

**Paper Number:** PA051407

**Paper Title:** Professionalization of Nonprofit Organizations

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### **Summary of Research**

Analyzing a representative sample of organizations in the San Francisco Bay Area, we propose to study to what extent the nonprofit sector as a whole has become professionalized. Although existing studies provide valuable insights into professionalization in various nonprofit fields and individual organizations, there has been little systematic analysis of sector-wide or “cross-field” data, partly due to the sector’s extreme diversity. Professionals are important conduits through which new ideas and practices diffuse. As the nonprofit sector as a whole faces increasing demands for accountability and rationalization, it is important to understand the nature and extent of the sector’s professionalization.

### **Description**

Professionalization of the nonprofit workforce has been one of the most striking trends in recent years (Salamon 1987; Frumkin 2002). It has been particularly noticeable within the fields in which nonprofit activity has traditionally been dominant such as social services, health, and education. The impetus for professionalization has come from various quarters and stakeholders that constitute the nonprofit sector’s institutional landscape: government and private funders, as well as the nonprofit sector itself (Salamon 1987). Further, growing competitive pressures and demands for accountability make professionalization more appealing to nonprofits and render the older model of informal, volunteer-based charities less viable (Salamon 2003: 29-30).

Researchers have demonstrated the lasting consequences of professionalization for the development of various nonprofit fields (see DiMaggio 1991 on the development of American museums; and Jenkins 1998 on the role of private foundations on professionalization of social movement organizations) and for individual organizations (see Powell and Friedkin 1987 on the complex relationship between professionalization and goal displacement).

The (popular) discussion on the causes and consequences of professionalization, often ideologically colored, has tended to concentrate on individual nonprofit fields rather than the nonprofit sector as a whole and has developed without much systematic analysis of “cross-field” or sector-wide data. While professionalization of particular industries or fields no doubt leads to fundamental changes including the nature of charitable work itself (e.g., Lubove 1965 on the professionalization of social work), it is not entirely clear what professionalization implies for the nonprofit sector as a whole, which has been aptly lauded for its dizzying diversity. Nor is it accurate to describe the whole sector as undergoing professionalization. Nonprofits range from ephemeral, minimalist neighborhood organizations to multi-billion dollar international organizations. Some nonprofits operate in activity areas that are dominated by ‘professionals’ who enjoy almost complete monopoly over their jurisdictions, while for others it is only good will and hard work that warrant their existence.

As the nonprofit sector faces increasing pressures to become more “business-like” with the rise of high-engagement philanthropy and social entrepreneurship, as well as other demands for accountability and rationalization, it is particularly important to understand the sector’s professionalization. The phenomenon of professionalization in general and the increase of “organizational professionals” in particular are important sources of organizational and institutional change (DiMaggio and Powell 1983: 152). Professionals are authorized actors -- sometimes explicitly by the state -- in certain issue or jurisdictional domains and derive legitimacy and authority from formal education and their claim to specialized knowledge or expertise. Organizational professionals, such as managers, work in particular organizations whose internal conditions may vary widely, but the external origin of professional authority and legitimacy renders them receptive to changes in wider environments and to institutional

pressures. Moreover, professionalization and the attendant expansion of professional networks facilitate institutional isomorphism.

In this paper, we investigate to what extent the nonprofit sector as a whole has become professionalized analyzing a representative sample of a regional nonprofit sector and variation in the level of professionalization within the sector. Using data from the Internal Revenue Service digitized by the National Center for Charitable Statistics (NCCS), we drew a random sample of 200 operating charities in the 10 county San Francisco Bay Area as part of the Stanford Project on Emerging Nonprofits (SPEN). The sample organizations in our study vary in size, activity, age, and location. We conducted extensive interviews with the executive directors or board presidents of these organizations about their founding, funding, and management. Our qualitative and quantitative data complement the mostly financial data obtained from the NCCS.

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**Paper Number:** PA051409

**Paper Title:** Growing Demand for Public Hospitals and Determinants of Their Efficiency Factors

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**Summary of Research**

The erosion of health insurance coverage is causing increased demand for indigent and charitable health care. This paper analyzes performance of government hospitals amid increasing pressure on state governments to meet this growing demand. Sample of governmental and not-for-profit hospitals is studied to determine efficiency factors and readiness of governmental hospitals, and measurement of charity care is discussed. Characteristics of these hospitals, location, size, and their performance measures are key indicators, studied and analyzed. We posit that government hospitals are vital to meet growing health care demands and government hospitals have varying performances skewed in favor of health districts.

**Description**

This study focuses on performance measures in city, county and health districts hospitals. City, county and 'combined' city-county hospitals are called 'Public' in this study to differentiate these hospitals from 'District' hospitals. These governmental hospitals are subsidized by taxes. We argue that health districts hospitals have higher operational efficiencies due to size and integration of services in the local market. Does "Increasing volume means lower costs" in healthcare? The healthcare accounting literature has not found any solid evidence that the economies of scale work in healthcare environment. We posit that, as the healthcare environment is dependent on the particulars of the local market, integration and volume utilization in the local market will produce more favorable operating margins. District hospitals have tertiary hospitals and are equipped to handle high volumes and complicated mixtures of cases compared to city and county hospitals. This, also, positively affects reimbursement as inpatient procedures generate more reimbursement and is subject to fewer limitations than outpatient procedures or treatments.

