, to fire command, to politicking with local government, (Perkins and Benoit, in press). In the paper we propose to present at the ARNOVA meetings, we will explore the unique effect that experience with danger has on increasing trust among some certain volunteers, thus increasing bonding social capital among them.

The dangerous experience, known as interior fire attack and rescue, is a young person's "game." Consequently, as the volunteer firefighters become middle-aged, they change their role from firefighting to fire command. Also they begin to form a mentoring relationship with the younger volunteer firefighters. The bonding social capital that develops, motivates these middle-aged volunteers to seek resources from the community to maintain their beloved fire department. The resources needed are other volunteer recruits and money raised by lobbying local government and by community fundraising. We hypothesize that the middle-aged volunteers who attain officer status, will involve themselves in the wider community, linking themselves and other volunteers with various community activities that include community influentials. The effect of these middle-aged volunteers' social behavior is to increase bridging social capital between the fire department and the community. The result for the fire department is increased volunteer recruitment and increased financial support to maintain the fire hall and to buy fire trucks.

The means to test the hypotheses are primarily found in our survey of approximately 300 volunteer firefighters found in 20 fire departments from rural Canada and the United States. The survey is derived from several sources but the principal one is the community benchmark survey of 40 American communities, (Saguaro Seminar, 2001). Most of these data was collected and coded over the spring and summer of 2002. More data will be collected in the spring of 2003.

The import of this research at a practical level is that it explores how volunteer fire departments provide

benefit to their communities even when they rarely fight fires. This is important because the decline in firefighting has led many volunteer officers to wonder whether their volunteer work is of value. On the contrary, this research will help to inform a subsequent exploration of whether the volunteer service can have a key role in community development by the enhancement of the community's social capital. Of course, such an exploration will require data where the organization and its community are the units of analysis; this task is beyond the scope of this proposal.

The import of this research at a conceptual level is that it helps to illuminate the "black box" between the input variable of volunteering and the output dimensions of social capital. This research can illuminate how volunteer fire officers find and operate in the "structural holes" that Burt (2001) identified in his research on private sector managers.

Burt, Ronald S. "Structural holes versus network closure as social capital." In: Nan Lin, Karen S. Cook, R.S. Burt (eds). *Social Capital: Theory and Research*. Chicago: Aldine de Gruyter, 2001.

Perkins, Kenneth B. and John Benoit. "Volunteer satisfaction and serious leisure in rural fire departments." In Robert A. Stebbins and Margaret Graham (eds.) *Volunteering as Leisure/Leisure as Volunteering*. Wallingford UK: CABI Publishing, 2004.

Saguaro Seminar "US Social Capital Community Benchmark Survey." Storrs CT: Roper Center, 2001.

Smith, David Horton "Grassroots associations are important: some theory and a review of the impact literature." *Non-profit and Voluntary Sector Quarterly* 26,269-306.

Paper Number: PA031039

Paper Title: A Decade of Promotion: Georgia Local Government/Nonprofit Collaborations and Volunteerism during the 1990's

Author(s):

Ms. Beth Gazley, University of Georgia, Athens, GA, USA

Dr. Jeffrey L. Brudney, University of Georgia, Athens, GA, USA

Summary of Research

This paper reports on the results of a comprehensive, state-wide survey of Georgia's 800 city and county governments regarding volunteer involvement in public service delivery. The study follows a 1990 Georgia survey of local government volunteer involvement, and provides a rare opportunity to examine long-term trends in local government volunteerism after extensive state and federal promotional activities during the 1990s. In addition, the study tests current theories about government relations with the voluntary sector by examining the impact of a number of electoral, collaborative and economic variables on local officials' receptivity to volunteer utilization in Georgia local government.

Description

□ Scholars from a variety of academic fields have expressed a growing interest in the policy implications of local government's reliance on private, usually nonprofit organizations to deliver public services. Scholars of the "new governance" have also observed the need for new paradigms to address the non-hierarchical, complex and interdependent nature of present-day third-party government (Salamon, 2002). Supplementary, complementary and adversarial metaphors have been forwarded to describe the nonprofit-government relationship under various circumstances (Young, 1999; Salamon, 1995). These three concepts reflect the somewhat conflicting roles that governments play with nonprofit organizations in the devolutionary era, as their chief financier, collaborator, watchdog and regulator.

□ One aspect of "new governance" that tends to be overlooked (for example, in Salamon, 2002) is the great contribution made by private individuals who serve as volunteers to local, state and federal agencies. At least one-quarter of all individuals who volunteer donate time to government, and at least three-quarters of these volunteers serve local governments (Hodgkinson and Weitzman, 1996). To date, the numerous studies of volunteer involvement in local government (see for example studies by the International City/County Management Association) have principally examined programmatic and structural arrangements for accommodating volunteers. Although these studies have given us a rich understanding of government volunteer management, they are based almost exclusively on information gathered from public managers, rather than the elected officials who shape volunteer policy through financing and legislation.

□ The proposed paper reports on the findings of a comprehensive, state-wide survey of chief administrative officers in Georgia's 800 city and county governments regarding volunteer involvement. Administered in collaboration with the Georgia Commission for Service and Volunteerism, the survey includes 75 indicators of government use of volunteers. We hope to contribute to scholarship on government volunteerism in three related areas. First, the 2003 survey follows a 1990 Georgia survey of local government volunteer involvement, and provides a rare opportunity to examine the impact of extensive state and federal promotional activities during the 1990s (e.g., the Points of Light Awards; creation of AmeriCorps; the Volunteer Protection Act, 1997; the President's Summit for America's Future, 1997; the USA Freedom Corps, 2002).

□ Second, by applying to local government volunteerism the supplementary, complementary and adversarial theories that have been applied to government/nonprofit collaboration, we intend to test the circumstances under which each type of relationship appears. For example, many government officials welcome the ability of volunteers to enhance over-extended public budgets (Brudney, 1990, 1993; Brudney and Gazley, 2002; Walters, 1993). Yet we also find some evidence of negative attitudes toward volunteers, based for example on their perceived unreliability (Ellis and Noyes, 1990). We

hypothesize that we will find mixed evidence of cooperative and adversarial relationships, where the utilization and level of receptivity toward volunteers will depend on shared goals, and budgetary, political/electoral and structural circumstances.

□ Finally, to our knowledge, this study will be the first to explore the following questions in a large-sample, statewide survey: (a) whether public officials differ in their perceptions of volunteerism based on their personal characteristics (e.g., elected or appointed, experience with non-profit organizations; nonprofit board service); (b) the resources they believe are most necessary to building a strong local public volunteer program (e.g., political support, recruitment, training); (c) the impact of the events of September 11, 2001 on volunteer utilization in local Georgia government, particularly whether they have succeeded in recruiting new volunteers in response to the President's call for action; and (d) the extent to which local officials have engaged in active collaborations with non-profit organizations to build volunteer availability (a key ingredient in President Bush's volunteer strategy).

Brudney, J.L. (1993). Volunteer involvement in the delivery of public services: advantages and disadvantages. *Public Productivity and Management Review*, 16(3), 283-297.

Brudney, J.L. (1990). *Fostering volunteer programs in the public sector*. San Francisco, CA: Jossey-Bass, Inc.

Brudney, J.L. and Gazley, B. (2002). Testing the conventional wisdom regarding volunteer programs. *Nonprofit and Voluntary Sector Quarterly*, 31(4), 525-548.

Chambre, S. M. (1989). Kindling points of light: volunteering as public policy. *Nonprofit and Voluntary Sector Quarterly*, 18 (3), 249-268. Duncombe, S. (1986). Volunteers in city government: getting more than your money's worth. *National Civic Review*, 75:5, 291-301.

Ellis, S. J. and Noyes, K. H. (1990). *By the people*. San Francisco, CA: Jossey-Bass Inc.

Hodgkinson, V.A. and Weitzman, M.S. (1996). *Nonprofit almanac 1996-1997*. San Francisco: Jossey-Bass.

Salamon, L. (1995). *Partners in public service*. Baltimore: The Johns Hopkins University Press.

Salamon, L. (Ed.) (2002). *The tools of government: a guide to the new governance*. Oxford: Oxford University Press.

Walters, V. (1993). For all the wrong reasons? Implementing volunteer programs in public organizations. *Public Productivity & Management Review*, XVI (3), 271-282.

Young, D. (1999). Complementary, supplementary or adversarial? A theoretical examination of nonprofit-government relations in the United States. In Boris, E. and Steuerle, E. (Eds.), *Nonprofits and government: collaboration and conflict*. Washington, DC: The Urban Institute Press.

Paper Number: PA031041

Paper Title: How to encourage more people to volunteer to become organ transplant donors

Author(s):

Professor Roger Bennett, London Metropolitan University, London, UK

Summary of Research

The presentation will report the outcomes to a research study completed in the East End of London into the factors that were most likely to motivate members of three ethnic groups (white, Asian and Afro-Caribbean) to agree to the posthumous donation of their body parts. It emerged that 'self centred' inducements (notably up-front cash payments and priority on waiting lists) were generally more popular than 'altruistic' alternatives. Other variables influencing preferences were identified. Overall the results implied substantial disparities between public policy and contemporary public opinion regarding transplant donation incentives.

Description

Over one million people world wide have benefited from organ transplantation. Many recipients have survived well over 25 years (70% for five years or longer) and modern medical techniques are constantly increasing the life expectancies of transplant beneficiaries. There are nevertheless acute shortages of body parts available for transplantation throughout Western Europe, Canada and the USA, Australasia and Latin America (see Kaihara and Vacanti, 1999; Buckley, 2000; Gunning, 2000; Westcoat, 2001; Watson, 2002). According to Dobson (2000), there were in 1999 about 180,000 people in the Western world officially waiting for a transplant, of which only 60,000 could reasonably expect to be given an organ. Mortality rates for patients on waiting lists in Europe range between 15% and 30% (Gunning, 2000). In Australia up to 20% of patients awaiting a heart, liver or lung transplant die before an organ can be obtained; in the USA the figure is around 34% (Buckley, 2000). These rates understate the true position, however, because the shortage of organs has caused hospital authorities to be extremely selective about the patients they admit to waiting lists in the first place (Council of Europe, 1999), so many patients die for need of a transplant while not on a list. (Common exclusion criteria include age, risk, the patient's perceived ability to cope with stress and commitment to receiving post-operative treatments, and the strength of the person's family support network.)

A major impetus for the research was the fact that the number of organ donations made by women and members of ethnic minority groups has been disproportionately low (Roels et al., 1997). In Britain, for example, less than one per cent of organ donors are black, even though black people are three times more likely to suffer organ failure than whites (George, 2002). A similar situation prevails in the USA. Reasons for low organ donation rates in the black community allegedly include lack of knowledge about the issue, fears that donated body parts will only go to whites, and lack of health consciousness (see Cassé and Weisenberger, 2001 for details of relevant literature). Likewise the need for organs within the Asian (Indian sub-continent population is three to four times higher than among whites because conditions that can result in organ failure (e.g., diabetes and heart disease) are more prevalent in the Asian population (UK Transplant, 2002). Yet the organs of very few deceased Asians become available. This creates problems because a transplant to an Asian person is more likely to succeed if the donor is also Asian (due to biological considerations). It is relevant to note in this connection the development of 'transplant tourism' of ethnic Asians resident in the UK visiting India to purchase kidneys, corneas and lungs from living donors, with an estimated 200 British NHS patients making the trip annually (Frith and Meo, 2002).

In order to investigate the above mentioned issues an empirical study was completed involving interviews with 336 adults (age range 18 to 70 years) mainly in three areas of Greater London. The areas concerned were Tower Hamlets in the East End (a predominantly Asian district), Brixton (a largely Afro-Caribbean area), and Kingston-on-Thames (where the population is mainly affluent and white). Responses concerning preferences for 'rewards' for volunteering to become transplant donors

were subjected to a conjoint analysis. Self-centred options were generally preferred. Members of the sample already possessing donor cards were more knowledgeable about the issue of organ transplantation than others, were less squeamish, and had relatives who favoured organ donation. The strength of a person's desire to donate body parts was related positively to self-respect and whether the individual was 'religious'; and negatively to (i) squeamishness and (ii) having relatives who objected to transplantation. Altruistic preferences vis-à-vis organ donation were associated with knowledgeability, self-esteem, family background, low levels of squeamishness, and the extent to which a person experienced 'helper's high'. People who were financially affluent were the most self-centred in the organ donation context.

References

Buckley, T. (2000), The shortage of solid organs for transplantation in Hong Kong: Part of a worldwide problem, *Hong Kong Medical Journal*, 6 (4), 399-408.

Cassé, T. and Weisenberger, T. (2001), The perceived fairness of the human organ allocation process in the United States, *Journal of Nonprofit and Public Sector Marketing*, 8 (4), 45-61.

Council of Europe (1999), Meeting the Organ Shortage, www.social.coe.int/en/qoflife/publi/donation/htm.

Dobson, R. (2000), Cloning of pigs bring xenotransplantation closer, *British Medical Journal*, 320, 826.

Frith, M. and Meo, N. (2002). Horror of kidney town, *Evening Standard*, 18 October 2002, p.9.

George, M. (2002), Campaign aims to encourage more ethnic organ donors, *Big Issue South West*, www.bigissuesouthwest.co.uk/archives/archives/2002/482/482-news-2002.

Gunning, O. (2000), Drop in donors worries experts, *Nursing Times Net*, 19 July 2000, www.nursingtimes.net/news.

Kaihara, S. and Vacanti, J. (1999), Tissue engineering: Toward new solutions for transplantation and reconstructive surgery, *Archives of Surgery*, 134 (11), 1184-1188.

Roels, L., Deschoolmeester, G. and Vanrenterghem, Y. (1997), A profile of people objecting to organ donation in a country with a presumed consent law: Data from the Belgian national registry, *Transplantation Proceedings*, 29, 1473-1475.

UK Transplant (2002), Fact Sheet, www.uktransplant.org.uk/newsroom/fact-sheets/transplants-save-lives.htm.

Watson, T. (2002), Organ law change even more urgent after waiting list hike, <http://www.tomatwestbrom.com/news.htm>.

Westcoat, L. (2001), Organ and tissue donation: Saving lives, <http://juns.nursing.arizona.edu/westcoat.htm>.

Paper Number: PA031044

Paper Title: Giving Circles and the Democratization of Philanthropy

Author(s):

Angela Eikenberry, University of Nebraska at Omaha, Omaha, NE, USA

Summary of Research

Participation in "giving circles" has become increasingly popular among individuals within the "New Philanthropy" environment. Described as a cross between a book club and an investment group, giving circles entail individuals pooling their resources to support organizations of mutual interest. Except for articles in the popular press and "how-to" manuals, very little information is available on this emerging philanthropic trend. This paper provides an overview of giving circles and suggests ways in which they may serve to democratize philanthropy.

Description

Journalists and practitioners claim a new era has begun in American philanthropy (Bianchi, 2000; Byrne, 2002; Schweitzer, 2000; Streisand, 2001; Strom, 2000); it may even be a paradigm shift (The Catalogue for Philanthropy, 2000; McCully, 2000). Yet, only a few scholars have studied or commented on what has been called the "new philanthropy" (Cobb, 2002; Eikenberry, 2002; Eikenberry & Kluver, in press; Schervish, O'Herlihy, & Havens, 2001). As opposed to traditional philanthropy, the new philanthropy is said to emphasize collaboration across groups and sectors, focus on issues rather than institutions, and use unconventional modes of giving and volunteering (The Catalogue for Philanthropy, 2000). Leading the drive for this shift in philanthropy are what some call "new and emerging donors" (McCully, 2000; The Philanthropic Initiative, 2000). Increasingly dissatisfied with traditional modes of philanthropy, these donors have sought out more effective and engaged ways to improve communities and create social change (Brainerd, 1999).

Funding mechanisms to gain in popularity within this environment are "giving circles." Giving circles are described as a cross between a book club and an investment group (Jones, 2000) and entail individuals "pooling their resources in support of organizations of mutual interest" (Schweitzer, 2000, p. 32). Except for a few articles in the popular press and some "how-to" books and websites, very little research has been done on giving circles. The literature that does exist suggests giving circles are about more than giving money, however; they also involve people in local communities coming together to explore the meaning of philanthropy, volunteer their time, and learn about community needs (Connor, 2002; Kong, 2001). Tracy Gary, author of *Inspired Philanthropy*, asserts that giving circles represent the "democratization of philanthropy" (Paulson, 2001, p. 18) and Matson (1996) calls them the "New Face of Social Capital."

Though the exact number of giving circles currently operating is unknown, a search through the literature and the world wide web shows that dozens have emerged in recent years, allowing for wide ranges in charitable styles, philosophies and politics, and with varying structures, sizes and foci (Community Wealth, 2002; Jones, 2000; Giving Circles, n.d.; Paulson, 2001; Roha, 2000). The scarcity of information on giving circles is surprising, especially considering the increased efforts by community foundations and others to promote individual philanthropy through the use of giving circles (Borgen, 2002; Giving Circles, n. d.; Forum, 2002; McGovern, 1999; The Philanthropic Initiative, 1997).

Given the shortage of information available on giving circles, this paper will serve as an initial effort to provide an overview of this philanthropic trend. Furthermore, building on the work of Schervish and Herman (1988), Schervish and Havens (1997), Ostrander (1989), Ostrander and Schervish (1990), and others, this paper will suggest ways in which giving circles may serve to democratize philanthropy. This paper is part of a larger study to understand giving circles and the impacts of participation on giving circle members, especially in relation to philanthropy and social capital. Fundraisers, philanthropic advisors, scholars and others concerned with philanthropy would benefit substantially from more

information about this philanthropic phenomenon.

References

Bianchi, A. (2000, October). Serving nonprofits: The new philanthropy. *Inc.*, 23-25.

Borgen, S. (2002, December). DIY philanthropy. *Health.com*. Retrieved December 12, 2002 from: http://www.health.com/health/relationships/article/0_15669_390569_00.html.

Brainerd, P. (1999). Social Venture Partners: Engaging a new generation of givers. *Nonprofit and Voluntary Sector Quarterly*, 28, 502-507.

Byrne, J. A. (2002, December 2). The new face of philanthropy. *Business Week*, 82-94.

The Catalogue for Philanthropy. (2000). *The paradigm-shift in philanthropy*. Boston: The Ellis L. Phillips Foundation.

Cobb, N. K. (2002). The new philanthropy: Its impact on funding arts and culture. *The Journal of Arts Management, Law, and Society*, 32, 125-143.

Community Wealth Ventures, Inc. (2002). *Venture philanthropy 2002: Advancing nonprofit performance through high-engagement grantmaking*. Washington, DC: Venture Philanthropy Partners.

Connor, A. (2002). Giving circles meet community needs, and more. Retrieved November 29, 2002 from: http://hffo.cuna.org/story.html?doc_id=296&sub_id=tpempty.

Eikenberry, A. M. (2002). *Promoting philanthropy: A qualitative study of the Massachusetts Catalogue for Philanthropy*. Unpublished manuscript.

Eikenberry, A. M. & Kluver, J. D. (in press). The marketization of the nonprofit sector: Civil society at risk? *Public Administration Review*.

Forum of Regional Association of Grantmakers (2002). *New ventures in philanthropy*. Retrieved June 22, 2002, from <http://www.rag.org/about/ventures.html>

Giving Circles: Taking shape in a variety of forms. (n. d.). *Giving New England*. Retrieved November 29, 2002 from: <http://www.givingnewengland.org/circtypes.html>.

Jones, M. M. (2000, August 1). Circular reasoning can prove most charitable indeed: 'Giving circles' help focus, fuel philanthropy. *Concord Monitor*.

Kong, D. (2001, 18 November). Fortunate seek guidance in giving away their wealth. *The Boston Globe*, p. F5.

Matson, E. (1996, October). The new face of social capital: Young 'venture philanthropists' combine targeted donations with tough-minded oversight to build a new model of community activism. *Fast Company*, 5, 54.

McCully, G. (2000, March/April). Is this a paradigm shift? *Foundation News & Commentary*, 20-22.

McGovern, K. (1999). *Giving New England: A new initiative to promote and expand philanthropy*. *The New England Nonprofit Quarterly*, 6(3), 38-39.

Ostrander, S. A. (1989). The problem of poverty and why philanthropy neglects it. In V. A. Hodgkinson, R. W. Lyman, & Associates (Eds.), *The future of the nonprofit sector: Challenges, changes, and policy*

considerations (pp. 219-236). San Francisco: Jossey-Bass.

Ostrander, S. A., & Schervish, P. G. (1990). Giving and getting: Philanthropy as a social relation. In J. Van Til (Ed.), *Critical issues in American philanthropy: Strengthening theory and practice* (pp. 67-98). San Francisco: Jossey-Bass.

Paulson, A. (2001, 1 October). A pooling of funds to boost donors' impact. *Christian Science Monitor*, 93, 18.

The Philanthropic Initiative (1997). Promoting philanthropy: The experience and potential of collaborative efforts. Retrieved June 20, 2002 from http://www.tpi.org/_tpi/promoting/research.htm

The Philanthropic Initiative (2000). What's a donor to do? The state of donor resources in America today. Retrieved June 23, 2002 from http://www.tpi.org/_tpi/promoting/research.htm.

Roha, R. R. (2000, September). Charity gets personal. *Kiplinger's*, 116-121.

Schervish, P. G., & Havens, J. J. (1997). Social participation and charitable giving: A multivariate analysis. *Voluntas*, 8(3), 235-260.

Schervish, P. G., & Herman, A. (1988, July). Empowerment and beneficence: strategies of living and giving among the wealthy. Final Report: The Study on Wealth and Philanthropy. Boston College Social Welfare Research Institute.

Schervish, P. G., O'Herlihy, M. A., & Havens, J. J. (2001, May). Agent animated wealth and philanthropy: The dynamics of accumulation and allocation among high-tech donors (Boston College Social Welfare Research Institute). Association of Fundraising Professionals.

Schweitzer, C. (2000, October). Building on new foundations. *Association Management*, 28-39.

Streisand, B. (2002, June 11). The new philanthropy. *U. S. News & World Report*, 130, 40-42.

Strom, S. (2000, November 16). *The Chronicle for Philanthropy*, 1.

Paper Number: PA031047

Paper Title: Introducing, Sustaining and Institutionalizing Cultural Competency Through Innovation in a Nonprofit Organization: A Case Study of Curanderismo, Indigenous Healing

Author(s):

Dr. Ramon Del Castillo, Regis University, Regis University, Denver, CO, USA

Summary of Research

This presentation entitled, "Introducing, Sustaining and Institutionalizing Cultural Competency Through Innovation in a Nonprofit Organization: A Case study of Curanderismo, Indigenous Healing," is the story of cross-cultural institutionalization. Curanderismo is antithetical to western psychiatry, utilizing a holistic approach in mental health treatment, including the spirit. Through the use of innovation, community coalition building and culturally competent organizational management and leadership techniques, this program under the auspices of a formal mental health center, functioned in a formal mental health center for over 25 years. The lessons learned in how to institutionalize innovation will be shared.

Description

Introducing, Sustaining and Institutionalizing
Cultural Competency through Innovation
in a Nonprofit Organization: A case study of Curanderismo, Indigenous Healing
by

Ramon Del Castillo, Ph.D.
3333 Regis Boulevard I-16
Denver, CO 80221-1099

In 1974 Southwest Denver Community Mental Health Center, one of many not-for-profit community mental health centers springing up across the country, was faced with a dilemma of national scope: the minimal relevance and effectiveness of mental health services for many Mexican-Americans, and the resulting underutilization of services by this growing population. In response, a bilingual specialty team, Centro de las Familias, was created under the auspices of the center. The goal of this team (later transformed into a clinic) was to develop specialized techniques and expertise to meet the mental health needs of the predominantly Chicano population in the northern sector of Southwest Denver. As part of this effort, a radical approach was taken: bringing a curandera into the clinic to offer healing services along with the psychiatrists and other providers. A curandero/a is an important figure in Chicano communities, "an individual who is recognized in his community as having the ability to heal, and who has knowledge of and utilizes the theoretical structure of curanderismo" (Trotter and Chavira, 1980, p. 429). Though the characteristics of curanderismo vary geographically, its practice traditionally includes a "holistic approach to physical, psychosocial, and spiritual conditions," utilizing prayers, rituals, symbolic and magical acts, herbs and massage for healing purposes (Lucero, 1981, p. 1). Curanderos/as traditionally practice "underground," within the communities and outside of the mainstream health system; the implementation of a curanderismo program at Centro de las Familias was an unprecedented introduction of a curandera into a publicly funded, formal mental health setting in the state of Colorado.

The innovative program experienced great success and now, over twenty years later, continues to thrive and serve the needs of the community. This paper, taken from a longer research project on the topic, relates the accounts of three key players in the implementation of this program: Diana Velazquez, the first curandera to join the team, who went on to become manager of the clinic; Dr. Paul Polak, the executive director of Southwest Denver Community Mental Health Center at the time of curanderismo's introduction; and Dr. Ernesto Alvarado, a former manager of Centro de las Familias who initiated the curanderismo program. The participants' stories are followed by a brief discussion of the insights they provide on the process of introducing and managing an organizational innovation, particularly one

designed to address specific cultural needs of clients.

The accounts touch on many issues and questions relevant not only to the field of mental health, but also to the field of child welfare and family support services, where cultural competency has become a prominent consideration in effective service design and delivery. The participants' stories reflect the complex role culture plays in the needs of individuals, shaping their perception and expectations of family, community, health and healing, as well as the programs and providers meant to enhance these areas. Their joint description of an innovation that goes beyond attempting merely to improve providers' techniques for addressing the culture of clients, and actually brings elements of the culture into the mainstream healing system, expands the notion of "cultural competency" and its potential role in improving social services. It also addresses the inevitable conflicts, but also benefits, that arise as an organization within a mainstream system strives to incorporate unconventional elements and still maintain effectiveness and legitimacy.

BIBLIOGRAPHY

Alvarado, Ernesto, Ph.D., interviews by author, tape recordings, Denver, CO 27 and 29 August 1997.

Angle, H.L. and Van De Ven, A.H. "Suggestions for managing innovation journey." In Van De Ven, A.H., Angle, H.L. and Poole, M.S (eds) *Research on the Management of Innovation: The Minnesota Studies*. Ballinger/Harper and Row for the University of Minnesota, 1989.

Daft, R.L. and Becker, S.W. *Innovation in Organizations*. New York: Elsevier: 1978.

Kiev, A. *Curanderismo: Mexican-American Folk Psychiatry*. Free Press: New York, 1968.

Kurtz, Richard A. and Chalfant, H. Paul. *The Sociology of Medicine and Illness*. Allyn and Bacon Inc.: Boston, 1984.

London, M. *Change Agents: New Roles and Innovation Strategies for Human Resource Professionals*. San Francisco: Jossey-Bass, 1988.

Lucero, Aileen, Ph.D. *A Profile of a Curandera and Her Curandera-Treated Clients: The Southwest Denver Community Mental Health Center*. Washington State University, Department of Sociology, 1981.

Foster, George. M. "Relationships Between Spanish and Spanish-American Folk Medicine." *Journal of American Folklore*, 1953, 66, pp. 201-217.

Madsen, W. *Mexican-Americans of South Texas*. (2nd ed.). Holt, Rinehart, and Winston: New York, 1964.

Madsen, W. "Value conflicts and folk psychotherapy." In A. Kiev (Ed.), *Magic, Faith and Healing*. Free Press: New York, 1964, (pp. 420-444).

Parsons, Talcott. *The Social System*. Free Press: Glencoe Ill., 1951.

Perrone, Bobette and Stockel, H. Henrietta and Kruger, Victoria. *Medicine Women: Curanderas, and Women Doctors*. University of Oklahoma Press: Norman, 1989.

Polak, Paul, Dr., interview by author, tape recording, Denver, CO, 1 September 1997.

Poole, M.S. and Van De Ven, H.A. "Toward a general theory of innovation processes." In Van De Ven, A.H., Angle, H.L. and Poole, M.S (eds) *Research on the Management of Innovation: The Minnesota Studies*. Grand Rapids: Ballinger/Harper and Row for the University of Minnesota, 1989.

Rice, R.E. and Rogers, E.M. "Reinvention in the innovation process." *Knowledge: creation, diffusion, utilization*. Vol. 1, No. 4, June 1980, pp (499-514).

Rogers, E.M. and Shoemaker, F.F. *Communication of Innovations: A Cross-Cultural Approach*. New York: Free Press, 1981.

Romano, O. I. "Charismatic Medicine, Folk-Healing, and Folk Sainthood." *American Anthropologist*, 1965, 67, 1151-1173.

Rubel, Arthur J. "The epidemiology of a folk illness: susto in Hispanic America." In Martinez, Ricardo Arguijo (Ed.), *Hispanic Culture and Health Care: Fact, Fiction, and Folklore*. The C.V. Mosby Company: Saint Louis, 1978.

Smale, G.G. "Self-fulfilling prophecies, self-defeating strategies and change." *British Journal of Social Work*, 14, pp. 419-433, 1984.

Smale, G.G. and Tucson, G. "Community social work: foundation for the 1990's and beyond." In Darvill, G. and Smale, G (eds) *Partners in Empowerment: Networks of Innovation in Social Work (Pictures of Practice: Vol. II)*. National Institute of Social Work, Practice and Development Exchange, 1990.

Trotter, Robert T. II and Chavira, Juan Antonio. "Curanderismo: an Emic Theoretical Perspective of Mexican-American Folk Medicine." In *Medical Anthropology*, Fall 1980.

Velazquez, Diana, interviews by author, tape recordings, Denver, CO, 23 July 1993 and 30 June 1997.

BIBLIOGRAPHY

Alvarado, Ernesto, Ph.D., interviews by author, tape recordings, Denver, CO 27 and 29 August 1997.

Angle, H.L. and Van De Ven, A.H. "Suggestions for managing innovation journey." In Van De Ven, A.H., Angle, H.L. and Poole, M.S (eds) *Research on the Management of Innovation: The Minnesota Studies*. Ballinger/Harper and Row for the University of Minnesota, 1989.

Daft, R.L. and Becker, S.W. *Innovation in Organizations*. New York: Elsevier: 1978.

Kiev, A. *Curanderismo: Mexican-American Folk Psychiatry*. Free Press: New York, 1968.

Kurtz, Richard A. and Chalfant, H. Paul. *The Sociology of Medicine and Illness*. Allyn and Bacon Inc.: Boston, 1984.

London, M. *Change Agents: New Roles and Innovation Strategies for Human Resource Professionals*. San Francisco: Jossey-Bass, 1988.

Lucero, Aileen, Ph.D. *A Profile of a Curandera and Her Curandera-Treated Clients: The Southwest Denver Community Mental Health Center*. Washington State University, Department of Sociology, 1981.

Foster, George. M. "Relationships Between Spanish and Spanish-American Folk Medicine." *Journal of American Folklore*, 1953, 66, pp. 201-217.

Madsen, W. *Mexican-Americans of South Texas*. (2nd ed.). Holt, Rinehart, and Winston: New York, 1964.

Madsen, W. "Value conflicts and folk psychotherapy." In A. Kiev (Ed.), *Magic, Faith and Healing*. Free Press: New York, 1964, (pp. 420-444).

Parsons, Talcott. *The Social System*. Free Press: Glencoe Ill., 1951.

Perrone, Bobette and Stockel, H. Henrietta and Kruger, Victoria. *Medicine Women: Curanderas, and Women Doctors*. University of Oklahoma Press: Norman, 1989.

Polak, Paul, Dr., interview by author, tape recording, Denver, CO, 1 September 1997.

Poole, M.S. and Van De Ven, H.A. "Toward a general theory of innovation processes." In Van De Ven, A.H., Angle, H.L. and Poole, M.S (eds) *Research on the Management of Innovation: The Minnesota Studies*. Grand Rapids: Ballinger/Harper and Row for the University of Minnesota, 1989.

Rice, R.E. and Rogers, E.M. "Reinvention in the innovation process." *Knowledge: creation, diffusion, utilization*. Vol. 1, No. 4, June 1980, pp (499-514).

Rogers, E.M. and Shoemaker, F.F. *Communication of Innovations: A Cross-Cultural Approach*. New York: Free Press, 1981.

Romano, O. I. "Charismatic Medicine, Folk-Healing, and Folk Sainthood." *American Anthropologist*, 1965, 67, 1151-1173.

Rubel, Arthur J. "The epidemiology of a folk illness: susto in Hispanic America." In Martinez, Ricardo Arguijo (Ed.), *Hispanic Culture and Health Care: Fact, Fiction, and Folklore*. The C.V. Mosby Company: Saint Louis, 1978.

Smale, G.G. "Self-fulfilling prophecies, self-defeating strategies and change." *British Journal of Social Work*, 14, pp. 419-433, 1984.

Smale, G.G. and Tucson, G. "Community social work: foundation for the 1990's and beyond." In Darvill, G. and Smale, G (eds) *Partners in Empowerment: Networks of Innovation in Social Work (Pictures of Practice: Vol. II)*. National Institute of Social Work, Practice and Development Exchange, 1990.

Trotter, Robert T. II and Chavira, Juan Antonio. "Curanderismo: an Emic Theoretical Perspective of Mexican-American Folk Medicine." In *Medical Anthropology*, Fall 1980.

Velazquez, Diana, interviews by author, tape recordings, Denver, CO, 23 July 1993 and 30 June 1997.

Paper Number: PA031048

Paper Title: Quality, Firm Size and Technical Efficiency of Home-visit Long-term Care Services in the Japanese Mixed Economy

Author(s):

Mr. Yoshiho Matsunaga, Center for Nonprofit Research and Information, Osaka University, Ikeda City, Osaka, Japan

Summary of Research

The long-term care insurance system executed in April 1, 2000 has created an unprecedented market phenomenon in Japan: nonprofits, for-profits, and public enterprises compete with each other for possible service users.

The goal of this paper is to grasp features of the home-visit long-term care service production and to search for public policies leading to high technical efficiency of the service production.

The analyses reveal that most nonprofit providers produce services efficiently whereas public providers do not, and for policy consideration to lead to high technical efficiency, support programs of growth in size and improving service quality should be designed.

Description

(Proposal)

1.The problem or issue to be addressed

Japan is moving rapidly into an aged society. In order to alleviate the burden of care attendants and the society's major concern about aging and elderly care, the long-term care insurance system was enforced in April 1, 2000. This system created the first mixed economy in Japan: nonprofits, for-profits, and public enterprises compete with each other for possible service users. In order to grasp the features of a long-term care service production in this mixed economy, we focused on a home-visit long-term care service production because the usage of a home-visit long-term care service (a major service among long-term care services) had increased dramatically since the system has been executed. Among many issues to be addressed, this paper mainly focuses on finding the possible public policies in order to improve technical efficiency of the service production in the mixed economy. For this goal, this paper, first of all, grasps the feature of the service production. Then this paper analyzes the relationship between the size and service quality of providers in order to see if the policy in which growth in the size of providers and/or improving service quality lead to high technical efficiency of home-visit long-term care service production.

2.The topic's relation to the state of knowledge in the field (including relevant literature)

Since the long-term care insurance system is relatively new, there have been few empirical analyses, though there is a relatively large number of papers devoted for stochastic frontier analyses. The representative stochastic frontier analyses are as follows.

Aigner, D., Lovell, C. A. K. and Schmidt, P. (1977) "Formulation and Estimation of Stochastic Frontier Production Function Models," *Journal of Econometrics* 6, pp. 21-37.

Battese, G. E. (1997) "A note on the Estimation of Cobb-Douglas Production Functions when Some Explanatory Variables Have Zero Values," *Journal of Agricultural Economics* 48, pp.250-252.

Battese, G. E., and Broca, S. S. (1997) "Functional forms of stochastic frontier production functions and models for technical inefficiency effects: A comparative study for wheat farmers in Pakistan," *Journal of Productivity Analysis* 8, pp.395-414.

Coelli, T. J. and Battese, G. E. (1996) "Identification of Factors which Influence the Technical

Inefficiency of Indian farmers," *Australian Journal of Agricultural Economics* 40, pp.103-128.

Coelli, T. J. (1994) *A Guide to FRONTIER Version 4.1: A Computer Program for Stochastic Frontier Production and Cost Function Estimation*, Department of Econometrics, University of New England, Armidale.

Coelli, T. J., Parasada Rao, D. S., and Battese, G. E. (1998) *An Introduction to Efficiency and Productivity Analysis*, Kluwer Academic Publishers.

Kodde, D. A. and Palm, F. C. (1986) "Wald Criteria for Jointly Testing Equality and Inequality Restrictions," *Econometrica* 54, pp.1243-1248.

Meeusen, W. and van den Broeck, J. (1977) "Efficiency Estimation from Cobb-Douglas Production Function with Composed Error," *International Economic Review* 18, pp.435-444.

Ministry of Health, Labour and Welfare, (<http://www.mhlw.go.jp/english/index.html>) 2/14/2003.
Social welfare and medical network system (WAM-NET), (<http://www.wam.go.jp/>) 9/1/2002.

Ngwenya, S. A., Battese, G. E., and Fleming, E. M. (1997) "The relationships between farm size and the technical inefficiency of production of wheat farmers in Eastern Free State, province of South Africa," *Agrekon* 36, pp.283-301.

On the other hand, the representative paper that is devoted for analyzing the cost efficiency of home-visit long-term care service is as follows

Shimizutani, S. and Suzuki, W. (2002) "The Quality and Efficiency of At-Home Long-Term Care in Japan: Evidence from Micro-level Data," *ESRI Discussion Paper Series No. 18*, Economic and Social Research Institute, Cabinet Office, Tokyo, Japan.

3.The approach I have taken (including data sources)

This paper applied a stochastic frontier production model in order to explore the relationships between technical efficiency and provider size, and between technical efficiency and service quality, in the home-visit long-term care service market in Japan.

The data set used for the analysis is based on the results of a questionnaire survey on the current conditions of the home-visit long-term care services conducted by the research team on the long-term care insurance at Osaka School of International Public Policy, Osaka University. I am a member of this research team. In order to send questionnaires to nation-wide home-visit long-term care providers, we accessed the social welfare and medical network system (WAM-NET) run by Social Welfare and Medical Service. WAM-NET lists the information such as addresses, types of services, and corporate structures in terms of the currently existing long-term home-visit service providers in Japan. When the team conducted the survey, 15,000 home-visiting long-term care services providers across the nation registered on WAM-NET. This number is close to the total number of existing long-term home-visit service providers in Japan. The research team carried out a random sampling of 7,965 providers out of 15,000. The questionnaires regarding service quality are based on Shimizutani and Suzuki (2002). After data cleaning, 360 data was usable for the simultaneous estimations of both the stochastic frontier production model and the efficiency model.