□ Differentiation of products and services assists in volume utilization and cutting of costs. Health districts, by nature of their function and objectives, are expected to have more services and cater to more needs of patients. This will lower any negative operating margins compared to city and county hospitals. Size and services provided by health district provide an advantage over city and county hospitals. This advantage is subject to the law of 'diminishing returns' as the operating margin decreases for bigger hospitals (over 249 beds). This study confirms prior research about 'economies of scale' in the healthcare industry.

□ Prior literature demonstrates that district hospitals' excess income margins erode to a greater degree over time due to differences in governance. This study supports erosion of income margins which is, also, due to treating more indigent patients and due to providing 'undocumented' charitable treatments. Not-for-profit hospitals use charitable contributions from their constituents to cover negative income margins and through free volunteer efforts (sisters and diocese volunteer help). Although private non-profit hospitals appear to provide more charity care, in essence district and public hospitals provide considerable and more charity care which is not documented as the public hospitals are not required to document charity care. Empirical data is not available to support the charity care provided by public hospitals, but an analysis of their DSH status (Disproportionate Share funding for treating a disproportionately high share of low-income patients) indicate the type of patients treated in public hospitals and reflects on the low operating margin. Measuring charity care by state governments have been a debatable issue where not-for-profit hospitals are being charged with not providing enough charity care in comparison to tax exemptions enjoyed due to their exempt status.

□ This study contributes to accounting literature by focusing on market share and size as determinants of cost behavior in the healthcare industry. The paper also provides empirical evidence of cost shifting of NFP hospitals to the uninsured patients as apparent by the size of contractual adjustment between price and contracted charges. Documenting the need for a better measure of charity care as captured in states' surveys is another issue that requires further refinement.

The paper has three hypotheses as follows:

1. Economies of scale do not apply or work in favor of improved operating margin in healthcare industry.
2. The health district hospital's increased market share is counter productive to lowering costs.
3. Charity care measures used to report charity care provided by hospitals do not accurately measure the actual cost of charity care provided to needy patients.

□ Annual surveys conducted by Texas Department of Health (TDH) provide data for five years from 1997 to 2001. The TDH annual survey (which includes the American Hospital Association annual survey) provides information on all Texas hospitals. The annual survey contains pertinent information on hospital costs, revenues, outputs, and type of services provided. The sample includes only hospitals which responded to and completed the survey (74 hospital surveys not completed across all 5 years). Data from the annual surveys were merged with selected data items from the Medicare Cost report in testing and standardizing few measures (Medicare cost reports case-mix and wage indices were used to standardize revenues, costs, discharges and to eliminate variances due to patient severity and local wage differences between metropolitan and rural areas). This study focuses on governmental hospitals (662 observations or completed surveys) and excludes three State hospitals as they are mainly teaching and research hospitals (15 surveys in total for five years). Private not-for-profit (NFP) hospitals are, also, included to test for the third hypothesis and confirm recent concerns of cost shifting to uninsured patients as evidenced by the huge surge in contractual allowance. Also, by including the private NFP hospitals (663 observations) we can focus on relative tax appropriation and charity care measurements with respect to governmental hospitals. Final sample size is 1310 hospital years comprised of 647 health-district, city, county and city-county hospitals and 663 NFP hospitals.

□ A model has been developed utilizing regression analysis. Initial results are being analyzed and we are in the process of studying the use of frontier analysis. The model specification and variables selection will dictate final statistical technique used. The paper is organized as follows: 1) Introduction and prior literature reviewing performance measures, and role of governmental hospitals 2) hypotheses development 3) sample and variables of interest definition 4) model specification 5) results and robustness checks and 6) conclusion and summary of contributions.

**Paper Number:** PA051411

**Paper Title:** Contracting Relationships with Local Governments: Implications for Nonprofit Organizations' Structure and Activities

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### **Summary of Research**

We investigate nonprofits organizations choice to contract with government, their experience with contracting, and the implications of government contracting for nonprofit organizations. Contractual relations with government agencies can create transaction cost problems for nonprofits such as: 1) political uncertainty; 2) loss of discretion; 3) uncertainty regarding governments' administrative capability; and 4) coordination of contractual relations among various government units. Results of a survey of 1,200 nonprofits in 12 metropolitan areas are presented to empirically examine : nonprofits' decisions to engage in contractual relations and the impacts of these relationships on the organization.

### **Description**

In many communities, nonprofit organizations play a prominent role in delivering government financed public services. For nonprofits organizations contractual relationships with governments requires balancing the benefits of engagement with government against entanglements that can divert energy from their missions. This paper provides a transaction cost framework to investigate nonprofits organizations choice to contract with government, their experience with contracting, and the implications of government contracting for nonprofit organizations.

□ Building on the work of Kirsten Gronbjerg (1993; 1997) we frame a nonprofit organization's choice to engage in contract work for government in transaction cost terms. Although public funding can be attractive, it comes at a price. Nonprofit organizations that seek contractual relations with government agencies face problems of political uncertainty and they must be willing to conform to constraints and absorb costs imposed by the public sector. The transaction cost problems for nonprofits working for government include: 1) political uncertainty; 2) loss of discretion; 3) uncertainty regarding governments' administrative capability; and 4) coordination of contractual relations among various government units.

□ Tracking the political process becomes a necessary cost for nonprofit contracting. Political turnover and conflict create uncertainty for nonprofits not just governments. Case studies suggest that "executives of nonprofits with public funding participate extensively in advisory committees, boards, and coalitions in order to keep abreast of public sector activities." (Gronbjerg 1997: 105). These activities reduce political uncertainty but impose burdens on organizations and their executives. Where organizations and their leaders are already situated in networks that facilitate monitoring the political process, these costs are reduced.