4. The contributions to the field:

The analyses in this paper reveals that, given the specifications of the translog stochastic frontier production mode, the Cobb-Douglas functional form is not the adequate representation of the data. Further, the technical inefficiency of the home-visit long-term care service production was significantly related to the various explanatory variables considered in this paper. Therefore, if these features are not accounted for in the frontier modeling, then conclusions may be inappropriately made.

Based on the model specification in this paper, another finding was that the mean technical efficiency generally increased with service quality. Also, hypothesis testing revealed that provider size might have no explanatory power.

This paper also reveals that a relatively large number of nonprofit providers produces home-visit long-term care services efficiently among the three: nonprofit providers, public providers, and for-profit providers, while a relatively large number of public providers produces them less efficiently service producers.

For policy consideration, this study suggests that both growth in size and improving service quality may lead to high technical efficiency. Then support programs of these two factors should be designed in order to provide an environment of service production that stimulates the growth in size and the improvement of service quality.

Paper Number: PA031054

Paper Title: The Creation of "Capital" Through Social Alliances (Company/Nonprofit Collaborations)

Author(s):

Dr. Ida E. Berger, Ryerson University, Toronto, Ontario, CANADA

Dr. Peggy Cunningham, Queen's University, Kingston, Ontario, CANADA

Dr. Minette Drumwright, University of Texas at Austin, Austin, TX, USA

Summary of Research

Based on interviews with 69 participants, in 11 successful social alliances between nonprofit and corporate organizations this paper argues that social alliances have the potential to create three kinds of capital - human, financial, and social. Individuals involved in social alliances develop attitudes, skills, and perceptions that represent additions to the stock of human capital. Both kinds of organizations are better able to move, generate, or use resources and thereby increase their financial capital. In the best of cases, the alliance creates opportunities for the development of multiplexed relationships that enhance trust, relational norms, information flow and thereby social capital.

Description

The last two decades have seen substantial growth in the non-profit sector, accompanied by a significant reduction in government resources supporting the sector's activities. This confluence of sector growth and decreased governmental support has resulted in increased competition among voluntary organizations for both capital and human resources (Meinhard and Foster, 2000). This resource pressure has prompted many non-profit organizations to reach beyond their traditional sources and modes of support to tap corporate coffers, to adopt business management techniques and to otherwise "professionalize" or "businessify". At the same time, more and more companies are supporting social causes while advancing their business goals. Increasingly, corporate social responsibility appears on the agenda of blue chip companies as they compete in a global marketplace. The web sites of more than 80% of Fortune 500 companies address social responsibility (Esrock and Leichty 1998). And, surveys attest to the positive effects of corporate social initiatives on consumer buying behavior (e.g., Cone/Roper Cause-Related Marketing Trends Report 1997).

This confluence of trends has resulted in a staggering array of company/nonprofit collaborations. These practices have variously been labeled as social marketing for business, cause marketing, cause-related marketing, corporate issue promotion, corporate social marketing and corporate societal marketing (Andreasen 1996; Bloom, Hussein, and Szykman 1995; Drumwright and Murphy forthcoming; Sarner and Nathanson 1995). Some of these initiatives have evolved beyond cause marketing or philanthropy to encompass close, mutually beneficial, long-term partnerships designed to accomplish strategic goals for both entities. Austin labels these "integrative collaborations" (Austin, 2000) and we call them "social alliances." We define social alliances as integrative collaborations that involve 1) at least one for-profit and one nonprofit partner, and 2) at least one "noneconomic" objective that focuses on improving social welfare (Drumwright 1994, 1996). Using data from depth interviews with company and nonprofit participants this paper will examine the capital resource outcomes of highly successful social alliances.

We are accustomed to evaluating any form of social enterprise in terms of its ability to contribute to society's stock of capital resources. These resources may be human capital, financial capital, or social capital. Based on the data collected from depth interviews with 69 participants, in 11 social alliances this paper will argue that through the integration of disparate organizations and the mobilization of support for social causes, social alliances have the potential to create all three kinds of capital.

The interview data make clear that individuals involved in social alliances are often altered by the activity. Their lives are enriched through their engagement with new people and from the challenge of solving "out of the ordinary" problems. It is no coincidence that many informants were lively, engaged, engaging, creative, motivated people. They spoke of being involved in thinking "outside the box," of

learning new ways of dealing with people, of developing new skills, and of having a different perspective on their lives. Nonprofit workers developed a greater understanding for the methods, processes, and issues that drive the for-profit world. For-profit workers learned ways of motivating colleagues and market partners, such as customers and suppliers, beyond rational, economic factors. We found examples of participants on both sides of the partnerships that either "crossed" or were considering "crossing" to the other side. It appears that those who become deeply involved in social alliance activities can improve their problem solving skills, people management skills, personal confidence, feelings of empowerment, and their personal and job satisfaction. These attitudes, skills, and perceptions represent additions to the stock of human capital available to the organizations directly involved and the communities in which they operate.

The interviews also suggest that the organizations involved in these activities are often altered. Both the for-profit and the nonprofit organizations are enabled in terms of their ability to move, generate, or use resources. For the partnership to last the organizations needed to develop flexibility; they needed to learn new ways of mobilizing employees and market partners. They needed to develop new bases of commitment other than contracts. Because these activities needed to be closely tied to organizational mission, they often forced organizations to integrate more closely their missions into everyday activities. Social alliances highlighted the core values of organizations, providing ways and models of "living" those values on a daily basis. The social alliance activities also provided models of behavior that focused on reciprocity, trust, and collective concern. These experiences changed organizational norms from ones that focused on the self or the individual to ones that focused more on the "other" and the collectivity. These observations suggest that over time, organizations involved in social alliances will be more flexible; their mission and values will be more transparent and diffused; they will demonstrate norms of reciprocity and collective care; they will consist of less hierarchical networks of relationships between employees with less turnover and easier recruitment. These organizational changes should serve to increase the financial capital of the alliance partners. Alliance activities may increase memberships and donations for the nonprofit. Similarly, motivated by the differential advantage created by the social alliance or through the increased productivity of a more motivated workforce, sales (and therefore financial resources) of the corporate partner should likewise increase.

The interviews also revealed that in the best of cases social capital was also enhanced. Using the metaphor of "Bowling Alone," Putnam, argues that there has been a precipitous decline in civic engagement in America since World War II. As participation in civic organizations has declined, so has the resource that enables social actors to work together to pursue shared goals and objectives (Coleman 1990; Putnam 1995). However, some experts argue that the patterns of civic engagement are not so much declining as shifting away from neighborhoods and into work organizations (e.g., Poarch 1997). Thus, the workplace may be a very fertile venue for the cultivation and growth of social capital.

Our data suggest that social alliances can provide a workplace mechanism for creating social capital as workers and customers become engaged at a grassroots level with a nonprofit organization, its cause, and the community that it serves. This engagement creates important by-products for both organizations. It provides the company with new ways to interact with customers, suppliers, or channel members. In essence, it creates "extra-market" relations with market partners. Likewise, "extra-workplace" relations are created between a company and its workers. From the other side, the social alliance can provide a nonprofit with a new arena in which to interact with its constituents-"extra-philanthropic" relations are established. Thus, a social alliance can create enhanced opportunities for the development of multiplexed relationships that can enhance trust, relational norms, and information flow.

At a societal level, the existence of social alliances and the creation of social capital enhance society's ability to solve more macro social problems. Through these alliances between sectors, society develops the resources to deal with issues that affect all sectors but are beyond the capability of any one sector to solve. The trust that is developed between the for-profit and the nonprofit organization

allows each to reconsider previously held stereotypes of the other. Each better recognizes the potential contribution that the other sector can make. The relationships set up systems of obligations and expectations that can be relied on in their efforts to deal with problems. Furthermore, the activities can enhance social norms of collective action.

What we find in the best cases is that the social alliances can result in the creation of a new entity, which represents the integration of formerly separate sectors-commercial and nonprofit. Most importantly, it has multiple bottom lines-bottom lines for individuals, organizations, and society at large. In short, a social alliance can result in enriched lives, enabled organizations, and an enhanced capacity for productive problem solving within the larger society.

This paper will conclude with a discussion of the implications of these findings for both company and nonprofit managers. In particular, the paper will explore the human, organizational and contextual factors that appear to facilitate the development of social alliances that can create these beneficial capital outcomes.

SELECTED REFERENCES

- Andreasen, Alan R. (1996), "Profits for Nonprofits: Find a Corporate Partner," *Harvard Business Review*, 74 (November/December), 47-59.
- Austin, James E. (2000) "Strategic Collaboration Between Nonprofits and Businesses," *Nonprofit and Voluntary Sector Quarterly*, vol. 29, no. 1, Supplement, 69-97.
- Bloom, Paul N., Pattie Yu Hussein, and Lisa Szykman (1996), "Benefiting Society and the Bottom Line," *Marketing Management*, 4 (Winter) 8-15.
- Coleman, James (1990), *Foundations of Social Theory*. Cambridge, MA: Harvard University Press.
- Cone/Roper Cause-Related Trends Report (1997), Boston, MA: Cone Communications.
- Drumwright, Minette E. (1994), "Socially Responsible Organizational Buying: Environmental Concern as a Noneconomic Buying Criterion," *Journal of Marketing*, 58 (July), 1-19.
- (1996), "Company Advertising with a Social Dimension: The Role of Noneconomic Criteria," *Journal of Marketing*, 60 (October), 71-88.
- and Patrick Murphy (forthcoming), "Corporate Societal Marketing," in *The Handbook of Marketing and Society*, Paul N. Bloom and Gregory Gundlach, eds. Thousand Oaks, CA: Sage Publications.
- Esrock, Stuart L. and Greg B. Leichty (1998), "Social Responsibility and Corporate Web Pages: Self-Presentation or Agenda-Setting?" *Public Relations Review*, 24 (3), 305-19.
- Meinhard, A.G. & M.K. Foster, (2000). *Third Sector Strategic Responses to Canada's Changing Social, Political and Economic Climate: A Comparative Analysis*, Presented at the Fourth International Conference of the International Society for Third Sector Research, Dublin, Ireland.
- Poarch, Maria T. (1997), "Civic Life and Work: A Qualitative Study of Changing Patterns of Sociability and Civic Engagement in Everyday Life," doctoral dissertation, Boston University.
- Putnam, Robert D. (1995), "Bowling Alone: America's Declining Social Capital," *Current*, 373 (June), 3-7.
- Sarner, Mark and Janice Nathanson (1996), *Social Marketing for Business*. Toronto: Manifest Communications.

Paper Number: PA031061

Paper Title: The Freshmen Philanthropists: Civic Engagement with Corporate Sponsorship

Author(s):

Dr. Renee Irvin, University of Oregon, Eugene, OR, USA

Summary of Research

This paper reports the results of an experimental course offered to freshmen at a large public university. Students studied the nonprofit sector and the history, economics, and psychology of philanthropy in the U.S. For a unique class project, student teams researched local nonprofit organizations, created persuasive presentations to try to influence the rest of the students to vote for their teams' organizations, and awarded \$5000 to two finalists. A corporate sponsor provided the \$5000 for the students to give away. The class also received generous media exposure and provided students with additional lessons in media relations.

Description

Service learning and civic engagement are sometimes wishful ideals for the nonprofit management curriculum. Incorporating the external world into the classroom setting with a useful and beneficial project takes more effort in course preparation than a traditional class, and students may not always have enough skills to assist external agencies. In this paper, we describe a service learning project that involved the least skilled students on campus – freshmen. The freshmen were allowed to research local nonprofit organizations and, for the class project, award \$5000 to the organization of their choice.

The course, Freshman Seminar in American Philanthropy, included a traditional lecture format with content focusing on the history, economics, and psychology of philanthropy as well as an overview of the nonprofit sector. Then, the eighteen students began researching nonprofit organizations operating in the county. They wrote case statements describing their favorite organization, and narrowed down their class choices to five semi-finalists. After forming five teams, the students visited the nonprofit organizations on site and prepared public presentations to try to persuade the other students to vote for their team's organization. Wells Fargo Bank donated \$5000 to the class, and students ended by voting for 1st and 2nd prize winners, with awards of \$3500 and \$1500.

Not many people would trust an 18-year-old with wise use of \$5000, nor do most people view teens as particularly generous, despite evidence to the contrary (Marchetti, 2003). Thus, the unexpected trust placed on the students to handle the bank's donation struck the media's fancy, and the class's efforts were covered by radio, TV and newspaper media. The original goals of the class – to draw in more students to the department and enrich the undergraduate curriculum in topics related to the public and nonprofit sector – were met. In addition, from their experience in the class, students learned persuasive speaking and writing techniques, career advice for the nonprofit and public sectors, corporate responsibility, and media relations. There was, however, plenty of room for improvement. A reflective component was built into the end of the curriculum, and students provided a number of key suggestions for further improvement for next year's course.

References:

Marchetti, Domenica (January 9, 2003). *Chronicle of Philanthropy* 15(6), 7-23.

Paper Number: PA031063

Paper Title: Sector Hybridity and Public Policy: A Developing Theory of Nonprofits and their Boundaries.

Author(s):

Dr. David Billis, London School of Economics, London, UK

Summary of Research

The problem of sector boundaries and the substantial growth of “sector hybrids” or “hybridity” is central to nonprofit scholarship, and has become increasingly urgent for Third Way, New Labour policy makers. This paper extends earlier work of the authors on Comparative Advantage Theory and offers a model of nine different hybrid organisations in order to illuminate the academic and policy dilemmas. Utilising the theory, several U.K. policy initiatives are examined. Questions are raised regarding the extent to which hybridity is redefining the sector concept and the challenges presented to fundamental principles such as public accountability.

Description

The longstanding core theoretical and practical problem confronting nonprofit scholars is the development of a compelling theory of the sector that would account for the phenomenon of “blurred” boundaries and hybrid institutions. There is a long if erratic history of search (Billis 1984). In 1987 Langton (p.143) put the problem succinctly: “Without understanding these phenomenon [boundary change and penetration] we shall not have a nonprofit theory that is accurate in describing reality and helpful in prescribing policy”. Although the phenomenon is now widely recognized we still await the development of a persuasive theory of hybridity. Mainly, we are largely dependent on rather general statements. Thus “nonprofits are an institutional hybrid that combines public service with private initiative”. (Powell and Clemens 1998: xv). James (1990:25) suggests that “.. NPOs are a public-private hybrid which makes the analysis of these organizations very complex”. And Weisbrod opens his seminal *The Nonprofit Economy* (1988) with the usual dilemma of the variety of meanings of nonprofits and later describes all nonprofits as “hybrid institutions”. The theoretical vacuum has even led some pioneers of nonprofit scholarship to wonder whether the “third sector” is “... somewhat outmoded and possibly misleading metaphor” (Kramer 1998:3).

Boundary clarification is of course not just a nonprofit problem. For example Simon (1990:32) contends that: “the ‘sectors’ are far from being watertight compartments and all organizations are, to a greater or lesser extent, hybrids”. However, it is particularly pressing for a newer and less established discipline.

The academic dilemma is paralleled by the public policy dilemma. The nature of sectors and their hybrid boundaries looms large in recent Third Way “New” Labour government policies. On the one hand, the idea of distinct sectors (public, market and voluntary) - despite past erosion - remains a powerful policy driver. Hence the furore and cries of “privatisation” and “marketisation” over proposals to establish Foundation hospitals in the NHS and higher fees for university education. Yet, concurrently, two key U.K. government documents (H.M. Treasury, 2002; Cabinet Office 2002) indicate the dilution of the “pure” sector concept and the increasing importance given to the provision of services by more complex sector-hybrid agencies. Even new “sectors” (such as social enterprises) have been proclaimed which lie in the intersections of the existing (diminishing) major sectors. Third Way New Labour policy makers, perhaps influenced by writers such as Anthony Giddens seem less attached to the concept of sectors. Not surprisingly some policy makers have searched for ideas of hybridity and have begun to utilise theories of comparative advantage (Billis and Glennerster 1998); and ambiguity (Billis 1993; Billis 1993a). This provides some theoretical underpinning for the two key policy documents. (On the possible positive aspects of hybridity and ambiguity see also Meyerson (1991:256); Van Sell, Brief and Schuler (1981:62); March and Olsen (1976); and Weick (1977).

The major problems of boundaries and hybridity are therefore central to nonprofit scholarship and

public policy. (For example the unresolved nonprofit debates between Smith 1997, 1997b; and Salamon 1998).

This paper extends the earlier work of the authors on Comparative Advantage Theory and offers a model of nine different hybrid organisations. Several U.K. policy initiatives are briefly examined through the lens of that theory. The paper raises questions regarding the extent to which these new hybrid organisational forms are redefining the concept of the voluntary and public sector and the challenges that are presented to fundamental principles such as public accountability. It discusses whether the huge growth in hybridity is leading to the rise of new sectors with their own "rules of the game", or are they more usefully seen as sub-sectors or "dependent hybrids"?

Brief References

- Billis, David (1984) "The Missing Link: some challenges for research and practice in voluntary sector management" in B. Knight (ed.) *Management in Voluntary Organisations*, Paper No. 6, ARVAC .
- Billis, D. (1993) "Sector Blurring and Nonprofit Centers: The Case of the United Kingdom", *Nonprofit and Voluntary Sector Quarterly*, Vol 22. No. 3. 241-57.
- Billis, David (1993a) *Organising Public and Voluntary Agencies*, Routledge, London.
- Billis, David and Glennerster, Howard (1998) "Human Services and the Voluntary Sector: Towards a Theory of Comparative Advantage", *J. of Social Policy*, 27, 1, 79-98.
- Cabinet Office (2002), "Private Action, Public Benefit: A Review of Charities and the Wider Not-For-Profit Sector" , Strategy Unit Report September.
- H.M. Treasury (2002) "The Role of the Voluntary and Community Sector in service Delivery: A Cross Cutting Review", September.
- James, Estelle (1990) "Economic Theories of the Nonprofit Sector: A Comparative Perspective", in Anheier, H.K. and Seibel, W.
- Kramer, Ralph M. (1998) *Nonprofit Organizations in the 21st Century: Will Sector Matter?* The Aspen Institute, Working Paper Series.
- Langton, Stuart (1987) "Envoi: Developing Nonprofit Theory", *Journal of Voluntary Action Research*, Vol 16. No 1&2, 134-148.
- March, James G. and Olsen Johan P. (1976) *Ambiguity and Choice in Organizations*, Universitetsforlaget, Bergen, Norway.
- Meyerson, Debra (1991) "Acknowledging and Uncovering Ambiguities in Cultures", in Frost, P.; Reis M.; Lunberg, C. and Martin J. (eds) (1991) *Reframing Organizational Culture*, Sage, London.
- Powell, W. W. (1990), "Neither Market nor Hierarchy: Network Forms of Organization," *Research in Organizational Behavior*, 12, 295-336.
- Powell, Walter W. and Clemens, Elizabeth S. (1998) *Private Action and Public Good*, Yale University Press, New Haven and London.
- Salamon, L.M. (1998) letter in *Nonprofit and Voluntary Sector Quarterly* 27. 1. 88-89
- Simon, John G. (1990) "Modern Welfare State Policy Toward the Nonprofit Sector: Some Research Considerations" in Anheier, H.K. and Seibel, W. (eds)
- Smith, David Horton (1997) "The Rest of the Nonprofit Sector: Grassroots Associations as the Dark Matter Ignored in Prevailing "Flat Earth" Maps of the Sector", *N.V.S.Q.*, Vol. 26, No. 2, 114-131.
- Smith, David Horton (1997b) "Grassroots Associations are Important: Some Theory and a Review of the Impact Literature", *NVSQ*, Vol. 26, No. 3, 269-306.
- Smith, David Horton (1998) in *Nonprofit and Voluntary Sector Quarterly* 27.1.93-94
- Streeck, Wolfgang and Schmitter, Philippe C. (1985) *Private Interest Government*, Sage, London.
- Van Sell, Mary; Brief, Arthur. P; Schuler, Randall S. (1981) "Role Conflict and Role Ambiguity: Human Relations", 34. No. 1. 43-71.
- Weisbrod, B. (1988) *The Nonprofit Economy*, Harvard University Press, Harvard MA

Paper Number: PA031066

Paper Title: To Whom, For What, By Whom and How? A Clarifying Framework for Accountability

Author(s):

Dr. Thomas Jeavons, Philadelphia Yearly Meeting, Philadelphia, PA, USA

Summary of Research

Scandals in the nonprofit sector have raised serious questions about the accountability of nonprofit public benefit organizations. Some scandals have involved religious as well as secular organizations. However, in the analysis of these events the term “accountability” is frequently used in ways that presume it has a singular meaning all concerned understand and agree upon when that is clearly not the case. This paper develops a conceptual framework to give greater clarity to the exploration of accountability in nonprofits generally, and in religious organizations specifically. It also considers some applications of this framework and issues that need further inquiry.