□ The loss of discretion entailed by contracting also reflects a transaction cost. A funder's right to monitor contractor performance, whether exercised or not, limits the discretion that a nonprofit organization has over internal organizational resources (Gronbjerg 1997). Governments, like other centralized organizations, are distinguished by the broad powers of executives to intervene in operational decisions (Milgrom and Roberts, 1990). Because intervention exacerbates uncertainty problems for external actors, it leads to higher transaction costs in contractual relationships. Nonprofits often supplement contracts from their own resources. The management of contract work also entails significant costs for nonprofit organizations, because they are typically required to generate performance measures and submit reports by specified deadlines (MacManus 1992).

Questions regarding the administrative professionalism and the management capacity of local governments also can introduce uncertainty. The literature demonstrates that local governments with appointed professional managers are more active in contracting and have greater contract management capacity (Brown and Poataski 2001; Clingermayer and Feiock 2001) Procedural constraints imposed by government result in implicit cost sharing such as when organizations accept initial or ongoing payment delays. For example, over 20 percent of payments for service by the City of Chicago to contractors occurred more than two months after delivery (Gronbjerg 1997: 107).

□ Finally, the organization of governments in a metropolitan area can create coordination costs in nonprofit organizations. Within political science there is a well developed research program that examines the implications of centralized versus decentralized systems of governments for meeting the service needs of citizens in metropolitan areas (Lowerey, 1999; Oakerson 1999; Clingermayer and Feiock 2001; Feiock 2002; 2003). This literature has neglected the impacts that the local public governance structure has for nonprofit organizations. A highly fragmented system of governments is likely to increase organizational uncertainty and require multiple contracts resulting in increased coordination costs (Gronbjerg 1997). The empirical questions examined in this paper include:

1. How does the type and characteristics of government influence the willingness of nonprofits to enter into contracts?
2. What characteristics of nonprofits make them more (or less) likely to contract with governments?
3. What types of procedural constraints and requirements are imposed on non-profits working for government?
4. How have governmental constraints affected the activities of non-profit organizations?
5. What has been the impact of contracting with government on the clients of the organization?
6. How has contracting with government affected the advocacy mission of the organization and its administrative capacity?

As part of a project supported through a grant from Aspen Institute, the authors have implemented a survey of 1,200 nonprofit providers in 12 large metropolitan areas. This work builds upon an NSF sponsored study of the governance structures of these metro areas for which Feiock was PI. Questionnaires were directed to 100 health and human service and cultural organizations in each metro areas. The survey elicits information from nonprofit organizations regarding whether they have contracted with government. It will also include a battery of questions regarding the size, structure, and services provided by the organization. Detailed questions address the formality and structure of organizational operations, staffing issues including the use of volunteers, roles played by the director and board, the characteristics of the community and local governments, and additional questions which specifically address the transaction costs discussed above. The data derived from this section will allow identification on the characteristics of nonprofits that contract with government. A second section of the survey is answered only by the subset of organizations that contract with local governments. This section of the questionnaire includes questions about the organization's contracting experience including the contracting process, procedural constraints, the capacity of local government units, contact monitoring, etc. Organization directors will also be asked to assess how contracting has influenced the organization and their activities.

□ Descriptive analysis will report responses to the survey questionnaire by service, organization type, and by metro area. Explanatory models will be used to identify the circumstances in which nonprofits engage in contracting for government. A probit analysis will be used to model contracting choices and, similar to the analysis in stage one, a two-stage Heckman selection model will be used to explain the contacting experience of organizations controlling for the initial contracting decision.

**Paper Number:** PA051415

**Paper Title:** The Impact of Voluntary Disclosures on the Growth of Not-for-Profit Entities

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**Summary of Research**

Focusing on the voluntary disclosures revealed in Not-For-Profits (NFPs) annual reports, we empirically investigate the relation between the information contents of the annual reports and the level of donations received by NFP organizations. We categorize the NFP's disclosures into three broad categories, Audited Financial Information, Service Efforts and Accomplishments and Other Information, and test whether the presences or absence of these disclosures have an impact on the growth of the NFP entity. This study will provide empirical evidence as to the informativeness of the various types of voluntary disclosures and suggest NFPs consider certain voluntary disclosures as best practice.

**Description**

With individual donors providing such a large portion of funding for Not-for-Profit (NFP) entities, and with the sudden influx in the number of charitable organizations vying for their money, more and more individual donors are seeking objective performance measures and more information to facilitate their wise giving decisions. This promotes an increasing demand for better accountability and transparency of NFPs, which also highlights the crucial role of information disclosures as a communication tool between the organization and potential donors. Through information disclosures, NFPs can demonstrate accountability to their stakeholders about effective and efficient operations, compliance with laws and regulations, accomplishment of their mission, and capacity in fulfilling their social roles in the long-term.

However, to date NFPs have lagged behind corporate America in providing "relevant, verifiable, unbiased, and quantifiable" financial and non-financial information, which is critical for the stability and development of the first-rank U.S. capital market. In fact, both policy-makers and researchers have realized that lack of disclosure in NFPs has resulted in significant market failures in the not-for-profit sector, by allowing inefficient NFPs to continue providing low social benefits relative to their costs and the market failing to reach efficiency (Tuckman and Chang, 1991; Stiefel, Rubenstein, and Schwartz, 1999).