Description

To Whom, For What, By Whom, and How?
A Clarifying Framework for the Accountability
of Nonprofit & Religious Organizations

A Proposal for a Paper to be Presented at the
2003 ARNOVA Meeting

Thomas H. Jeavons, Ph.D.
General Secretary, Philadelphia Yearly Meeting

A variety of scandals in the nonprofit sector have raised questions of “accountability” to new prominence lately. Religious as well as secular organizations have been caught up in these problems. And as we enter an era where religious organizations in the United States may be more frequently funded by government, issues around how these organizations can and should be held publicly accountable for their behavior – despite the separation of church and state – are bound to be more significant for religious as well as secular nonprofits.

The present discussion about “accountability” for all nonprofits is often confused by the way the term is used. Articles, commentaries, and dialogues often assume that accountability means the same thing for a wide range of organizations in a wide variety of situations, even though a precise definition of the term is rarely offered. In addition, explorations of accountability in or of nonprofits have tended focus on procedures, mechanics, and metrics, as reviews of the literature demonstrate (Golensky & Hager, 2001). There is frequently a focus on roles and responsibilities of boards; differing financial, regulatory, and legal mechanisms to maintain accountability; and the roles of government or intermediaries in setting, promoting, and enforcing standards (e.g., Eisenberg, 2002; Herman & Renz, 2000; Hoefer, 2000; Holland, 2002; Miller, 2002; O'Hare, 2002; Schwinn, 2002; Wilhelm, 2002; Williams, 2002). However, rarely are questions being asked from an overarching perspective about how differences among types of organizations – and different contexts for organizations – affect the way we should think about accountability in different situations.

So, it is a significant challenge to gain some clarity about what it is appropriate to hold nonprofit organizations generally, and religious organizations specifically, accountable for; and about the ways to do that which are likely to be most productive. This paper will attempt to gain some greater clarity by moving away from the narrower discussion of policies and mechanics to an exploration of basic questions. It will attempt to define accountability more clearly, and raise basic questions about what accountability means for both secular and religious nonprofits. It will then examine ensuing questions about what accountability involves in practice, and how to enhance and enforce it, in specific and

various situations.

After framing a broad but clear definition of accountability that should be applicable in general to all nonprofits, this paper will go on to explore what conditions or relationships create a “context for accountability” – that is a situation or circumstances in which it is legitimate for one party to expect or demand accountability of another. Next, it will examine the expectations in which public benefit nonprofits operate and the persons and purposes they are supposed to serve that might shape the lines and conditions of accountability to which they should respond.

This examination will be constructed around the “basic questions” named in the title of the paper: (1) To whom should nonprofits be accountable? (2) For what should they be held accountable? (3) By whom can (or will) they be held accountable, and how?

Finally, in light of the current debates about public policies regarding “faith-based organizations,” the paper will examine the special circumstances – historic, economic, legal, and political – that may lead to limits on, distinctions in, or even additions to the kind of accountability these organizations may need to render to their stakeholders and to the general public.

A Sample of Probable References

Eisenberg, Pablo. “The Buck Stops with the Board of Directors – or at Least it Should.” *Chronicle of Philanthropy*, 32, October 17, 2002.

Golensky, Martha, and Mark A.Hager(2001). “Accountability.” *ARNOVA Abstracts*. 25 (1).

Herman, Robert, and David Renz, (2000) “Board Practices of Especially Effective and Less Effective Nonprofits Organizations.” *American Review of Public Administration*, 30 (2), 146-160.

Hoefer, Richard. (2000) “Accountability in Action? Program Evaluation in Nonprofit Human Service Agencies.” *Nonprofit Management & Leadership*, 11(2), 167-177.

Holland, Thomas P. (2002) “Board Accountability; Lessons from the Field.” *Nonprofit Management & Leadership*, 12 (4), 409-428.

Miller, Judith L. (2002) “The Board as Monitor of Organizational Activities.” *Nonprofit Management & Leadership*, 12 (4), 428-450.

O’Hare, Patrick, K. “A New Measure for Accountability.” *Chronicle of Philanthropy*, 65-66, October 31, 2002.

Schwinn, Elizabeth. “Falling through the Cracks.” *Chronicle of Philanthropy*, 29-32, November 14, 2002.

Wilhelm, Ian. “Charity Under Scrutiny.” *Chronicle of Philanthropy*, 22-26, November 28, 2002.

Williams, Grant. “United Way Crafts New Accountability Rules.” *Chronicle of Philanthropy*, 57-59. October 31, 2002.

* A number of other books and articles relating to the history, character and functions of nonprofit organizations will be cited as

Paper Number: PA031067

Paper Title: Sue for Justice and Charity: Using Tort Reform to Address the Economic Crisis of the Nonprofit Sector

Author(s):

Dr. Stefan Toepler, George Mason University, Arlington, VA, USA

Dr. Jon B. Gould, George Mason University, Fairfax, VA, USA

Summary of Research

In this paper we suggest that an unusual tort reform proposal may not only provide a socially desirable solution to the problem of inappropriate punitive damages in tort cases, but it may also provide a significant new revenue source for charitable activities. Specifically, we explore the legal and policy dimensions of the idea of awarding punitive damages in tort cases to nonprofit institutions. While there is legal precedent to make this idea both feasible and practical, it would reduce distorted incentives that give rise to “frivolous” law suits and contribute to easing the fiscal problems that nonprofits are currently facing.

Description

In December 2002 the Ohio Supreme Court shocked many observers when it unilaterally ordered that two-thirds of a \$30 million punitive damage award be used to establish a charitable research fund at Ohio State University (*Dardinger v. Anthem Blue Cross & Blue Shield*). Neither side in the case had sought this distribution, nor did existing state law require or even permit the distribution of punitive damages to anyone other than the plaintiff.

□ The Ohio Supreme Court’s decision has been criticized for the justices’ “unbridled discretion” (*Dardinger, J. Moyer dissenting*), yet the central problem with the decision is not that it goes too far but that it does not go far enough. As we argue, punitive damages – or at least a portion of them – should go to charitable purposes. Those charities, however, should be private non-profit organizations, not the state itself. This suggestion has been made at least once before (Welles, 1998), but with punitive damages again a topic of public debate it is worth revisiting present tort policy, whereby punitive damages either go to private plaintiffs or are shared with a state fund. The better course, we believe, is to split punitive damages between plaintiffs and private charities, a mechanism that harkens to Germany’s practice of penalty sharing in the criminal context. Punitive damages represent an undeserved windfall of sorts for particular plaintiffs, the awards for which can be put to better public purposes. In this paper, we briefly outline the need for tort reform and the problem deriving from the current administration of punitive damages. We then argue why nonprofits are not only appropriate, but also needy potential beneficiaries of reform, before detailing our proposal for charitable sharing that simultaneously addresses the problems of tort reform and nonprofit funding. The paper discusses both legal and policy arguments in favor and against the proposal, assesses difficulties of implementation and estimates the magnitude of potential revenues for nonprofits deriving from it.

Bibliography:

Cheever, K., & deLeon, P. (2001). Fair Housing Advocacy Groups: Litigation as a Source of Nonprofit Funding. *Nonprofit and Voluntary Sector Quarterly*, 30(2): 298-320.

CEA (2002, April). Who Pays for Tort Liability Claims? An Economic Analysis of the U.S. Tort Liability System. Washington, DC: White House, Council of Economic Advisors.

Eisenberg, T., LaFountain, N., Ostrom, B., Rottman, D. & Wells, M.T. (2002). “Juries, Judges, and Punitive Damages: An Empirical Study.” *Cornell Law Review* 87:743-782.

Frehsee, D. (1999). Restitution and Offender-Victim Arrangement in German Criminal Law: Development and Theoretical Implications. *Buffalo Criminal Law Review*, 3, 235-259.

Galanter, M. (1996). “Real World Torts: An Antidote to Anecdote.” *Maryland Law Review* 55:1093-1160.

Hawkins, A.M. (1998). “Balancing Act: Public Policy and Punitive Damages Caps.” *South Carolina Law Review* 49:293-310.

Koenig, T. (1998). "Measuring the Shadow of Punitive Damages: Their Effect on Bargaining, Litigation and Corporate Behavior." *Wisconsin Law Review* 1998: 169-209.

Koenig, T. & Rustad, M. (1993). "The Quiet Revolution Revisited: An Empirical Study of the Impact of State Tort Reform of Punitive Damages in Products Liability." *Justice System Journal* 16:21-44.

Liptak, A. (2002). Court Dictates How to Spend Award. *The New York Times*, December 28, 2002, A12.

Peterson, M. (1987). *Civil Juries in the 1980s: Trends in Jury Trials and Verdicts in California and Cook County, Illinois*. Santa Monica: Rand Institute for Civil Justice.

Rooney, P., & Tempel, E. (2001). Repeal of the Estate Tax and Its Impact on Philanthropy. *Nonprofit Management & Leadership* 12(2): 193-211.

Schwartz, V. (2003). Ohio Court Overreaches. *USA Today*, January 9, 2003, A10.

Vidmar, N. & Rose, M.R. (2001). "Punitive Damages by Juries in Florida: In Terrorem and in Reality." *Harvard Journal on Legislation* 38:487-513.

Welles, D. (1998). Charitable Punishment. *Stanford Law & Policy Review* 9:203-213.

Young, D., & Salamon, L (2002). Commercialization, Social Ventures, and For-profit Competition. In Salamon, L. (ed.), *The State of Nonprofit America*. Washington, DC: Brookings, 423-446.

Court Cases

Bass v. Chicago & N.W. Ry., 42 Wis. 654, 672 (1877).

Dardinger v. Anthem Blue Cross & Blue Shield, 2002 Ohio 7113, 2002 Ohio LEXIS 2081 (December 20, 2002).

Paper Number: PA031071

Paper Title: Societe Co-operative D'interet Collectif: A Research Methodology

Author(s):

Mr. Graeme Lindsay, Audencia Nantes . Ecole de Management, Nantes, FRANCE

Mr. Leslie Hems, Institute for Philanthropy, Coventry, UK

Henry Nogues, Maison des sciences de l'homme, Nantes, France

Pierre Liret, SCOP, PARIS, France

Alix Margado, SCOP, Paris, France

Summary of Research

This paper follows on from the outline paper presented at ARNOVA 2002 that positioned Société Coopérative D'intérêt Collectif (SCICs) within the environmental context of the French Nonprofit Sector and presents the methodological approach to assessing the impact of SCICs both as business organisations but also as deliverers of community based social benefit. The research project is one that combines two culturally based and disciplinary approaches to such research of a social enterprise. An Anglo-American approach will use grounded theory to research SCICs as business organisations whilst an European approach from a social science perspective will assess their social impact.

Description

The paper will outline the research project into the new French social enterprise Sociétés Coopératives d'Intérêt Collectif (SCIC) that is to be undertaken by AUDENCIA Nantes Ecole de Management, Maison Science de l'Homme and Société Coopérative de Production (SCOP). The research project has two main aims. Firstly to assess the effectiveness of SCICs operating as a nonprofit business organisation and secondly to assess the effectiveness of SCICs as deliverers of social benefit at a community level.

Background

The French nonprofit sector is built around the associative model as prescribed within French Law dating back to 1901 which dictates a singular organisational form based on members as the sovereign stakeholder. This uni-stakeholder model is replicated through out the sector, irrespective of the size or activities of the association. Within the nonprofit sector encouragement of social entrepreneurs is inhibited, not only through legal and fiscal restrictions on employment and remuneration, but by the attitude of the French public towards associations and their activities, being reliant heavily on volunteerism (CSA 2001). This has resulted in non-fiscal contributions from individuals through volunteerism outweighs monetary contribution, both individual and corporate. (Johns Hopkins 1997). This also outweighs the contribution obtained from service provision. This contrasts greatly with the US and UK.

In September 1998 Alain Lipietz was instructed by the Minister for Employment and Solidarity to suggest a new legal form of enterprise that would have a 'but non-lucratif', i.e. social enterprise.. This report became the Green Paper from which Societe co-operative d'interet collective emerged. For Lipietz the organisation form was the key issue. Whatever are the inherent weaknesses of the single organisational form of associations it was viewed, by government, as providing a stable nonprofit sector, that in terms of providing a wide range of nonprofit activity for public benefit, had been successful.

In 2002 the French government has created a new private sector organisational form Societe Co-operative d'interet Collectif (SCICs) as the vehicle for social enterprises. This was created specifically as a multi-stakeholder organisation requiring a range of stakeholder groups to be part of the

organisation's board of directors. SCIC though essentially a co-operative legal form is a hybrid of the mutual (customer/beneficiary sovereignty) and traditional co-operatives (employee sovereignty) and provides 'an ideal type'.

Rather than membership based upon economic interdependence and distribution of profit as with a co-operative or customers' shared interest, as with a mutual society, it is based upon multi-stakeholder governance. The potential members of the co-operative are drawn from five groups of which 3 must be represented.

The different stakeholders of an SCIC are :

• employees

• beneficiaries

• volunteers

• public authorities

• donors

SCIC are conceived as multi-stakeholder organisations, which makes them of interest to other nonprofit sectors

Traditionally, governance in co-operatives is characterised by the democratic principle, which attributes one vote to each member of the organisation, even if their financial participation is unequal. This principle distinguishes co-operatives from private companies, insofar as in the latter the powers of the shareholders are proportional to their financial input in the company. Nevertheless, like private companies, co-operatives are normally uni-stakeholder organisations, with both of them limit the decision-making power to members, without considering other stakeholders, which might be affected by the activities of the co-operative or the private company.

The issue of voting rights shows that SCICs are not inherently democratic. Though they are more democratic than traditional co-operatives, insofar as they may attribute new powers to stakeholders other than the members, there is no guarantee that these other stakeholders will have as much democratic powers, or influence, as the members. In other words, SCIC are a compromise in the field of governance.

However the assumption that these organisational forms provide more appropriate structures for the delivery of social benefit than previous organisations whether in the nonprofit or for-profit sector are not proven. What is required is an analysis to ascertain the veracity of the claims for these organisational forms.

Organisational Research

The organisational research will be Anglo-American in approach based on principles of grounded theory. It will be carried out by British Business School Academics

To make the research more extensive than simply focussing on democratic governance two other areas are included in the organisational research. see Mayo (2001) In doing so it also recognises that though an organisation may be democratic it is not necessarily more effective.

The organisational research will focus on ;

Governance - Democratic application

Finance - Cost of finance within context of risk and reliability

Organisational Objectives - Achievement of greater beneficiary utility

The focus of the research will be on stakeholder analysis of shared experiences and perceptions. As the nature of nonprofit organisations preclude the use of empirical measure of 'success' such as ROI, ROCE, shareholder value etc more qualitative measure are needed. It is the stakeholders who are the guardians of nonprofit organisations, it is they who are in the best position to assess the performance of a nonprofit organisation. Stakeholders are intrinsically tied to the success of nonprofits whether in terms of inputs as employees, manager, donors etc or in terms of outputs as beneficiaries. Each stakeholder group has an ideological or subjective viewpoint that is different to other stakeholder

groupings and therefore a relative position and not a objective dispassionate one. Each will have different perspectives and expectation of the nonprofit organisation. It is therefore the opinions of these stakeholders who are the true measures of a successful nonprofit, and success is in part a function of consensus between stakeholders regarding more effective achievement of organisational objectives (particularly relating to beneficiaries) and in part whether they view that their particular stakeholder interests are being sufficiently addressed.

The research methodology and design will use Q-methodology to assess perspective of individual stakeholder groups and consensus between them regarding the identified areas of investigation. This approach will allow stakeholders to express their subjective opinions on their own organisations in respect to these three areas, rather than have an external researcher impose deductive interpretations that reinforce preconceptions.

Social Benefit studies

The studies will be carried out by French sociologists and will be in the form of social impact studies. These studies will concentrate on a small number of organisations and assess the impact that these organisations have had on the local community. This approach will be more qualitative than the more quantitative approach of the organisational research. They will also involve research beyond stakeholder analysis and involve analysis at inter-organisational level.

The research methodology will not only use a combination of qualitative and quantitative techniques but will combine cross-disciplinary and cross-cultural approaches to the research project.

Paper Number: PA031072

Paper Title: By Oath, Bound: Collective Identity Construction in the Society of United Irishmen, 1791-1798

Author(s):

Dr. Howard Lune, William Paterson University, Wayne, NJ, USA

Summary of Research

The Society of United Irishmen formed in 1791 in Dublin and Belfast, ostensibly to bring about political reform. By 1798, they had become the center of a failed rebellion. As a private association working in the public sphere, the official records of the organization kept strictly to the reformist agenda. Privately, several of the founders debated the identity and goals of the association. Using private letters written by organizational leaders, memoirs, newspaper accounts, and reports by government informers, I examine this debate, with particular focus on the "secret" membership oath and its implications for the construction of a revolutionary agenda.

Description

By Oath, Bound: Collective Identity Construction in the Society of United Irishmen, 1791-1798

STATEMENT OF THE PROJECT:

The ongoing work of this research is to assess the meaning and use of private associations - clubs, groups, forums, etc. - in Ireland during the late 18th and early to mid-19th centuries. Placing an emphasis on cultural meanings, I analyze the role of these associations in the social construction of an Irish political identity, and eventually, an Irish American political identity. The Society of United Irishmen is a natural starting point. The Society was self-consciously designed by its founders, including William Drennan, Theobald Wolf Tone, James Napper Tandy, Sam McTier and others, to become the center of a public discourse on the existence and nature of an Irish political identity under British rule. In this it succeeded. Although both the organization and the movement ultimately failed terribly, the exile and dispersion of its leaders and supporters carried the discourse and the political identity forward.