In for profit corporations, firms are required to provide information disclosures "through regulated financial reports, including financial statements, footnotes, management discussion and analysis, and other regulatory filings. In addition, some firms engage in voluntary communication, such as management forecasts, analyst's presentations and conference calls, press releases, internet sites, and other corporate reports. Finally, there are disclosures about firms by information intermediaries, such as financial analysts, industry experts, and the financial press," (Healy and Palepu, 2001). In contrast to corporate America, publicly available sources of information for NFPs are the annual Form 990, required by regulation at the federal level; audited financial reports, depending on the reporting requirements at the state level; and occasionally voluntary disclosures of annual reports alongside press releases and published information on the NFP's website. There is little timely information, no industry statistics for comparison, skeletal analysis, limited regulation and competitors contagious in the NFPs external reporting. The inherent problem with the evaluation of NFPs is the difficulty in the measurement of their outputs as their services are intangible and hard to define. The loosely regulated financial reporting environment for NFPs further compounds this problem. Though both the federal and state regulators and private standard-setting entities such as the Financial Accounting Standards Board (FASB), the Governmental Accounting Standards Board (GASB), and the American Institute of Certified Public Accountants (AICPA) have tried to issue some financial reporting guidelines for NFPs, in

general, very little research has been conducted to empirically investigate the information content in their disclosures.

We will attempt to provide empirical evidence to the following question: Do donors value certain voluntary disclosures made by NFP organizations? Gordon Khumawala & Kraut (2004) examine the types of disclosures made by NFPs and provide descriptive analysis as to the types of disclosures and their frequency. From their analysis, we group voluntary disclosures into three broad categories: Audited Financial Information, Service Efforts and Accomplishments, and Other Information.

We randomly selected our sample of over 200 NFP organizations. We gathered their annual reports for any of the two consecutive years of 1999, 2000, 2001, 2002, and 2003. Our analysis will be performed over a cross-section of organizations and we will not control organization type which is consistent with Tinkelman (1999) who found that donor sensitivity to the price of donations is unrelated to organizational type after controlling for such factors as the percent of direct contributions.

Previous studies have linked greater reported efficiency to higher subsequent donations (Tinkelman 1999). Following our log-linear equation similar to Posnett and Sandler (1989) and modified by Tinkelman (1999), we will begin our empirical analysis first by replicating the findings in Tinkelman (1999) using our data sample and the model in Tinkelman (1999) and second by expanding this model to test the impact of voluntary disclosures:

$$LDON = B_0 + B_1LFR + B_2LPRICE + B_3LAGE + B_4LASSET + B_5LGOV + B_6LPROINC + B_7LOTHREV$$

Where:

LDON = the log of current year direct contributions

LFR = the log of prior year fund-raising expense

LPRICE = the log of prior year price

LASSET = the log of beginning total assets

LAGE = the log of the organization's age

LGOV = the log of current year government contributions

LPROINC = the log of current year program income

LOTHREV = the log of current year revenue from other sources

We will then add our variables of interest, namely VDISCL. We will run the regression first with VDISCL broken into three indicator variables: AFI (audited financial information), SEA (service efforts and accomplishments), and OTH (other information). We will analyze the effect each one of these voluntary disclosure items has on subsequent donations. To further test the impact of voluntary disclosures, we will run each regression with an interaction term (VDISCL\*LPRICE) to determine the effect voluntary disclosures have on the price of the donation. We hypothesize that voluntary disclosures will reduce the price of the donation. Our study will further the accounting literature by providing empirical evidence to the informativeness of the voluntary disclosures made by NFPs to the primary users of the financial statements (donors).

□ The timeline for the completion of this study is as follows: By the end of June: Code all of the information in the annual reports, run our analysis by the end of July, Finish write-up by September 15th. Currently, we have completed the literature review, obtained all of the annual reports, and written a working draft of our paper. We have coded 92 of our annual reports.

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**Paper Number:** PA051416

**Paper Title:** Choral conductors as nonprofit workers

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**Summary of Research**

Choral conductors occupy a unique role in the production of arts and culture, most commonly in a nonprofit setting. This paper reports on survey data gathered from 684 conductors, who among them lead over 1,600 choruses. Its emphasis and orientation is on human resource management aspects of choral leadership. We examine gender differences, multiple job holding, multiple responsibilities, education, and association memberships as correlates of income, satisfaction, and chorus performance. In presenting these analyses, we will be able to shed light on other HR issues, including the make-up of compensation and benefits, conductors' experience, and some effects of location.

**Description**

Choral conductors occupy a unique role in production of arts and culture. They lead volunteers and professionals, manage in various nonprofit settings, and provide musical leadership. Late in 2004, we were asked by Chorus America, a leading professional association in the choral music field, to conduct a survey of choral conductors around the U.S. This paper reports on the results of that study, with an emphasis on the human resource management (HRM) aspects of choral leadership.

We received data from 684 choral conductors, who among them lead over 1,600 choruses. We requested information on their compensation and benefits, the range of responsibilities they have in their different choruses, and the settings for their different choruses (in higher education, religious institutions, and community nonprofits). We also gathered data from respondents on their own backgrounds and education, their activities outside of choral leadership, their career satisfaction, and their intentions to remain in the profession.

For ARNOVA, we will prepare a paper addressing the following issues that have emerged in our preliminary analysis.

1. Multiple job-holding. The median conductor in our sample leads 2.5 choruses. We will look at patterns within this multiple job career, and for its consequences in terms of income, benefits, and career satisfaction.
2. Gender differences. We identified significant differences in compensation between men and women. We will conduct further analysis to determine if these stem from educational differences, age, regional differences, or other factors.
3. Multiple responsibilities. The job of being a choral conductor is multi-faceted. Respondents ranged from having primary responsibility for almost every aspect of the chorus to being only responsible for purely musical activities. We will see how variance in the level of responsibility is associated with different levels of education, income, and experience.
4. Education. Half of the respondents hold master's degrees, and a quarter hold doctorates. Clearly, attaining a doctorate is the important marginal decision a conductor might make with respect to own human capital development. We will explore how the terminal degree might affect income and satisfaction.
5. Association membership. There appear to be differences in income and satisfaction based on whether one is a member of certain professional associations. We will explore this to determine a little

more about causality (do higher earners join associations or do association members earn more?) and the effect of education.

In the course of presenting these specific analyses we will be able to shed light on a variety of other HR issues, including the make-up of compensation and benefits, the range of experience, and some effects of location. We will be able to compare our findings to those of other broad based studies of artists in the workforce (Alper et. al., 1996, 2000, Chorus America 2003, McCarthy, Brooks et. al. 2001), and to compare choral conductors' careers and experiences with those of other artists.

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**Paper Number:** PA051420

**Paper Title:** Public sector funding for nonprofit social service providers revisited

**Author(s):**

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**Summary of Research**

This paper investigates the relationship between the level and mode of public funding and the performance of nonprofit social service providers. It reviews theoretical contributions from the economics literature and derives testable hypotheses on the public funding-performance relationship. The empirical analysis focuses on nonprofit social service providers in Austria. Using a selection of financial and non-monetary performance indicators developed for the NPO context the paper studies the degree to which NPOs' performance depends on public funding. The analysis relates funding tools and patterns to the level and scope of social service production and to NPOs pricing policy.

**Description**

This paper will investigate the complex interrelationship between the level and mode of public funding on the one hand and the performance of nonprofit social service providers on the other hand. It will review theoretical contributions from economics on the impact of different types of public funding for social services on the level, scope and quality of a service supply in mixed-markets and present fresh evidence from a survey of Austrian nonprofit social service providers.

In terms of theory, Models based on standard microeconomic theory (e.g. James and Rose-Ackerman 1986), contributions from the industrial economics literature and agency theory (see DiMaggio 1988; Boadway et al 1999; Murray 2002) all highlight several factors which affect Nonprofits' discretion in the use of public funding namely, (i) an NPO's operative objective function, (ii) the scope of an NPO's activities (iii) the type of public funding obtained and (iv) its relationship to other sources of funding, (v) the structure of the industry under consideration which among other things (vi) depends on barriers to entry. The paper will discuss these factors. Particular emphasis will be placed on the relationship between the aims of public funding agencies and the objective functions of NPOs, on purchase of service contracting as a funding tool and on competitive pressures in the social services industry. As an innovative feature, the conceptual discussion is to include new perspectives from the theory of "soft-budget constraints". Based on these theoretical considerations the paper will suggest testable hypothesis for an empirical analysis of government funding to NPOs.

Much empirical work on several aspects of performance related contracting in social services has been done in the US-American and Anglo-Saxon areas (see e.g. Ferris 1993; Smith, Lipsky 1993, Kramer 1994, Grønbjerg et al. 1995; Van Slyke 2003). Little research has been conducted on the impact contracting might take in the institutional setting of (continental) European nonprofit organizations. In Europe, funding for social services predominantly comes from the public purse. However, over the past years the relationship between the non-profit sector and the public sector is changing in many ways. Apart from cuts in public expenditures the EU is promoting competitive tendering in public procurement and is less willing to accept exceptions from the general ban on public grants.

Against this background, the paper will discuss and conceptualize different measures for the performance of Nonprofit Organisations in the Austrian social services industry. Using a selection of these measures it will investigate the degree to which NPOs' performance depend on public funding, looking into NPOs funding patterns and typical funding styles. Furthermore, the paper will relate funding patterns to the level and scope of non-profit social service production, to NPOs pricing policy and to other financial and mission-related performance measures. The paper will conclude with a brief discussion on the extent to which changes in the level and mode of public funding reduce NPOs discretion and if so, to what long-term effects on the role and functioning of NPO.

**Paper Number:** PA051422

**Paper Title:** After the Funding Ends: A Necrology of California's Community and Faith-based Initiative

**Author(s):**

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**Summary of Research**

Beginning in December 2000, California's Community and Faith-based Initiative funded 40 nonprofit organizations to provide workforce development services to hard to employ populations. This research examines what has happened to the organizations and their workforce programs after funding for the program was discontinued in March 2005. Data is drawn primarily from an open-ended telephone survey with organizational leaders. Given California's heavy investment in technical assistance for the 40 organizations, the failure of most organizations to find funding and sustain their programs is discouraging. We analyze what the difficulties may suggest about the way faith-based initiatives are conceived and funded.

**Description**

This paper considers what can be learned from what happens after a nonprofit organization loses government funding as part of a faith-based initiative. At stake are the ways in which recent faith-based initiatives may affect the mission and operations of nonprofit organizations. Many analysts fear that receipt of government funding will lead to mission creep as nonprofits adapt their programs to meet the demands of government funders. Others see the possibility that faith-based grants might become a type of seed funding that puts local nonprofits on the map with funders and leads to more sustained partnerships with government programs.

California's Community and Faith-based Initiative provides a fertile setting to subject these claims to empirical scrutiny. Beginning in December 2000, California's Employment Development Department funded 40 nonprofit organizations (30 faith-related and 10 secular) to provide workforce development services to hard to employ populations. This research examines what has happened to the organizations and their workforce programs after funding for the program was discontinued in the 2004-05 fiscal year. The findings are particularly significant given that a major goal of the California initiative was to increase the ability of smaller and newer nonprofits to sustain partnerships with government. Toward this end, a significant amount of technical assistance was provided to the 40 organizations during the course of the initiative.