From the start, the founders of the Society disagreed on fundamental aspects of the organization's nature. The shifting forms that the organization took throughout its years reflected the conflict among its several purposes and influences. Part political club, part secret society, and part citizen militia, the Society borrowed trappings of university clubs, the (military) Volunteers, and the Freemasons, while seeking alliances with vigilante land rights groups and the Catholic Committee. A considerable amount of debate concerned the degree of secrecy of the organization in general, and the nature of "the oath" of membership in particular. Through these debates, founding members and supporters engaged in an ongoing discussion of the role of the Society in the construction of an Irish national identity. Unable to resolve this question, they attempted to build what one historian has called "a mass-based secret society" (Curtin 1994). They created a powerful political society in the heart of the nation's capital, with active outreach both to local parishes and communities all over Ireland and to the Irish Parliament. The effect of this was that they existed continuously on the boundary of treasonable action, speaking in quotation marks as it were, as they fomented revolution without using the word revolution.

The debate on the oath is often seen as a footnote to the story of the subsequent prosecutions of Society members under charges of sedition and administering treasonous oaths, in which story the debate is seen only as a precursor to evidentiary questions. It also forms a minor, but recurrent thread in the histories of Drennan and Wolf Tone, both of whose letters have been collected in multi-volume sets (Agnew 1998; Moody et al 1998). Nonetheless, this question effectively encapsulates the ambiguities of the Society's role in fomenting the rebellion that became both the apex and the end of the reform movement.

Following the crushing defeat of the rebellion of 1798, many of the Society's leaders and active participants were allowed to flee to North America, in exchange for which they wrote an official history of their society that distanced the group from the rebellion (Emmet et al 1798). In exile,

they took a different approach to politics, applying the lessons of their experience to new questions of the immigrant political identity and the obligations of Irish Americans to the cause of Irish nationalism (Akenson 1996; Bielenberg 2000). Working in an environment that was both anti-British and anti-Irish Catholic, the mostly Protestant ex-Society members formed new associations through which the Irish presence in US politics flourished, elevating the significance of the Irish struggle in the new world (Bric 1985; Diner 1983; Doyle 1989; Light 1985).

The proposed paper will focus on the pre-rebellion period of the Society of United Irishmen, and on the processes of collective identity formation. This will entail some comparison with prior political organizations in Ireland. But the primary data analysis will be based on the public and private writings of the key figures. The majority of the data used in this study has come from the archives of the Department of Early Printed Books at Trinity College, Dublin. Sources include all extant issues from the 1790s of *The Northern Star*, the Society's newspaper published in Belfast.

This project draws upon the fields of cultural studies, Irish history, and contentious politics to address the complex role of private associations in the construction of an active civil society. In the short term, this work promises to add a new dimension to a much-discussed historical moment. When complete, it will contribute to the larger questions of the development of a transnational Irish identity in diaspora, and the cultural roots of Irish American "associationalism."

Sociological studies of identity, culture and ethnicity have greatly benefitted from recent scholarship on the nature of what some call "transnational identity formation," and its relationship to patterns of mobility, employment, and communications technologies in the twentieth century (J. Smith 2001, M. Smith 2001). Historical studies of Irish-American identity formation, on the other hand, have examined the role of national and international forces such as Republicanism (Smith 1992; Walsh 1985), absentee landlordism (Lecky 1899; O'Tuathaigh 2001), and the Catholic Church (Miller 1985). Each of these strains of research have tended to favor global processes and geopolitics at the expense of local action. And while sociologists who specialize in the study of nonprofit and voluntary organizations have done much to explain the "rise of the third sector" at the local and national levels, much of this work has tended to relate patterns of association to the growth of the welfare state (DiMaggio and Anheier 1990; Salamon and Toepler 2000; Smith and Lipsky 1993; Wolch 1990).

It is my intention to examine the political identity of the Society of United Irishmen in order to explore the role of private political associations under conditions of a legally restricted polity. This work will also be a step towards tracing the process of political association from Dublin in the 1790s to New York in the 1890s, using the transnational experiences of the activist immigrants to help explain the shifting patterns of collective action and collective identity formation in the Americas.

REFERENCES

- Agnew, Jean (ed.) 1998. *The Drennan-McTier Letters, 1776-1793*. The Women's History Project in Association with the Irish Manuscripts Commission.
- Akenson, Donald Harman 1996. *The Irish Diaspora. A Primer*. Toronto: P.D. Meaney Company, Inc.
- Bielenberg, Andy (ed.) 2000. *The Irish Diaspora*. Essex: Pearson Education Limited.
- Bric, Maurice J. 1985. "The Irish and the Evolution of the 'New Politics' in America." pp. 143-167 in P.J. Drudy (ed.) *The Irish in America: Emigration, Assimilation, and Impact*. Cambridge: Cambridge University Press.
- Curtin, Nancy J. 1994. *The United Irishmen. Popular Politics in Ulster and Dublin, 1791-1798*. Oxford: Clarendon Press.
- DiMaggio Paul and Helmut K. Anheier 1990. "The Sociology of Nonprofit Organizations and Sectors." *Annual Review of Sociology* 16:137-59.
- Diner, Hasia R. 1983. *Erin's Daughters in America. Irish Immigrant Women in the Nineteenth Century*. Baltimore: Johns Hopkins University Press.
- Doyle, David Noel 1989. "The Irish in Australia and the United States: Some Comparisons, 1800-1939." *Irish Economic and Social History* 16:73-94.
- Emmet, Thomas Addis, Arthur O'Connor, and William James McNevin 1798. *Memoire, or Detailed Statement of the Origin and Progress of the Irish Union, Delivered to the Irish Government by Messrs Emmet, O'Connor, and McNevin, Together with the Examination of these Gentlemen Before the Secret*

Committees of the Houses of Lords and Commons in the Summer of 1798.

Graham, Colin and Richard Kirkland (eds.) 1999. *Ireland and Cultural Theory* New York: St. Martin's Press.

Lecky, WEH 1899. *A History of Ireland in the Eighteenth Century* (5 vols). London: Longmans, Green and Co.

Light, Jr., Dale B. 1985. "The Role of Irish-American Organizations in Assimilation and Community Formation." pp. 113- in PJ Drudy (ed.) *The Irish in America: Emigration, Assimilation, and Impact*. Cambridge: Cambridge University Press.

Miller, Kerby 1985. *Emigrants and Exiles. Ireland and the Irish Exodus to North America*. New York: Oxford University Press.

Moody, TW, RB McDowell and CJ Woods (eds) 1998. *The Writings of Theobald Wolfe Tone 1763-98*. Volume I.

O'Tuathaigh, Gerard 2001. *Ireland before the Famine 1798-1848*. Dublin: Gill and MacMillan.

Smith, Jim 1992. *The Men of No Property. Irish Radicals and Popular Politics in the Late Eighteenth Century*. London: MacMillan.

Salamon, Lester and Stefan Toepler 2000. "The Influence of the Legal Environment on the Development of the Nonprofit Sector." Center for Civil Society Studies, Working Paper Series, No. 17.

Smith, Michael Peter 2001. *Transnational Urbanism : Locating Globalization*. Malden, Mass. : Blackwell Publishers.

Smith, Jackie 2001. "Global Civil Society? Transnational Social Movement Organizations and Social Capital." Pp. 194-206 in Bob Edwards, Michael Foley and Mario Diani (eds.) *Beyond Tocqueville: Civil Society and the Social Capital Debate in Comparative Perspective*. Hanover: University Press of New England.

Smith, Steven Rathgeb, and Michael Lipsky. 1993. *Nonprofits for Hire. The Welfare State in the Age of Contracting*. Cambridge, MA: Harvard University Press.

Walsh, Victor A. 1985. "Irish Nationalism and Land Reform: the Role of the Irish in America." pp. 253-269 in PJ Drudy (ed.) *The Irish in America: Emigration, Assimilation, and Impact*. Cambridge: Cambridge University Press.

Wolch, Jennifer. 1990. *The Shadow State. Government and Voluntary Sector in Transition*. New York: The Foundation Center.

Paper Number: PA031074

Paper Title: Public Reporting: A Neglected Aspect of Nonprofit Accountability and Public Relations

Author(s):

Dr. Mordecai Lee, University of Wisconsin-Milwaukee, Milwaukee, WI, USA

Summary of Research

Nonprofit agencies certainly have a legal accountability (largely financial reporting) to some government agencies such as the IRS and the home state's registration agency. Agencies also have a pragmatic 'must-do' accountability to funders, clients and other stakeholders. But, do they have any broader duty to report to the public-at-large? This paper examines whether the theory of public reporting found in Public Administration literature in the 1920s and 30s is applicable to the nonprofit sector. Assuming it is, then what specifically is the normative reporting obligation of nonprofit leaders to the citizenry as a whole?

Description

(Note to Program Committee: While this is a proposal for an individual paper, I believe that Peg Hall from the University of Florida is also proposing a paper in the area of Nonprofit Public Relations. Should there be a third independent submission for a paper that falls in the broad area of nonprofit public relations, then these three proposals could be combined into a panel.)

In the academic field of Public Administration in the first half of the 20th century, government managers were held to have an obligation to report periodically to the public-at-large on the activities of their agency. The purpose of such reporting was to contribute to an informed public, the sine qua non of democracy. According to this theory, the more the public knows about the activities of the public sector, the better the citizenry can exercise its civic and electoral responsibilities. Hence, public reporting for the government sector generally calls for a wide variety of reporting efforts, not just an unreadable annual published report. Rather, public administrators are exhorted to make many efforts to keep the public informed of their agency's activities. Thus, public reporting is the first and essential step in public accountability and public participation in democracy (Beyle 1928; National Committee 1931; Ridley and Simon 1948). (The theory of public reporting faded in public administration, a different subject also of interest to this researcher.)

However, in academic study of the nonprofit sector there has not been an extensive counterpart effort to explore public reporting. Much of the research on accountability has either been financial or on interactions with direct stakeholders. The practitioner literature has a modicum of literature on preparing annual reports, etc. (Taylor 2002). Yet, that literature is neither academic nor theory oriented. The diffuseness of accountability to the public-at-large, while sometimes glancingly discussed in these rubrics, usually has not been subject to much in-depth study.

This theory paper proposes to examine whether the theory of public reporting in public administration is applicable to the nonprofit sector. It is this author's initial premise that the obligation of public reporting in a democracy falls on the nonprofit agency as well as the government agency, although probably not as heavily on the former as on the latter. The case for the applicability of reporting in the nonprofit sector is based on the indirect public subsidies that are extended to nonprofit agencies. Such indirect funding creates the necessity to account to the citizenry as a whole (in contradistinction to funders, clients, attentive publics, etc.) for the stewardship of the nonprofit agency. While almost all agencies issue annual reports and file Form 990s with the federal government, should public reporting encompass more than such pro-forma activities? For example, Boris noticed "the failure of many foundations to communicate fully with the public about their work...Only a minority of foundations issue annual reports or publications that describe their programs" (Boris 1998).

If, indeed, the obligation of public reporting applies in the nonprofit sector, then the field of nonprofit

studies needs to develop a normative and empirical theory to parallel the one that had been evolved early in the development of the field public administration. For example, in government, the administrator can engage in a variety of forms of indirect reporting and multiple other methods of direct reporting. What is the array of direct and indirect reporting channels available to a nonprofit agency? Which ones seem especially appropriate or effective? What are some examples of best practices? Etc?

This paper is intended to help stimulate a more extensive interest by researchers in the distinct subject of public reporting in the nonprofit sector, related but different from the more widespread studies of accountability and responsibility.

Bibliography:

Beyle, Herman C. (1928). *Governmental Reporting in Chicago* (Chicago, IL: University of Chicago Press).

Boris, Elizabeth T. (1998). "Foundations." In Jay M. Shafritz (ed.), *International Encyclopedia of Public Policy and Administration* (Boulder, CO: Westview) 928-35.

Lee, Mordecai (2003). "External Relations in Nonprofit Organizations," in *Encyclopedia of Public Administration and Public Policy* (New York: Marcel Dekker) 835-9.

Lee, Mordecai (2003). "Is There Anything New Under the Sun? Herbert Simon's Contributions in the 1930s to Performance Measurement and Public Reporting of Performance Results," *Public Voices* 6:2-3 73-82.

Lee, Mordecai (2002). "Intersectoral Differences in Public Affairs: The Duty of Public Reporting in Public Administration," *Journal of Public Affairs* 2:2 (May) 33-43.

National Committee on Municipal Reporting (1931). *Public Reporting, with Special Reference to Annual, Departmental, and Current Reports of Municipalities* (New York: Municipal Administration Service).

Ridley, Clarence C. and Herbert A. Simon (1948). *Specifications for the Municipal Annual Report* (Chicago, IL: International City Managers' Association).

Taylor, Caroline (2002). *Publishing the Nonprofit Annual Report: Tips, Traps, and Tricks of the Trade* (San Francisco, CA: Jossey-Bass).

Weiss, Janet A. (2002). "Public Information." In Lester M. Salamon (ed.), *The Tools of Government: A Guide to the New Governance* (New York: Oxford University) 217-54.

Paper Number: PA031076

Paper Title: Surviving Change: The Case of the United States Olympic Committee

Author(s):

Professor Nancy Winemiller Basinger, University of Utah, Salt Lake City, UT, USA

Professor Sandra J. Parkes, University of Utah, Salt Lake City, UT, USA

Summary of Research

Based on extensive interviews and content analysis of media sources and congressional testimony, this paper discusses the impact of repetitive and dramatic changes in various leadership positions at the United States Olympic Committee (USOC) over the past five years. The contribution of this paper is to blend knowledge from studies of non-profit management, organizational change, and new insights collected from the case study of the USOC to explain how organizations can thrive even in difficult times.

Description

Based on extensive interviews and content analysis of media sources and congressional testimony, this paper discusses the impact of repetitive and dramatic changes in various leadership positions at the United States Olympic Committee (USOC) over the past five years. The contribution of this paper is to blend knowledge from studies of non-profit management, organizational change, and new insights collected from the case study of the USOC to explain how organizations can thrive even in difficult times.

Beginning in 1999, following a significant controversy in the site selection of Salt Lake City, the US Olympic Committee was subjected to significant public, congressional, and internal scrutiny. During this period, several individuals in key leadership positions left the organization. Following these initial organizational changes, the key leadership positions in the USOC seem to have become the proverbial "revolving door." As recently as March 2003, the CEO of the USOC, Lloyd Ward, resigned amidst allegations of ethics violations after only 16 months on the job.

Kushner and Poole (1996) argue that structure is an important predictor of the performance of non-profit organizations. Scholars frequently assert that the relationship between the CEO and the Board President is the most important structural feature of non-profit organizations (Murray, 1998; Block, 1998; Herman and Tulipana, 1985; Wood, 1992). Further, the literature on Organizational Change suggests that effective change must be initiated and strategically managed by leaders within an organization who have established the trust and respect of their key organizational stakeholders (Zaccaro, 2001; Kouzes and Posner, 2002). In cases of rapid and perpetual change in personnel among the leadership ranks, like that of the USOC from 1999 to 2003, establishing and maintaining the necessary level of trust is seemingly impossible. Due to the environment of controversy surrounding the organization for much of the period, key stakeholders elsewhere in the organization were unable to plan for these changes.

This paper examines what happens to an organization when the "strategic apex" (Mintzberg, 1979) undergoes radical change. Despite this chaotic environment, the volunteers, staff, and member organizations who carry out the functions of the USOC have been able to maintain its operations, including staging the 2002 Olympic Winter Games.

We find that the structural importance of these roles in the USOC, although clearly detrimental, did not impact the organization in ways that paralyzed the group - as might have been expected. Further, the significance of the leadership, generally the focus of much of the existing research on nonprofit management, is less than expected. We conclude this may be an artifact of focusing on smaller, more typical, nonprofit organizations.

We chose to study the USOC because its case demonstrates that a different structural focus may at times be necessary. When considering national umbrella organizations like the USOC, the centrality of these two positions, that of CEO and Board President, has a lesser impact on the ability of the organization to function effectively than theory suggests. Therefore, our study demonstrates that at times the "apex" of the organization may not be directly correlated to the organizational outcomes. Rather, the ability of the USOC to survive these changes is a direct result of the efforts of managers elsewhere in the organization to remain accountable to their responsibilities despite the drastic changes occurring elsewhere in the group.

Paper Number: PA031077

Paper Title: How Charities Advocate In Court: An analysis of their legal strategies

Author(s):

Professor Nancy Winemiller Basinger, University of Utah, Salt Lake City, UT, USA

Summary of Research

In this paper, I contribute to the literature on interest group involvement in the courts, as well as the research on advocacy by charitable nonprofit organizations, by developing a theoretical explanation for the choices charities make with respect to how to participate in the courts: filing as litigants, filing as amici, by supplying counsel, and petitioning to intervene. The research question focuses on understanding the form of participation selected by charities that are court-based advocates. Internal and external factors are examined to discern variation among charities that appear as amici versus those groups that chose to participate as litigants.

Description

A great deal of attention has been paid in existing literature to the decisions organizations make regarding when and where to lobby (Walker, 1991; Baumgartner and Leech, 1998; Hojnacki and Kimball, 1998; Hansford, 2001; Spill, 1997). This important question has also been addressed in studies explaining the activities of organized interests in the courts (e.g., Caldiera and Wright, 1990; Kobyłka, 1991; Scheppele and Walker, 1991). However, these lines of research on lobbying in general, and court-based advocacy in particular, have not developed a systematic explanation for what factors influence the strategy choices charities make in court-based advocacy.

In this paper, I contribute to the literature on interest group involvement in the courts, as well as the research on advocacy by charitable nonprofit organizations, by developing a theoretical explanation for the choices charities make with respect to how to participate in the courts: filing as litigants, filing as amici, by supplying counsel, and petitioning to intervene. The research question focuses on understanding the form of participation selected by charities that are court-based advocates. Internal and external factors are examined to discern variation among charities that appear as amici versus those groups that chose to participate as litigants.

I begin with the assumption that charities are acting to influence public policies, and will participate in the courts whenever opportunities for court-based advocacy match their organizational goals. I examine the effects of internal factors, including financial capacity, group type, the presence of members, and past experience in the political and judicial branches. In addition, I consider the influence of external factors including government regulations on lobbying and the political environment.

Using a Multinomial Logistic Regression Model, I analyze the annual court-based advocacy activities of 856 public charities over a ten-year period to identify systematic differences between groups that advocate in the courts as litigants, those groups that choose to participate by filing amicus curiae briefs and those that supply counsel to others. I find that charities are more likely to choose litigation as a court-based advocacy strategy after the proposal of the Istook amendment in Congress, and when the charity is well funded. Further, I find that groups are more likely to form coalitions when choosing the amicus strategy. In addition, this paper provides the first empirical insights into the choice of some charities to supply counsel to litigants outside the organization. Overall, I find that when modeling court-based advocacy from a case-level perspective, external environmental factors, including regulatory constraints and the political context, strongly influence charities' litigation decisions.

Paper Number: PA031078

Paper Title: The Comparative Effectiveness of Welfare-to-Work Programs in Los Angeles

Author(s):

Dr. Stephen V. Monsma, Pepperdine University, Malibu, CA, USA

Dr. J. Christopher Soper, Pepperdine University, Malibu, CA, USA

Summary of Research

This paper reports the findings of a study on the impact on clients of welfare-to-work programs in Los Angeles. Baseline, 6 months, and 12 months data were gathered from clients of 4 government, 2 for-profit, 3 secular nonprofit, and 8 faith-based programs. We found the faith-based groups were the most effective in engendering affective feelings towards their programs and raising their clients' sense of optimism/hope for the future, while the for-profit programs were most effective in achieving positive employment and welfare-leaving outcomes.

Description

For many years nonprofit organizations have been extensively relied upon for the delivery of government-funded social services (Monsma, Salamon, Smith and Lipsky). Since 1996 Congress has added "charitable choice" provisions to four different pieces of social service legislation in an attempt to open the way for greater use of faith-based nonprofit organizations for the delivery of government-funded social services (Green and Sherman). The Bush administration has similarly advocated the use of faith-based and community-based organizations for the delivery important social services. Government is also looking to for-profit firms to deliver social services (Savas). Yet very little is known about the comparative effectiveness of these different types of organizations as providers of social services, and the public policy implications of relying upon nongovernmental entities is a largely unexplored question.

This paper presents the findings of an exploratory study of the effectiveness of 17 welfare-to-work programs in Los Angeles. The programs studied included 4 government-run, 2 for-profit, 3 secular nonprofit, and 8 faith-based programs. The faith-based programs were divided into those where any religious elements were largely implicit and kept in the background and those where religious elements were explicit and up-front. We conceptualized effectiveness in terms, first, of the recipients' perception of program effectiveness and, second, in terms of outcomes. The program outcomes studied were the programs' ability to raise the employment status, increase wage levels, reduce welfare dependency, and increase the attitudinal optimism of the recipients of the services.

We administered a written questionnaire and gathered baseline data in early 2002 from 437 persons then enrolled in the 17 programs. The questionnaire gathered data on the respondents' current and past employment and welfare dependency history, family and marital situation, educational attainment, religious practices, and level of optimism/hope. Six months later the respondents were interviewed by telephone to determine their perceptions and evaluations of the programs in which they had taken part, their employment and welfare-receipt status, and their level of optimism and hope for the future. A 75 percent response rate was attained. In another six months (the interviewing is currently underway) the respondents were called again to determine their employment and welfare-receipt status and their level of optimism and hope.

This paper reports the results of this study for the five different types of programs. It found that both types of faith-based programs were more effective than the other programs types in engendering positive affective feelings towards the programs, but were less successful than the other types of programs in perceived job training and job search helpfulness. In terms of outcomes, the paper reports that, at six months, the for-profit programs were the most successful in raising the employment status and in moving persons away from welfare dependency, even when controlling for key background

characteristics of their clients. The government programs tended to fare worse than the other types of programs, and the two faith-based and secular nonprofit programs' outcomes tended to vary by the measure used. The twelve-month data are still being gathered, but will be included in the completed paper.

The paper concludes by suggesting that in the welfare-to-work area the optimal public policy may not be to rely completely on any one type of program. The faith-based programs, and especially the faith-based programs that explicitly integrate religious elements into their services, seem to be especially effective in maintaining contacts with their clients once they have left their programs, in creating positive affective feelings towards their programs, and in raising their clients' level of optimism and hope. But the government, secular nonprofit, and especially the for-profit, programs seem to be more effective in providing work skills and employment contacts. These findings suggest the optimal public policy may be to link faith-based and secular programs together, with the faith-based programs providing emotional support and social contacts, and the secular programs providing job skills training.

References

Green, John C. and Amy Sherman, *Fruitful Collaborations: A Survey of Government-Funded Faith-Based Programs in 15 States*. Charlottesville, VA: Hudson Institute, 2002.

Monsma, Stephen V., *When Sacred and Secular Mix: Religious Nonprofit Organizations and Public Money*. Lanham, MD: Rowman & Littlefield, 1996.

Salamon, Lester M., *Partners in Public Service: Government, Nonprofit Relations in the Modern Welfare State*. Baltimore, MD: Johns Hopkins Press, 1995.

Savas, E. S., *Privatization and Public-Private Partnerships*. New York: Chatham House, 2000.

Smith, Steven Rathgeb and Michael Lipsky, *Nonprofits for Hire: The Welfare State in the Age of Contracting*. Cambridge, MA: Harvard University Press, 1993.

Paper Number: PA031080

Paper Title: Should Disaster Victims Receive Compensation?

Author(s):

Dr. Norman A. Dolch, Louisiana State University in Shreveport, Shreveport, LA, USA

Ms. Hellen Powell, LSU in Shreveport, Shreveport, LA, USA

Ms. Dana Brignet, United Way of Arcadiana, Lafayette, LA, USA

Ms. Janice Mackay, California State University- Los Angeles, Los Angeles, USA

Summary of Research

At the Nonprofit Connection, a renaissance experience for national nonprofit CEO's, this question emerged: How do citizens feel about compensating victims of terrorist acts, natural disasters, and other tragedies with large sums of money? This is an important question for the United Way, American Red Cross, and other nonprofits in the aftermath of 911. Several focus groups were conducted with natural disaster victims from hurricanes, tornadoes, earthquakes, and floods. The results are related to the literature of philanthropy and suggestions for organizations collecting money for victim assistance are made as well as suggestions for future research.

Description

At the Nonprofit Connection, a renaissance experience for national nonprofit CEO's, there were three sessions based on President Bush's "2002 State of the Union Address". The session "Responding To The Situation At Home" generated this research question: How do citizens feel about compensating victims of terrorist acts, natural disasters, and other tragedies with large sums of money? The importance of this for organizations such as the American Red Cross is underscored by the award of several hundred thousands of dollars to many victims of 911 compared to \$50,000 donated for all thirteen victims of the Washington, D. C. sniper or the victims of the federal building in Oklahoma City.

The research question is answered for victims of natural disaster through comparative focus groups. Several focus groups were held with hurricane victims, tornado victims, earthquake victims, and flooding victims to explore their thoughts about victim compensation. Hurricane victims are from Lafayette, Louisiana; tornado and flood victims are from Bossier City and Benton, Louisiana; and the earthquake victims were from Los Angeles, California.

Fundamental questions explored include but are not limited to the following: 1. Should victims receive more than just temporary assistance to get them through the immediate crisis? 2. What role government compared to private nonprofit organizations should play? 3. Is it appropriate to establish a "Victim Assistance Super Fund"? 4. Is it important to establish guidelines for assisting individuals and families with short-term and long-term assistance? 5. Was it fair for victims of the World Trade Center to receive awards from \$250,000 upwards while victims of disaster in your community only received assistance for immediate needs and low interest loans?

Results of the focus groups are reported anonymously. Focus groups are by their nature qualitative research. Representative words and phrases are identified. Summary tables are developed where appropriate. The results are related to the literature of philanthropy and suggestions for organizations collecting money for victim assistance made as well as suggestions for both qualitative and quantitative research in the future.

Paper Number: PA031085

Paper Title: Attracting the Best and the Brightest to the Nonprofit Sector

Author(s):

Ms. Shelly Cryer, New York University, New York, NY, USA

Summary of Research

This presentation presents findings and recommendations from an applied research project to cultivate the most talented next generation of nonprofit sector leadership. Researchers studied three populations: college seniors; human resource directors (or their equivalent) at small, mid-size, and large nonprofits; and college career centers directors (as potential “gatekeepers” to nonprofit sector careers) to better understand what encourages or deters young adults from pursuing nonprofit sector careers. Data were gathered on college seniors’ experiences with and perceptions of the nonprofit sector; challenges HR directors face recruiting and retaining talent; and career center directors’ capacity to promote nonprofit sector careers.

Description

Problem to be addressed: □ “Attracting the Best and the Brightest to the Nonprofit Sector” is an applied research project that investigates factors that may encourage or deter young adults – in particular seniors graduating from 4-year colleges – from choosing nonprofit sector careers. Our hypotheses are that (1) many college seniors are interested in the nonprofit sector but either do not believe it’s a viable career path or do not know how to land a meaningful first job in it; (2) college career center directors are potential “gatekeepers” to nonprofit sector careers but do not have the requisite knowledge or capacity to promote the sector; and (3) nonprofit organizations (especially small and mid-sized organizations) have trouble connecting with their area colleges to recruit their next generation of leadership. As a result, many talented young workers – for whom a nonprofit organization may be the ideal employer – move instead to the for-profit sector. Nonprofit organizations may be missing an opportunity to cultivate the strongest workforce possible and young individuals committed to civic engagement may not be realizing their true career goals.

Approach we will take: □ The study will collect qualitative data through a series of focus groups with college seniors and human resource directors (or those who handle HR functions) at nonprofit organizations in Allegheny County, PA (where our research is being piloted during its first year). In addition, it will draw on findings from a national telephone survey of 1,000 college seniors at 4-year colleges nationwide (which is a follow up to previous college senior surveys) and a similar survey – administered on-line – of college seniors at 4-year colleges in Allegheny County, PA. It will draw on data from a national survey of directors of career centers at 4-year colleges. Finally, it will draw on data from questions that specifically address college recruitment issues that are part of a mail survey administered to 1,600 nonprofit organizations in Allegheny County, PA.

Contribution to field: □ This research addresses critical issues connected both to organizational and nonprofit sector capacity, as well as the management of nonprofit organizations. It will contribute to existing research on the recruitment and retention of talented young workers to the nonprofit sector. It will build on existing research on college seniors and human resource directors at nonprofit organizations. And it will represent the first study that explores directors of career centers on college campuses as potential, and vital, “gatekeepers” to the nonprofit sector for the next generation of nonprofit sector leadership.

Paper Number: PA031090

Paper Title: Volunteers to Religious Organizations: Who Are They and How Are They Unique?

Author(s):

Dr. Richard Sundeen, University of Southern California, Los Angeles, CA, USA

Ms. Cristina Garcia, University of Southern California, Los Angeles, CA, USA

Dr. Sally Raskoff, Los Angeles Valley College, Valley Glen, CA, USA

Summary of Research

This paper reports a study of volunteers to religious organizations in the US using social-demographic roles and statuses to predict whether or not one volunteers to a religious organizations, number of hours volunteered, how volunteers become involved, and volunteer tasks. Also, comparisons are made with volunteers in other areas. Data from a 2001-02 national survey (N=60,000) conducted by the Bureau of Labor Statistics are analyzed using multiple regression statistical techniques. The findings will discuss the utility of dominant status theory when applied to volunteers to religious organizations, the distinctiveness of volunteers to religious organizations, and practical implications for recruitment.

Description

Introduction

Volunteerism and religion have been strongly intertwined throughout the history of the United States (Hall, 1990; Cnaan, Kasternakis, and Wineberg, 1993; Carmode, 1994). This relationship continues to be important as recent national surveys (Independent Sector, 1999; 2002; Bureau of Labor Statistics, 2002) have revealed that more Americans volunteer to religious organizations than any other type of organizations. Furthermore, with the increased public interest in the role of faith based organizations in provision of social services (Ammerman, 2000; Cnaan, 2000; Chavez, 2001; Dilulio, 2002), as well as the Bush Administration's proposal to expand the opportunity for religious organizations to receive federal funding for social services, the topic of volunteers to religious organizations has taken on greater significance. Despite this growing importance, little is known about volunteers to religious organizations, including who volunteers to them, how they become involved, and what they do, or whether or not differ from volunteers to other types of organizations.

The purpose of this paper is to present the findings of a research project that examines volunteering to religious organizations among adults in the U.S. Specifically, the paper will examine the power of socio-demographic roles and statuses (gender, age, race, income, educational level, marital status, presence of children in the household, employment status, and size of residence) in predicting (1) whether or not an individual volunteers to a religious organization, (2) the amount of time they devote to religious organizations, (3) how they become involved in volunteer participation with a religious organization, and (4) what activities they perform. Further, in order to determine whether or not (and to what extent) volunteers to religious organizations are distinct from other volunteers, this paper will compare volunteers to religious organizations to volunteers to other types of organizations (e.g., civic, educational, environmental, health, and public safety) in terms of these four dimensions.

Generally, the strongest predictors of whether or not an adult has volunteered in the past year to any type of organization are dominant socio- economic status (usually educational level), life stage status (middle age and/or the presence of children in the household), and parental volunteering (the respondent was a child) (Sundeen, 1990; Smith, 1994). Also, there is evidence among young volunteers that certain groups have greater access to volunteer opportunities than others (Sundeen and Raskoff, 2000). Further, evidence exists that the variables which predict who will volunteer generally (regardless of type of organization) do not correspond to variables which predict volunteering to specific types of organizations (Sundeen, 1988; 1994). This research explores the dominant status hypotheses and the differences between volunteers to religious organizations and other types of organizations.

Research Methodology

The ability of researchers to focus on volunteers to religious organizations and to compare them with other types of organizations has been enhanced by the recent release of a national data set based on a study of adult volunteers in the U.S. between September 2001 and September 2002 using data collected by the Bureau of Labor Statistics' (U.S. Department of Labor) supplement to the September 2002 Current Population Survey (CPS). The CPS is a monthly survey of approximately 60,000 households and the September 2002 survey contains socio demographic items, including gender, age, race and Hispanic origin, income level, educational attainment, marital status, presence of own children under 18 years, and employment status, and size of residence, and volunteer indicators, including whether or not they volunteered in past 12 months, number of hours volunteered to main organization, types of organizations (e.g., civic, educational, environmental, educational, health, public safety, religious, and others), the volunteer activities performed by the volunteer for their main organization (e.g., protecting the environment, providing relief, serving on a board, fund raising, and collecting or serving goods), and how volunteers become involved (e.g., approached the organization or asked).

The research methodology will be to use multivariate statistics appropriate for the data. For example, in predicting whether or not one volunteers, logistic regression would be appropriate, while in predicting number of hours, L.O.S. regression would be appropriate. Independent variables in the model (the socio demographic indicators described in the previous paragraph) will be used to explain the relationship between the social, economic, and contextual variables and (1) whether or not a respondent volunteered, (2) seven types of volunteer activities, (3) volunteer hours, and (4) whether the volunteer approached the organization or was asked to volunteer.

Significance and Contribution

The findings from this research will have implications for a general theory volunteering as well as a more focused theory of volunteering to religious organizations, e.g., does dominant status tend to prevail as a predictor of volunteering and involvement in religious organizations as it does when predicting general volunteering or volunteering to other types of organizations (Smith, 1994; Sundeen and Raskoff, 2000). Also, the findings will address practical implications for the recruitment of volunteers to religious organizations, e.g., which means of involvement in religious organizations seems to be the most effective for which groups of volunteers?

Paper Number: PA031091

Paper Title: Assessing Nonprofit Managers: Using a Business Management Tool to Evaluate Nonprofit Managers in Human Service Organizations

Author(s):

Ms. Jessica Sowa, University of South Carolina, Columbia, SC, USA

Dr. Sally Selden, Lynchburg College, Lynchburg, VA, USA

Dr. Jodi Sandfort, Humphrey Institute of Public Affairs, University of Minnesota, Minneapolis, MN, USA

Summary of Research

Using both qualitative and quantitative data, this paper will develop portraits of nonprofit managers, examining where these managers' management emphases lie in relation to traditional theories concerning fundamental management and leadership competencies. In addition, we will explore how well the business management assessment tool, the Competing Values Framework, fits these managers in nonprofit organizations (Quinn et. al 1990). We will discuss how this information can be used as a foundation for developing a professional development program that focuses on developing those competencies most needed for managers operating in organizations in the nonprofit sector.

Description

As nonprofit organizations are increasingly being relied upon to deliver many public services in the United States, scholars have begun to examine the capacity of organizations to deliver these services and, in particular, the ability of the managers in these organizations to lead their organizations in delivering these services. More and more, emphasis is being placed, both in training and in research, on ensuring that nonprofit managers have the requisite management skills to run their organizations. However, in order to appropriately train nonprofit managers, we first need to understand who they are, their characteristics and capacities, to ensure that we fully understand the unique and individual nature of managers who choose to operate in the nonprofit sector.

This paper will seek to answer this need, examining nonprofit managers in human service organizations providing early care and education services. Using both qualitative and quantitative data, we will develop a portrait of these nonprofit managers, examining where these managers' emphases lie in relation to traditional theories concerning fundamental management and leadership competencies. The data on these managers were collected as part of a larger study, Investigating Partnerships in Early Childhood Education (I-PIECE), which focuses on understanding nonprofit agencies that are blending multiple sources of public early childhood dollars in New York and Virginia. This study employs a comparative case-study design that includes survey data, program observation data, and semi-structured interviews of managers, front-line staff, and clients in 22 sites. In addition, we will explore how well the business management assessment tool, the Competing Values Framework, fits these managers in nonprofit organizations (Quinn et. al 1990). Using factor analysis, we will explore whether the Competing Values Framework completed by these nonprofit managers produces factors similar those found in the use of the tool in other settings or whether nonprofit managers produce different results. Together, these two steps will enhance the knowledge base on managers' competencies in nonprofit organizations. We will discuss how this information can be used as a foundation for developing a professional development program that focuses on developing those competencies most needed for managers operating in organizations in the nonprofit sector.

References

Quinn, Robert E., Sue R. Faerman, Michael P. Thompson, and Michael McGrath. 1990. *Becoming a Master Manager: A Competency Framework*. New York: Wiley.

Paper Number: PA031092

Paper Title: Building a Model of Foundation Management – From Theoretical Insights into Practical Results through Action Research

Author(s):

Mr. Peppi Schnieper, University of St. Gallen, St. Gallen, SG, Switzerland

Mr. Niklas Lang, University of St. Gallen, St. Gallen, SG, Switzerland

Professor Johannes Rueegg-Stuerm, University of St. Gallen, St. Gallen, SG, Switzerland

Summary of Research

This paper describes the research project “Foundation Excellence” at University of St. Gallen, with specifying the overall project goal “developing a holistic management model for foundations”. The aim of these argumentation is to present action research as a valid - and in our case very useful - method to bridge the gap between academic research and practitioners’ needs and to discuss strengths, possibilities and challenges of this research method in-depth. The action research process which leads to continuous learning is eventually depicted in detail with a focus on crucial factors such as for example the co-operation between researchers and practitioners.

Description

INTRODUCTION

The underlying general research objective of this paper is to investigate the specific research methods used in the respective steps of our research project “Foundation Excellence” and to assess their usefulness regarding the overall objective of the project: generating a generic management model useful for philanthropic foundations. Each step of the research plan can be seen as another piece of a puzzle (our defined project goal), but each of the following steps also builds on the step before. That is why it is crucial to reason each piece of the puzzle in detail, but at the same time bearing in mind the whole process – and goal – of the project since the whole is more than the sum of the parts or – in this case – more than the single project steps.

To generate such a Foundation Management Model as well as recirculating into the practice, it is hardly possible to find one research method, which suits for the whole process. Bridging the gap as a complex problem demands “the deployment of a variety of techniques and strong intellectual and methodological discipline, not a commitment to the hegemony of a single research modality” (Whyte et al., 1991, p. 19). Putting the foundation management model to work is a huge challenge and requests doing a split between research and action. This paper aims to outline action research as a valid method to bridge this gap. We want to point out, why action research is particularly suitable for this applied research challenge and which process leads to a satisfactory result for both, the researchers and the managers – especially in the field of foundations since there can be observed a strong identity and culture of the respective organizations, moreover in a trustworthy industry like philanthropy. So, it is enormous worthwhile not to develop a management model “on the green field” but provide a learning platform and interface where a lively exchange of feedback is guaranteed.