Data is drawn primarily from an open-ended telephone survey with organizational leaders. In addition, we examine the results achieved by a subset of the 40 organizations that choose to apply to an RFP for the Governor's 15% discretionary funds as their CFBI grant were running out or had expired. While some CFBI-funded organizations have succeeded in sustaining their workforce programs, many others have failed to attract funding. We analyze the patterns of success and failure, noting what they suggest about the way faith-based initiatives are conceived and funded. In particular, we consider the possibility that it may be more fruitful to organize faith-based initiatives on a local network basis, rather than having state or federal government single out local organizations to which to direct their funds.

**Paper Number:** PA051423

**Paper Title:** Philanthropy in the Knowledge Economy

**Author(s):**

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**Summary of Research**

In this paper we explore an interesting connection between philanthropy and economic development policy. Philanthropists are playing a critical role in leveraging regions into the knowledge economy through the incubation of intellectual ideas. This is being done through donations to universities that sponsor partnerships to create new businesses and new technologies with an increased focus on commercialization. This paper presents a case analysis of the Georgia Research Alliance, a cutting edge partnership that is a successful model of the emerging links between philanthropy and economic development.

**Description**

Philanthropy in the Knowledge Economy: The Incubation of Intellectual Ideas

The changing economy to an increasingly knowledge-based and global economy demands greater participation from universities in regional development. Whereas universities were once mainly enclosed centers of knowledge, the shift from supply-side (focused on industrial recruitment strategies) to demand-side (creation of new markets) economic development strategies has expanded their role beyond the creation of knowledge through basic research to include technology transfer, development and commercialization of new products and processes, human capital development and the creation of a favorable milieu through social and cultural activities. Universities are among the most critical inputs to cluster based technology development strategies, they form the environment wherein innovation and creativity are bred.

The shift in the role of universities in the knowledge economy creates new opportunities for university giving. As universities engage more in technological development, donors have opportunities to not only support scholarships and capital improvements, but to also make charitable investments in state of the art research endeavors and business start-ups.

To illustrate this changing role, we provide a case study analysis of the Georgia Research Alliance (GRA)—a model of innovative philanthropy in the knowledge economy. The Georgia Research Alliance is an internationally acclaimed model for bringing business, research universities, state government, private foundations and individual donors together to create and sustain a vibrant, technology-driven economy for the state. The Alliance's affiliated universities are: The University of Georgia, Medical College of Georgia, Emory University, Clark Atlanta University, the Georgia Institute of Technology and Georgia State University.

The Alliance achieves its goals through strategic investments at the state's leading research universities in four programs: eminent scholars, research laboratories and equipment, national centers for research and innovation and technology transfer. To date, the Alliance has invested some \$350 million, which has helped to attract more than 40 Eminent Scholars, leverage an additional \$2 billion in federal and private funding, create more than 3,000 new technology jobs, generate some 90 new technology companies, and allow established Georgia companies to expand into new markets.

Philanthropic contributions through foundation grants and individual donations have been critical to GRA's accomplishments. Its programs are funded by state government, private business and foundations and then matched by the universities (mainly through individual donations). This funding arrangement is the essence of the uniqueness of GRA and a major factor to its success.

Through the GRA case study, the following questions are explored:

1. How have philanthropic contributions led to GRA's unique organizational arrangement and to what extent does this contribute to its success?
2. How does philanthropy through this type of institutional arrangement differ from traditional university giving?
3. Through this type of strategy, what contributions are philanthropists making to the regional economy?

Upon presenting our findings we then offer a discussion of the implications philanthropic investments in universities have in contributing not only to the knowledge economy per se, but to community economic development as well. From our case analysis findings we develop a framework for conceptualizing the relationship among the myriad stakeholders and identify "smart practices" that can be used to develop common goals (Bardach 1998). Our intention is to expand on and explicate a model in which philanthropy is a critical component that needs to be understood and incorporated in the coordination of institutional partnerships for the purposes of leveraging collective resources for larger community outcomes vis-à-vis increased human capital, building a knowledge economy infrastructure, and community-wide economic development. Our findings have implications for donors, foundations, university development officials, and for policymakers interested in the role that philanthropy has for economic development. We conclude our case analysis with a discussion of the transferability of this model to other geographic regions.

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**Paper Number:** PA051424

**Paper Title:** Tracking Outcomes for HIV-Prevention Programs: Mission Impossible?

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**Summary of Research**

Human service providers are under pressure to measure outcomes for clients. This is difficult for organizations serving AIDS-HIV populations, with their often hard-to-locate and sometimes less than cooperative clients whose names must be kept confidential. About 560 organizations providing HIV-Prevention services were surveyed about their client tracking practices, as well as the challenges they face. After adding organizational financial data from NCCS databases for the 289 organizations that returned surveys (51% response rate) and seeking more information from the 76 organizations that reported collecting post-program data, this authors discuss factors associated with the best tracking systems.

**Description**

As human service providers face increasing pressure to prove the impact of their programs by measuring outcomes for clients, those serving populations at risk for AIDS-HIV face especially difficult problems. They often have hard-to-locate clients who are sometimes less than cooperative in providing information on sensitive issues such as sexual practices. In addition, often all identifying information must be kept confidential in many cases.

□ Government funders now require reports on the effectiveness of their grant dollars under the Government Practices and Reporting Act. They are more and more emphasizing the responsibility of grantees to track client information about services received, no longer relying on full evaluations of programs after their completion. In particular, the Centers for Disease Control and Prevention (CDC) has provided much written guidance to its grantees about what information should be tracked and reported on CDC-funded projects. Foundations are also increasingly interested in documenting the impact of their grant dollars and have themselves sponsored hundreds of manuals and guides for nonprofits on outcome measurement systems.

□ To see if the pressure from funders to track client outcomes has actually translated to client tracking practices and data collection in programs where clients are often the hardest to track, a survey of organizations that provide HIV-prevention services to communities was done. A list of organizations was compiled from a number of sources. First, the Urban Institute's National Center for Charitable Statistics (NCCS) has a database of Form 990 information that includes program descriptions. These program descriptions were searched for key words related to HIV-Prevention programs. We also obtained a list of CDC grantees that received funds directly from CDC, and also lists of HIV-prevention program providers from three states, New York, New Jersey and Florida. These sources yielded a list of about 700 organizations to survey.

□ After the elimination of those with bad addresses and that were misidentified as providing HIV-prevention services, there were a total of 562 organizations. After asking the kinds of services provided and the populations served, the survey probed 1) how these organizations collect data; 2) strategies used to track clients; 3) the type of information collected; and 4) the challenges faced in tracking outcomes.

□ There were 289 organizations that completed the survey for a response rate of 51.4 percent. The organizational and financial information from the NCCS Form 990 information was then matched with the responding organization to create a more complete database for analysis. In addition, there were 76 organizations that reported that they collected data on clients after the clients had finished their

programs, a post-program follow-up that is generally considered a good practice in outcome measurement systems.

□ This information enables us to sketch the client tracking practices now actually used by nonprofit providers of HIV-prevention programs. For example, what kinds of information are collected (client characteristics, types and amounts of services, etc.)? Are there standard forms used for all clients? Even more important, we can use the database to assess if there are certain service, client, or organizational characteristics that lead to organizations having better tracking systems. “Better tracking systems” was defined as including recording necessary client characteristics and testing for risk behavior at a post-program follow-up. After organizations with more successful outcome tracking systems are identified, then their characteristics can be reviewed. For example, is the type of service (one-on-one, group level interventions, prevention case management, etc.) important? Are certain types of populations (youth, injection drug users, low income persons) more likely to be tracked? Do only larger programs and/or organizations have good measurement systems?

Finally, analysis of the responses to the list of challenges can help in understanding the existing barriers to successful programs to track outcomes for organizations with the most difficult client bases. Information about what organizations perceive as the problem can help in the development of guidance and support to help HIV-prevention program providers improve their client tracking systems and thus their outcomes.

**Paper Number:** PA051426

**Paper Title:** Survey Methods and the Truth: Does the Sum of the Parts Equal the Total?

**Author(s):**

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**Summary of Research**

How closely do surveys of household philanthropy match the reality of actual charitable donations? In 2004 we surveyed 736 Indiana citizens about their philanthropic behavior in 2003. We included several questions to gather information about charitable donations that were claimed as itemized deductions on individual tax returns. We use traditional statistical techniques to compare reported total giving in the first part of the survey, to reports of charitable donations claimed as itemized deductions in the last part of the survey. This will be used to validate a commonly-used measure of individual philanthropy.

**Description**

Many studies of individual philanthropy measure giving behavior using telephone surveys of households. The most prominent of these has been a national study conducted by Independent Sector, published as *Giving and Volunteering in the US*. The Center on Philanthropy recently began a similar national survey, the Center on Philanthropy Panel Study. A number of local and regional studies have also surveyed households (e.g., *Giving in Memphis 2003*, *Indiana Gives 2004*, *Charitable Giving and Volunteering in New Hampshire, 2003*). The methodological implications of question design was studied for a sample of households in Indiana (Rooney, Steinberg, & Schervish, 2001), and extended to a large national sample (Rooney, Steinberg, & Schervish, 2004). These studies showed that longer, more detailed prompts lead respondents to recall giving at higher incidence rates (proportion donating at all) and at higher levels (dollars given).

One question that remains, however, is how closely surveys of household philanthropy match the reality of actual charitable donations. That is, how valid are the assessments of individual philanthropy based on the measures being used? Using data from an extensive audit of US taxpayers in 1982, Slemrod (1989) found that taxpayers initially reported donations that were an average of 7.2 percent higher than the level deemed correct by an auditor. Since that time the IRS has stiffened its regulations for claiming charitable deductions, but we are still obliged to assume the accuracy of IRS figures as the best available data.

In 2004 we surveyed 736 individuals throughout Indiana about their philanthropic behavior in the year 2003. The questionnaire was based on a household survey used in the Center on Philanthropy Panel Study (and also used in a national study and in regional studies in Memphis and St. Louis). At the end of the survey we added several questions to gather information about charitable donations that were claimed as itemized deductions on individual tax returns.

We use traditional statistical techniques to compare reported total giving in the first part of the survey, to reports of charitable donations claimed as itemized deductions in the last part of the survey. This will give us an indication as to the accuracy our measures of individual philanthropy. While we are unable to access individual tax returns for complete validation of our results, this paper will make an important contribution to the topic of survey methodology in the field of philanthropy.