FOUNDATION MANAGEMENT MODEL:

PUTTING THE MODEL TO WORK THROUGH ACTION RESEARCH

Action research has mainly evolved during the past 30 years into its current use. It is one of the most used forms of action-oriented research models and roots in the work of Kurt Lewin (1946). His innovative concept involved the researcher trying to change the system while at the same time generating critical knowledge about the social system. In fact, Lewin has not given a real definition of action research, but he set a milestone demanding that research “should be focused on problems and that it should lead to some kind of action and research on the effects of that action by understanding the dynamic nature of change” (Gill et al., 1997, p. 61). The idea – grown out of social and educational research (Seymour-Rolls et al., 1995) - of the contribution to practical concerns of people as well as to social science (Rapaport, 1970) and of involving the community or organizational members under study

directly in the research process (Whyte, 1991) evolved out of three streams of intellectual development and action (Simonson et al., 1993): Social research methodology (Rowan, 1981; Susman and Evered, 1978), participation in decision making by community or organizational members (Elden, 1981) and sociotechnical systems thinking regarding organizational behavior (Trist, 1981).

Our responsibility within this process of bridging the gap through implementing the foundation management model is the research process; we are at the same time participants and responsible (at least partly) for the change process (Karlsen 1991). Argyris et al. (1991) record the demands of practitioners not only for knowledge, but for usable knowledge generated through sciences that can be applied and validated in action (Gummesson, 2000). To achieve these requirements action research needs three elements: a way of representing research results that enhances their usability, a complementary way of construing causality and an appropriate methodology of causal inference. Swann (2002, p. 55) demands three further conditions as for action research: "its subject [...] is situated in a social practice that needs to be changed", "it is a participatory activity where the researchers work in equitable collaboration" and "the project proceeds through a spiral of cycles [...]". Moreover, putting the foundation management model to work is a highly relevant topic for practice and is best understood from within its institutional, societal and disciplinary contexts. It is inapplicable to treat this task in the ivory tower and not within its daily context.

One important characteristic of action research as a research method is the potential flexibility of the research process, as there is the possibility to adapt to different physical locations and organizational forms as well as to different nature of objectives (Whyte et al., 1991). The growing interest in research methods which bring together practice/action and theory/research basically occurred in response to growing frustration based on the lack of relevance of traditional research findings and an increasing desire for research which has a greater social relevance (Small, 1995). Our partnering foundations demand and expect a highly practical relevance of our findings. This is where a surplus of action research accommodates: it is a strategy which uses scientific methods to solve practical problems and generates new science theory and knowledge (Elden et al., 1991).

Even though participatory action research is applied research, it contrasts with for example management consultants in this way that researchers do not serve as professional experts designing the project, gathering data, interpreting the findings and recommending action to the client organization. To transfer the model into the participating organizations - in this case into the partnering foundations - some people of the organization under study participate actively in the research process from the beginning to the end and discuss their action implications with the researchers. They are active subjects in the research and do not only receive the generated results (Whyte et al., 1991; Simonson et al. 1993). Whyte et al. (1991) are convinced, that science is not achieved in distance from the world and that the greatest conceptual and methodological challenges come from engagement with the world. The active involvement of our partnering foundations in the research process leads to increased ownership of the inquiry process and the findings as well as a to higher volition to apply what they have learned, to greater commitment seeing that they are used and the learning effect is even higher. Moreover, they will be prepared to address future problems when they arise and to answer certain questions themselves (Small, 1995; McCutcheon/Jung, 1990). On critical and ground-breaking points within the implementation process of the foundation model, it is our task to moderate and bring in the knowledge we gained in an earlier stage of our research and that we got through cooperating and sharing knowledge with several foundations. A continuing output will be a "powerful process of organizational learning" (Whyte et al., 1991, 30) where both projects partners – foundation management as well as researchers – learn from each other. Beside that the participants learn how to learn – continuous learning is more efficient than learning concentrated at the initial and final stages of a project (Whyte et al., 1991) and the capability to learn permanently could turn out to be a dynamic capability in change processes (Teece et al., 1997; Eisenhardt et al., 2000).

The action research process of the FE project mainly follows the five steps "Problem formulation, Generating problem solutions, Action taking, Evaluating action outcome" and "Identifying general findings" (Susman et al., 1978; von Krogh, 2002). Each step should not only focus on pursuing action or change but at the same time also on research or understanding. Within each step, this requirement is achieved by using a cyclic or spiral process (Tripp, 1990) which alternates between action and critical reflection and therewith refines and rethinks the findings developed in earlier steps and cycles. Continuous improvement is the target of this spiral process and an aim of action research. But this does

not necessarily imply that something is deficient, but it does imply a process of constant up-grading (McNiff, 2000).

CONCLUDING REMARKS

In our opinion, participatory action research can have far greater impact than research through a traditional consultant role if you succeed to deeply involve the practitioners while constituting a feeling of togetherness. While concretizing and implementing the foundation management model, we want to steadily improve the generated model through participatory action research. This task is situated on an interface, and that is why the interplay between theory and practice is a critical point. "Theory without links to empirical data is likely to be sterile, and, similarly, methodology without any guidance from theory is bound to be unproductive." (Whyte et al., 1991, 43)

While we bring theoretical knowledge into the research process, experience from other foundations and the skills of conducting research, the participant foundations contribute practical knowledge and experience about the situations that are being studied. At the end of our action research process, we will try to generalize the results based on the analysis of several cases in which we will go through the implementation process of the foundation management model and record our findings for further foundations. For our specific research design, participatory action research is probably the most effective strategy out of the set of applied research methods, and is described as a powerful program for change in a social situation. It produces more reliable and more useful insights and knowledge into the undoubted important nature of social life. As Grunow (1995) admits, there is not a strict and deterministic link between research question and methods and there are neither good nor bad methods but only more or less convenient ones for reaching objectives. As Whyte et al. (1991) show in their work, participatory action research has important qualities as a method for examining the plausibility of theories - like our foundation management model - or as a means of formulating new hypotheses.

REFERENCES

- Argyris, C.; Schön, D.A. (1991): Participatory action research and action science compared. In Whyte, W.F.: Participatory action research. Sage, London, pp. 85-96.
- Eisenhardt, K.M.; Martin, J.A. (2000): Dynamic Capabilities: What are they? Strategic Management Journal, Vol. 21, pp. 1105-1121.
- Elden M., (1981): Political Efficacy at Work: The Connection Between More Autonomuos Forms of Workplace Organization and a More Participatory Politics. American Political Science Review, Vol. 75(1), pp. 43-58.
- Elden, M.; Levin, M. (1991): Cogenerative Learning: Bringing Participation into Action Research. In Whyte, W.F.: Participatory action research. Sage, London, pp. 127-142.
- Gill, J.; Johnson, P. (1997): Research methods for managers. Paul Chapman Publishing, London.
- Grunow, D. (1995): The Research Design in Organization Studies: Problems and Prospects. Organization Science, Vol. 6/1, 1995.
- Gummesson, E. (2000): Qualitative Methods in Management Research, Sage, London.
- Karlsen, J.I. (1991): Action Research as Method: Reflections from a Program for Developing Methods and Competence. In Whyte, W.F.: Participatory action research. Sage, London, pp. 143-158.
- Lewin, K. (1946): Action research and minority problems. Journal of Social Issues, Vol. 2, 34-36.
- McCutcheon, G.; Jung, B. (1990): Alternative Perspective on Action Research. Theory Into Practice, Vol. XXIX/3, pp. 144-151.
- McNiff, J. (2000): Action Research in Organisations. Routledge, London.
- Rapaport, R.N. (1970): Three dilemmas in action research. Human Relations, Vol. 23, pp. 499-513.
- Seymour-Rolls, K.; Hughes, I. (1995): Participatory Action Research: Getting the Job Done. <http://www2.fhs.usyd.edu.au/arow//reader/rseymour.htm>, 24.01.2003.
- Simonson, L.J.; Bushaw, V.A. (1993): Participatory Action Research: Easier Said than Done. The American Sociologist, Spring 1993, pp. 27-37.
- Small, S.A. (1995): Action-Oriented Research: Models and Methods. Journal of Marriage and the Family, Vol. 57, 1995, pp. 941-955.
- Susman, G.; Evered, R.D. (1978): An Assessment of the Scientific Merits of Action Research.

Administrative Science Quarterly. Vol. 23(4), pp. 582-603.

Swann, C. (2002): Action Research and the Practice of Design. Design Issues, Vol. 18/2, 2002.

Teece, D.J.; Pisano, G.; Shuen, A. (1997): Dynamic Capabilities and Strategic Management. Strategic Management Journal, Vol. 18:7, pp. 509-533.

Tripp, D.H. (1990): Socially Critical Action Research. Theory Into Practice, Vol. XXIX/3, 1990.

Trist, E. (1981): The Evolution of Socio-technical Systems: A Conceptual Framework and Action Research Program. Ministry of Labour, Ontario.

Von Krogh, G. (2002): Action Research: Methods for Advancing Business Organizations. Working Paper. University of St. Gallen (not published).

Whyte, W. F. (1991): Participatory Action Research. Sage, London.

Whyte, W.F./Greenwood, D.J./Lazes, P. (1991): Participatory Action Research: Through Practice to Science in Social Research. In: Whyte, W.F. (1991): Participatory Action Research. Sage. London. Pp. 19-55.

Paper Number: PA031093

Paper Title: Do High Average Administrative and Fundraising Costs Make Charities Less Attractive to Donors?

Author(s):

Dr. H. Woods Bowman, De Paul University, Chicago, IL, USA

Summary of Research

Using aggregate data, Frumpkin and Kim (2001) found that nonprofits with high average fundraising expenses are not less attractive to donors. Yet, the Illinois Attorney General is arguing before the U.S. Supreme Court that high average fundraising cost constitutes a fraud on donors. This research examines charitable giving through payroll deductions over a five-year period by 26,000 individual federal employees, all of whom had been given information on the average administrative and fundraising costs of participating charities. It will correlate changes in giving activity with changes in these average costs. This is the first study to use individual giving data.

Description

There is a popular idea that something is wrong with high average fundraising expenses. Private organization like the Better Business Bureau and Philanthropic Advisory Service recommend keeping average fundraising expenses low. State charity regulators (like NY and CT) publish data on the percent of fundraising efforts going to professional fundraisers. However, scholarly opinion is more skeptical. Professor Steinberg (1986: "Should Donors Care About Fundraising?") argues that rational donors should not care about the average cost of fundraising. More recently, using aggregate data reported on IRS 990 forms, Frumpkin and Kim (2001: "Strategic Positioning and the Financing of Nonprofit Organizations: Is Efficiency Rewarded in the Contribution Marketplace?") find little correlation between average fundraising costs and donations.

Two problems with Frumpkin and Kim's work are (1) it is cross-sectional, based on aggregate data reported on IRS 990 forms, and (2) there is no reason to believe that donors are informed about the average cost of fundraising, even though it is disclosed. This research overcomes these problems by using five-year longitudinal data on 26,000 individual donors consisting of federal employees in the Chicago region who made charitable donations through payroll deduction. When their donation was solicited, the Combined Federal Campaign (CFC) gave them a catalogue of 1,500 participating charities with a one-sentence description of each and its average administrative and fundraising expense ratio. Although the CFC does not vouch for the accuracy of the numbers, the CFC has an aura of authority that probably induces donor confidence in them.

We are just starting data analysis. We plan to cluster charities by NTEE. In this way we can control for the popularity of a cause by comparing changes in giving to (a) charities that increased or decreased their average administrative and fundraising expense ratios and (b) those charities that held their ratios constant. We will also attempt to control for inertia and rational ignorance by segregating new donors who began giving after a change in average costs from those who were giving beforehand. Unfortunately there is no demographic information available that we can use as further controls.

The Combined Federal Campaign imposes an upper limit of 25% on average administrative and fundraising costs for participating charities. Higher ratios are tolerated for a limited period of time before the offending charity is dropped from the campaign. This gives us an additional way of classifying the data: those on probation versus those that are not. Perhaps donors do not make fine distinctions, but they may recoil from organizations with the stigma of being on probationary status.

Incidental uses of the data set will be to determine (a) how consistent donors are from year-to-year in their giving habits and (b) how important the Combined Federal Campaign is to participating charities.

Paper Number: PA031094

Paper Title: Do Faith-Influenced Organizations Transform Their Clients?

Author(s):

Laura Littlepage, IUPUI, Indianapolis, IN, USA

Rachel Thelin, IUPUI, Indianapolis, IN, USA

Dr. Wolfgang Bielefeld, IUPUI, Indianapolis, IN, USA

Summary of Research

Charitable Choice allows religious organizations to use faith-based concepts when providing services. The perspective of and the impact on the clients receiving social services from faith-influenced providers when compared to other providers has not been examined. There are claims that faith-influenced providers transform their clients and there is extensive health-related literature that documents the effects of religion and spirituality on well-being and self-esteem. Do clients of faith-influenced providers become more “religious”? Do faith-influenced providers impact more of the “whole” person- improving self-esteem and making them feel better about themselves? This paper addresses those issues and others related to clients perceptions.

Description

Charitable Choice, as conceived in 1996, allows faith-influenced service providers to use religious criteria when hiring staff, maintain religious symbols in areas where programs are administered, and use faith-based concepts when providing services. The intent was for clients to have a right to an alternative secular provider and not be pressured or forced to participate in religious observances or services. Researchers are examining the implementation of Charitable Choice from many perspectives, including the differences between faith-influenced and secular providers and the services they provide, the relationship between government and the providers and constitutional issues raised from these relationships, and the impact on the faith-influenced providers (see Campbell 2002, Chambre 2001, Finding Common Ground: 29 Recommendations of the Working Group on Human Needs and Faith-Based and Community Initiatives. 2002, Monsma & Mounts 2002, Orr, et al 1996, Smith & Sosin 2001, Green and Sherman 2002, Poole 2002).

What has not been examined directly is the perspective of and the impact on the clients receiving social services from faith-influenced providers when compared to non faith-influenced providers. In a recent conference, “The Role of Faith-based Organizations in the Social Welfare System, co-sponsored by Independent Sector and the Roundtable on Religion and Social Welfare Policy, of forty papers presented only one asked clients about their perceptions of the organizations providing social services. There has been a sustained discussion of the pros and cons of service provision by faith-influenced organizations since the establishment of charitable choice. Faith-influenced service providers have been held to offer advantages in terms of the nature of service provision. With their reliance on faith, these providers are also purported to provide a “better” service than their secular counterparts. They are said to be more holistic in their approach to individual clients and therefore promote the transformation of clients in ways secular organizations do not. This suggests the existence of an intervening variable that can be categorized as personal transformation. Do clients of faith-influenced providers become more “religious”? Do faith-influenced providers impact more of the “whole” person- improving self-image and making them feel better about themselves? There is a large body of literature in the health field that documents the effects of religion and spirituality on well-being and self-esteem (Johnson, Tompkins, & Webb, 2002, McCullough, et al 2000). This paper will address those issues, as well as if clients feel that they have a choice of providers if referred to a faith-influenced provider and if they feel comfortable in a religious setting.

In Indiana, the Indiana Manpower Placement and Comprehensive Training program (IMPACT), funded by the TANF Block Grant, contracts for employment-based services with newly formed and traditional faith-influenced providers as well as non-faith-influenced providers to deliver these services. To examine these issues, we distributed pre and post surveys to clients of welfare-to-work programs in Indiana that have IMPACT contracts. The surveys were distributed as part of a three-year study of how

three states (Indiana, Massachusetts, and North Carolina) are implementing the "Charitable Choice" provisions of the 1996 Welfare Reform legislation.

On the pre-survey we included basic questions about the service provider: prior knowledge of provider, perceived choice of provider, prior job training; and basic demographic information: education level, gender, age, number of children and ages, and race/ethnicity. In the post-survey we asked about: duration of participation in program, services received; about the client's perceptions of the service provider/program: comfort level, expectations, program effectiveness in securing employment, religion as part of services received; outcomes: current employment status; and barrier/facilitators: access to transportation, telephone, childcare and personal problems such as need to care for a family member. In both the pre and post surveys we asked about: participation in religious services, praying and reading religious texts, perceived level of control in personal life, and self-image. We will then compare the results from both to determine change, if any.

To classify providers, we used a scale we developed (Bielefeld, Littlepage, Thelin 2002) to measure faith influence. Our scale to measure faith influence is based primarily on dimensions suggested by Jeavons (1998): provides funds or support to any religious organizations; affiliated with any religious organizations or faith traditions; desired, requested, or required that staff and volunteers share the same religious belief or faith; religion or faith part of any services provided; organizational decisions guided by prayer or religious texts, documents, or periodicals; and religious or faith criteria used to assign staff to positions. It also includes two dimensions visible religiousness, measured by: religious leader on staff, efforts to encourage clients to make personal religious commitments, required religious exercises, and spoken prayers at meals; and implicit religiousness, measured by: religious symbols/pictures in the facility, generalized spirit of love among staff, voluntary religious exercises, informal references to religious ideas by staff to clients, and staff that are members of the congregation. Using this scale we categorized 17 providers as not being influenced by faith, six providers as being moderately influenced by faith (score of 1-4 on faith influence), and seven providers as being strongly influenced by faith (score of 5-8 on faith influence scale). We have distributed surveys to clients of three of the faith-influenced providers and three of the secular providers.

Even though we used a relatively small study population and focusing on specific services, we expect that the results of this study will advance the research agenda in this area. It will establish baseline data that can be used for comparison in a relatively unexplored research area, provide suggestions for measurement, and suggest areas for future research.

References

Bielefeld, W., Littlepage, L., & Thelin, R (2002, November 13-16). The Role of Faith-Based Providers in a Social Service Delivery System. Association for Research on Nonprofit Organizations and Voluntary Action Annual Meeting, Montreal, Canada

Campbell, D. (2002). Beyond Charitable Choice: The Diverse Service Delivery Approaches of Local Faith-Related Organizations. *Nonprofit and Voluntary Sector Quarterly*, 31(2): 207-230.

Chambre, S. (2001). The changing nature of "faith" in faith-based organizations: Secularization and ecumenicism in four AIDS organizations in New York City. *Social Service Review*. 75, 435-455.

Finding Common Ground: 29 Recommendations of the Working Group on Human Needs and Faith-Based and Community Initiatives. (2002). Search for Common Ground, Working Group on Human Needs and Faith-Based and Community Initiatives: Washington, D.C.

Green, J.C. and Sherman, A.L. (2002) Fruitful Collaborations: A Survey of Government-Funded Faith-Based Programs in 15 States. Indianapolis: Hudson Institute, Inc.

Jeavons, T.H. (1998). Identifying characteristics of "religious" organizations: An exploratory proposal. In N. J. Demerath III, Peter Dobkin

Hall, Terry Schmitt, and Rhys H. Williams (Eds.), *Sacred Companies: Organizational Aspects of*

Religion and Religious Aspects of Organizations (pp. 79–96). New York: Oxford University Press.

Johnson, B.R., Tompkins, R.B. & Webb, D. (2002). Objective Hope – Assessing the Effectiveness of Faith-based Organizations: A Review of the Literature. Center for Research on Religion and Urban Civil Society.

McCullough, M.E., Hoyt, W.T., Larson, D.B., Koenig, H.G., Thoresen, C. (2000). Religious involvement and mortality: A meta-analytic review. *Health Psychology*, 19 (3): 211-222.

Monsma, S.V. and Mounts, C.M. (2002) Working Faith: How Religious Organizations Provide Welfare-to-Work Services. Philadelphia: Center for Research on Religion and Urban Civil Society.

Orr, J.B. & Stevens, C.W. (1996, September). Church-state relations in Los Angeles's religiously based community development programs. *Religion and Civic Culture On-Line*. [Available] http://www.usc.edu/dept/LAS/religion_online/public_policy/96_09_churchstate.html

Poole, D.L., Ferguson, M., DiNitto, D. & Schwab, A. J. (2002). "The capacity of community-based organizations to lead local innovations in welfare reform: early findings from Texas." *Nonprofit Management and Leadership*, 12(3): 261-276.

Smith, S.R., & Sosin, M.R. (2001). The varieties of faith-related agencies. *Public Administration Review*. 61, 651-670.

Paper Number: PA031097

Paper Title: Government-Nonprofit Interdependence for Service Delivery

Author(s):

Ms. Sungsook Cho, Washington University in St. Louis, St. Louis, MO, USA

Dr. David F. Gillespie, Washington University in St. Louis, St. Louis, MO, USA

Summary of Research

This paper examines the dynamic partnerships between government and service nonprofits, focusing on fundamental causes and consequences of interdependence between those sectors. We collected data from national, state, and local level cross-sectional studies done by various researchers at different points in time from 1960 to 2000, constructed a trend chart using the results to reveal the patterns of government-nonprofit relationship. Causal loop diagrams were drawn to help explain the dynamic interdependence between government and nonprofits for service delivery. The results show that government funding has helped lead to nonprofits' dysfunctional consequences.

Description

Nonprofits have expanded in number as well as in scope for the past several decades in the United States. Government expenditures to nonprofits have enormously increased during this period of time, along with government's attempt to enlarge the frontiers of the welfare state (Lipsky & Smith, 1990). Studies suggest that the government and nonprofits are mutually dependent for human service delivery, with nonprofits as service providers and with government as the financier. A historical overview of nonprofit history supports the hypothesis that increased government support to nonprofits accounts for nonprofit growth, and that other nonprofit income sources such as private giving and volunteering do not account for much of the nonprofit growth (Burke, 2001). This paper examines the dynamic partnerships between government and service nonprofits from a system dynamics perspective, focusing on key causes and consequences of interdependence between those sectors.

We used data collected from national, state, and local level cross-sectional studies on government-nonprofit relationships done by various researchers at different points in time from 1960 to 2000 (e.g., ratio of nonprofit revenue from the government sources). We then constructed a trend chart using the results from those studies to show the patterns of government-nonprofit relationship since 1960. The developmental pattern is consistent with hypotheses expressed in Gillespie and Mileti's (1979) typology summarizing interdependence on the basis of goal relations and the level of activity among the partners. Before the 1960's, the government-nonprofit relationship is characterized as coexistence (low interdependence and separate or neutral goal relations), during the 1960s the relationship shifted to become one of exchange (medium interdependence and common goal relations), and during the 1970s it shifted again into one of as cooperation (high interdependence and common goal relations), which continues today.

Causal loop diagrams help to explain the dynamic interdependence between government and nonprofits for service delivery. The models reveal how feedback loops operate to drive the interrelationship between government and nonprofits and how nonprofits have suffered unintended consequences from the government funding. The models show that increasing federal support to service nonprofits largely accounts for the rapid development of service nonprofits in the United States. The volume of government funding and the number of nonprofit organizations are dynamically interrelated over the past 40 years. The results further indicate that government funding has led to dysfunctional consequences for nonprofits, for example, goal displacement and loss of autonomy.

This study demonstrates that system dynamics modeling is not only a powerful way to understand dynamic processes, but also a useful way to explore the consequences of policy adjustments to offset future dysfunctional consequences and proactively guide organizations toward viable futures. This study reveals high-leverage points that can diminish the negative effects and strengthen the

relationship between government and nonprofit service organizations.

<References>

Burke, C. B. (2001). Nonprofit history's new numbers (and the need for more). *Nonprofit and Voluntary Sector Quarterly*, 30(2), 174-203.

Gillespie, D. F., & Mileti, D. S. (1979). *Technostructures and interorganizational relations*. Lexington, MS: Lexington Books.

Lipsky, M. & Smith S. R. (1990). Nonprofit organizations, government, and the welfare state, *Political Science Quarterly* 104(4): 625-648.

Paper Number: PA031098

Paper Title: The Evolving Relationship between Government and the Voluntary Sector in Ontario

Author(s):

Dr. Agnes Meinhard, Ryerson University, Toronto, Ontario, CAN

Dr. Mary Foster, Ryerson University, Toronto, Ontario, CAN

Dr. Ida Berger, Ryerson University, Toronto, Ontario, CAN

Summary of Research

In this paper we investigate the newly evolving relationship between government and voluntary organizations by exploring the viewpoints and opinions of 20 key government officials and policy makers who interface with the nonprofit sector in Ontario. The interviews complement data already collected from leaders of voluntary organizations to provide a more complete picture of the evolving nature of the relationship between sectors. Examining these changes affords an opportunity to document and analyze the process of government-third sector isomorphism.

Description

In this paper, we investigate the newly evolving relationship between government and voluntary organizations in Ontario that is occurring in the wake of a prolonged period of funding cuts. The cuts are a manifestation of a major philosophical shift in government/third sector relations. We have already examined the impact of this shift on voluntary organizations in several papers (Foster and Meinhard, 2000 & 2002; Meinhard and Foster, 2000 & forthcoming). We now turn our attention to the governing sector and its vision for the future.

The past two decades have seen a steady accumulation of research examining the role and function of the voluntary sector in a democratic state, and its relationship with government (e.g. DiMaggio and Anheier, 1990; Kramer 2000; Kuhnle and Selle, 1992; Salamon, 1995; Van Til, 1988; Wagner, 2000; Young, 2000;). Van Til (1988) noted that the functioning of the voluntary sector reflects the prevailing philosophies of state. This was reinforced by the findings of Salamon and his colleagues (1999) who discerned a correspondence between a country's historical and social context and the way in which its third sector operates. The changes currently taking place in Ontario provide us with an opportunity to document and analyze the process of this isomorphism.

In Canada, the post World War II years saw the growth of the third sector mostly along the lines of a complementary relationship between voluntary organizations and government, as elaborated by Young (2000) . This was the natural expression of the pluralist, liberal social welfare philosophy prevailing at the time (Scott, 1992; McBride and Shields, 1997). By the mid-1970s the federal and provincial governments in Canada had largely completed the construction of the social welfare system. Under this structure, nonprofit organizations, in collaboration with the government, were part of an elaborate system that extended cultural, social and recreational services to the public.

□

Since the mid-1980s however, the political philosophy in Canada has been changing from a pluralist, social welfare conception of State to a neo-conservative philosophy (McBride and Shields, 1997; Jeffrey, 1999). There is a realignment taking place between the state and civil society that "involves several distinct and contradictory dynamics" (Pal, 1997:89). Government is disengaging from some of its associations with nonprofit organizations but at the same time is re-engaging with other components of the social service system. This new mix includes for-profit organizations bidding for service contracts that had previously been the exclusive prerogative of nonprofit organizations. Moreover, while on the one hand government has cut the channeling of direct tax dollars to the third sector, on the other hand, it has altered its tax policies to encourage greater charitable giving to nonprofits (Pal, 1997). Both of these policies have placed an increasing burden of competition on nonprofit organizations.

Consistent with these changes, most of the voluntary social service organizations surveyed by the

authors (Foster and Meinhard, 1996 & 2000; Meinhard and Foster, 1997 & 2000) reported a need to become more competitive, to learn marketing and entrepreneurial skills, and to streamline management practices in order to increase organizational efficiency. There is a perception among sector leaders that the devolution of government services to private organizations marks a clear movement away from the complementary model that informed government - third sector relations in the 20th century (Meinhard and Foster, 1997 & 2000).

These changes notwithstanding, it is unclear at this time what relationship will finally emerge. The movement for government to reinvent itself, with an emphasis on alternative service delivery systems, has encouraged the state to seek a new model with the voluntary sector. Part of the 'reinventing government' movement is, in fact, about a "celebration of voluntarism and the community" (Pal 1997:93). The forging of new partnerships between governments and nonprofits expresses the desire to build social capital by encouraging volunteers active in nonprofit organizations "to play a part in the delivery of services and to empower partner organizations and their members" (Seidle, 1995:139). Recently the federal government has signed an accord with the voluntary sector which "represents a public commitment to more open, transparent, consistent and collaborative ways of working together" (http://www.vsi-isbc.ca/eng/joint_tables/accord/the_accord_doc/doc10.cfm). However, this accord does not define sector relations with provincial governments, and it is at the provincial level that most sector - government interface takes place.

The purpose of this research is to investigate the emerging relationship between the provincial government and the nonprofit sector in Ontario by exploring the viewpoints, attitudes and opinions of key civil servants and politicians who interface with the nonprofit sector. Analysis is based on twenty, 90-minute, in-depth, elite interviews conducted according to guidelines set by Holstein and Gubrium (1995). The issues probed include: the perception and interpretation of the sociopolitical changes occurring in Canadian society; the general direction in which the voluntary sector is moving; the roles of government, voluntary and for-profit organizations in this new sociopolitical configuration; the interaction of the three sectors in the future; current and proposed strategies regarding the delivery of social services and the support of cultural and recreational activities. The interviews will be transcribed and content analyzed around themes and compared with the results of the three previous studies.

Combining the new information with existing data, the research attempts to discern how attitudes and perceptions of the different sectors converge or diverge; what their expectations of each other are; whether and what strategies exist to close the gaps; and the locus of commonality that might guide a shared vision for the future. Findings from the study will be reviewed in light of existing theory to help provide a better understanding of the direction in which Canada's civil society is moving. As indicated previously, this study is part of a program of research. First, we examined the perspective of the nonprofit sector in a series of studies; this second study explores government views; a future study will investigate attitudes and expectations of the corporate world towards the nonprofit sector.

References

DiMaggio, P. J. and Anheier, H. K. (1990). "The Sociology of Nonprofit Organizations and Sectors." *Annual Review of Sociology*, 16:137-159.

Foster, M.K. and Meinhard, A.G. (2002). Cost-cutting versus revenue generation: The responses of voluntary social service organizations in Ontario to government cutbacks, *Canadian Journal of Administrative Sciences*.

Foster, M.K. and Meinhard, A.G. (2000). Revenue Diversification Among Canadian Voluntary Organizations: A Response to the External Environment. Presented at the annual conference of the Association for Research on Nonprofit Organizations and Voluntary Action, New Orleans, LA.

Holstein, J.A. and Gubrium, J.F. (1995). *The active interview. Qualitative Research Methods*, 37, Thousand Oaks, CA: Sage Publications.

Jeffrey, B. (1999). *Hard right turn: The new face of neo-conservatism in Canada*. Toronto: Harper Collins Publishers, Inc.

Kramer, R.M. (2000). A third Sector in the Third Millenium? *Voluntas*, 11(1), 1-23.

Kuhnle, S. and Selle, P. (1992). *Government and Voluntary Organizations: A relational perspective*. Aldershot: Avebury.

McBride, S. and Shields, J. (1997). *Dismantling a Nation: The Transition to Corporate Rule in Canada*. Halifax: Fernwood Publishing.

Meinhard, A.G. and Foster, M.K. (2002). Responses of Canada's Voluntary organizations to shifts in social policy: A provincial analysis. Presented at the Biennial Conference of the International Society for Third Sector Research, Capetown, South Africa.

Meinhard, A.G. and Foster, M.K. (Forthcoming). Differences in the Response of Women's Voluntary Organizations to Shifts in Canadian Public Policy. *Nonprofit and Voluntary Sector Quarterly*.

□

Pal, L.A. (1997). "Civic Re-alignment: NGOs and the Contemporary Welfare State" in Raymond B. Blake, Penny E. Bryden and J. Frank Strain (eds.), *The Welfare State in Canada: Past, Present and Future*. Concord, Ontario: Irwin Publishing.

Salamon, L.M. (1995). *Partners in Public Service: Government-Nonprofit Relations in the Modern Welfare State*. Baltimore: The Johns Hopkins University Press.

Scott, J. T. (1992). "Voluntary Sector In Crisis: Canada's Changing Public Philosophy Of The State And Its Impact On Voluntary Charitable Organizations." Ann Arbor: University Microfilms

Seidle, F.L. (1995). *Rethinking the Delivery of Public Services to Citizens*. Montreal: Institute for Research on Public Policy.

Van Til, John. (1988). *Mapping the third sector: Voluntarism in a changing social economy*. New York: Foundation Center

Wagner, A. (2000). Reframing Social Origins Theory: The structural transformation of the public sphere. *Nonprofit and Voluntary Sector Quarterly*, 29(4), 645-653.

Young, D. (2000). Alternative models of government-nonprofit sector relations: Theoretical and international perspectives. *Nonprofit and Voluntary Sector Quarterly*, 29 (1).

Paper Number: PA031100

Paper Title: What do boards do when things go wrong?

Author(s):

Mr. Chris Cornforth, The Open University, Milton Keynes, UK

Dr. Jill Mordaunt, The Open University, Milton Keynes, UK

Summary of Research

It has been suggested that boards only exercise real power when things go wrong and that boards are a crucial factor in whether organizations deal successfully with crises. At last years ARNOVA conference we presented a paper that reviewed the relevant literature and set out a conceptual framework and some research questions to guide future research. This paper focuses on the findings from the earlier stages of our empirical research on boards and crises. It briefly presents a revised conceptual framework and discusses some of the methodological problems in studying boards and crises before presenting our initial findings.

Description

The literature on organizational turnaround suggests that how boards respond when things go seriously wrong can be a critical factors as to whether the organization survives or not, (see for example Harker and Sharma, 2001). Lorsch and MacIver (1989) in their study of corporate boards conclude that it is during crises that boards are 'forced' to come to the fore and exercise real power. Wood (1992) suggests that organizational crises are a key factor in triggering changes in the life-cycle of non-profit boards. Yet, given the likely significance of the board's role when things go wrong, this phenomenon has been little studied, particularly in non-profit organizations.

At last years ARNOVA conference we presented a paper which reviewed the literature, set out a conceptual framework to help understand how boards deal with crises and proposed a set of questions to guide empirical research. Since then we have revised the framework in the light of comments received, developed our methodology for studying board crises and undertaken the first phase of empirical research. The aim of this paper is to briefly present the revised framework, then discuss some of the methodological problems in studying board crises and finally, present some preliminary findings from the empirical work.

The theoretical background to the research is set out in detail in Mordaunt and Cornforth (2002) and Cornforth and Mordaunt (2003). This suggests that it is important to differentiate between different types of crises, because each type of crisis raises different challenges or constraints for boards to overcome, the capacity of boards to deal with these challenges and the different stages board go through. For example, Lorsch and MacIver (1989) suggest it is important to distinguish between sudden and gradual crises, and between those which result from internal failings and external events, and that each type of crisis has different constraints associated with it. The capacity of boards includes factors such as board leadership and the background and skills of board members. It is also proposed that the challenges board face vary depending on the stage that the board is at in dealing with the crisis. Four broad stages are defined – the recognition, mobilization, action and transition phase, each with its own characteristics problems and difficulties.

An assumption that permeates much of the literature on boards and crises is that crises can be treated as if they were objective events. But it is not that simple. Making a judgment that an organization is not performing well is not at all straightforward, and there is often disagreement and different interpretations of events. 'Crises' are not objective facts, but are socially constructed. Acknowledging this focuses greater attention on the processes by which a shared understanding (or recognition) of crises develops. It draws attention to the fact that there may be conflict and disagreement over the nature of the problems facing the organizations and just how serious they are. It also allows for the possibility that different stakeholders may try to construct 'crises' to mobilize support for actions they wish to pursue.

Designing research to explore these issues empirically raises a number of important methodological problems. MacNulty and Pettigrew (1999) note the over-reliance on survey research in studying corporate governance and call for studies which get closer to the board room. Similarly Peck (1995: 139-140) notes the over-reliance upon one source of data, usually the perceptions of board members gathered through interviews or questionnaires. This is problematic for two reasons. First, he suggests board members are unlikely to 'reveal their own irrelevance' and so are likely to over emphasise the relevance of their role. Second, the studies lack any independent confirmation of actors' accounts. As a result Peck calls for more detailed case studies of boards that rely on direct observation and a mix of other methods.

However, conducting case studies of boards facing crises raises particular problems, which the paper discusses. Gaining access to organisations that are experiencing crises is likely to be more difficult than usual for a number of reasons. Sudden crises by their very nature happen quickly and may be over before it is possible to gain access, even if it is possible to find out about the crisis in the first place. In addition in such pressured situations organizations may be unwilling to give access to researchers. In principle it may be easier to gain access to organisations experiencing gradual crises. However, it may be difficult to gain access at the early stages in the 'crisis', because as we have argued above, problems may be difficult to recognise or are denied. Equally gradual crises may take a long time to resolve requiring longitudinal research over a number of years. Even where access is granted actors may be unwilling to talk or try to cover up failings.

One way in which some of these problems may be addressed is through the use of multiple methods of data collection. An innovative feature of our methodology is the establishment a panel of 'experts' (consultants and advisers to boards) who can draw on experience of a variety of cases. Panel members will be interviewed at the start of the project. In addition a small number of focus groups will be run using the panel to comment on findings and issues emerging from the research. It is also hoped to use the panel to facilitate access to a small number of cases that they are working with who have or are experiencing an organizational crisis. We hope by using the panel in this way we can overcome some of the access problems. In addition we will conduct individual interviews with a sample of both board members and staff that have experience of organizational crises. Preliminary research has shown that practitioners are willing to be interviewed as long as it is done in such a way as to preserve their own anonymity and that of the case. Indeed after making presentations about the research a number of individuals have volunteered to be interviewed.

The first wave of interviews with practitioners and 'experts' is currently taking place and the paper will report the findings from these interviews. These suggest, among other things, that the initial framework may need to be elaborated to distinguish between crises whose causes are local and specific and those that are more deep seated and intractable.

References

- Cornforth, C. and Mordaunt, J. (2003) 'How do governing bodies deal with organizational crises', a paper for the Seventh International Research Symposium on Public Management, Hong Kong, 2-4 April.
- Harker, M. and Sharma, B. (2000) 'Leadership and the company turnaround process', *Leadership and Organization Development Journal*, Volume 21, Issue 1 pp 36 –47.
- Lorsch, J.W. and MacIver, E. (1989) *Pawns or Potentates: The Reality of America's Corporate Boards*, Boston: Harvard Business School Press.
- McNulty, T. and Pettigrew, A. (1999) "Strategists on the Board", *Organization Studies*, 20: 47 - 74.
- Mordaunt, J. and Cornforth, C. (2002) 'Rising to the Challenge or Running for the Door? The role of governing bodies in dealing with organizational crises', a paper for the 31st Annual ARNOVA Conference, November 13 -16, 2002, Montreal, Canada.

Peck (1995) 'The Performance of a NHS Trust Board: Actors' Accounts, Minutes and Observation', British Journal of Management, 6, 135-156.

Wood, M.M. (1992) 'Is Governing Board Behaviour Cyclical?', Nonprofit Management and Leadership, 3, 2, 139 - 163.