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**Paper Number:** PA051427

**Paper Title:** Survival of the Fittest? Nonprofit and For-Profit Organizational Mortality within Social Services

**Author(s):**

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### **Summary of Research**

Social service fields experienced a growing for-profit presence over the past several decades. Consistent with the ecological perspective on organizations, understanding this shift requires an examination of the birth, death, and transformation processes of constituent organizations over time. Utilizing the Longitudinal Business Database, this research begins such an investigation by assessing the mortality dynamics of nonprofit and for-profit social service providers operating between 1976 and 1998. Using event history analyses techniques, the findings indicate that nonprofit status significantly reduces the risk of organizational mortality, which suggests that for-profit expansion is driven primarily by a greater influx of new organizations.

### **Description**

Over the past several decades, "mixed-sector" industries, those containing significant numbers of both nonprofit and for-profit organizations, have garnered substantial attention. This is due, in part, to the increasing for-profit presence in a number of fields such as social services, education, and certain areas of health care (Gray & Schlesinger, 2002; Salamon, 1999). While mixed-sector research is developing regarding potential behavioral differences in aspects such as service quality, efficiency, and populations served (Irvin, 2000; Luksetich, Edwards, & Carroll, 2000; Marsteller, Bovbjerg, & Nichols, 1998; Vaillancourt & Linder, 2003) little is known empirically about why the structure of these service industries are changing (Weisbrod, 1997). The aggregated, cross-sectional information from the every five year Economic Census frequently referenced to document industry changes over time does not provide much illumination into how or why the for-profit presence is expanding. Answering these questions requires an examination of the birth, death, and transformation of the constituent organizations over time.

This research project provides such an investigation by engaging in a large-scale study the social service industry (as defined by the Standard Industrial Classification or SIC codes) and the conditions that have contributed to the substantial and uneven growth of nonprofit and for-profit service providers over the past several decades. Specifically, this paper focuses on organizational survival (and its converse, mortality) as a fundamental population dynamic contributing to the mix of organizations operating at any given time. This analysis will demonstrate whether favorable for-profit survival outcomes help account for the evident compositional shifts in the industry. Although the study of organizational mortality in many different industries has developed extensively over the past several decades (Baum, 1996; Carroll & Hannan, 2000), explicit examination of potential nonprofit and for-profit differentiation has received minimal attention. If ownership status is included in mortality analyses, it functions primarily as a control variable (eg. Baum, 1999; Baum & Singh, 1994)

### **Approach (methods,data, and findings)**

As suggested by DiMaggio and Anheier (1990), organizational sociology, particularly the ecological tradition, provides a useful framework for analyzing industries comprised jointly of nonprofit and for-profit organizations. Organizational ecology focuses on the fundamental processes of organizational births, deaths, and transformations as key indicators to evaluate and assess changes within organizational populations (Baum, 1996; Carroll & Hannan, 2000; Hannan & Freeman, 1989). Organizational ecology utilizes these processes as a way to assess the relationship between social, political, and economic conditions and the number and type of organizations operating in particular fields over time. Given organizational sociology's rich history of utilizing nonprofit sector research (Abzug, 1999), it is somewhat surprising that many of these theoretical and empirical tools have not been applied to mixed-sector industries in a more substantial or systematic manner. Consistent with the ecological approach, this research seeks to find generalizable nonprofit and for-profit differences by

assessing organizational mortality across several social service industries including individual and family services, job training, child care, and residential treatment.

Engaging in an ecological study of the social service industries requires longitudinal data containing the life histories of individual organizations, documenting when organizations come into existence and when, if ever, they close. Data of this nature are difficult to acquire and assemble, especially when desiring to study entire industries over large geographic areas. The development of the Longitudinal Business Database (LBD) by the U.S. Census Bureau substantially improves the capacity to engage in the desired research. The LBD is derived from the Standard Statistical Establishment Listing (SSEL), which contains confidential administrative, census, and survey data compiled by the Internal Revenue Service, the Bureau of Labor, the U.S. Census Bureau and other federal agencies (Jarmin & Miranda, 2002). The resulting database is the most comprehensive organizational data source for establishments and firms with employees, containing all known organizations with employees existing since 1976. The LBD forms the basic architecture for this research project by establishing when an establishment comes into existence and whether it continues or dies in each successive one-year time interval between 1976 and 1998.

Nonparametric and parametric techniques provide a range of descriptive and analytical findings regarding the organizational survival and the churning of organizations within social services during this time period. Kaplan-Meier life tables reveal significant and substantial differences in life expectancy between nonprofits and for-profits, with nonprofits demonstrating greater survival capacity. This finding exists overall and across the separate industries. Multivariate event history regression analyses indicate that while organizational and environmental characteristics such as size, chain affiliation, and local social and economic conditions significantly (and at times differentially) influence nonprofit and for-profit survival, operating under nonprofit auspices continues to significantly reduce the risk of organizational mortality.

#### Contributions

This paper contributes directly to our ability to account for the increased for-profit activity within the social service fields by examining whether systematic differences exist between for-profit and nonprofit survival. Given the empirical reality of for-profit expansion, the study of organizational survival will determine whether for-profit growth is facilitated by their competitive survival advantages or exclusively through higher for-profit birth rates. This represents an empirical question not previously addressed, with the findings indicating that for-profit expansion is not related to favorable survival ability.

This research also contributes to the search for generalizable differences between nonprofit and for-profit ownership. The fact that nonprofit status improved organizational survival within multiple social service industries provides support for the view that enhanced survival capacity may represent a general characteristic of the nonprofit form.

The study of organizational closure also has substantive importance in its own right, particularly for industries devoted to serving vulnerable populations. Although closure is not always synonymous with failure (Headd, 2003; Hager, Galaskiewicz, Bielefeld, & Pins, 1996), nor should survival always be viewed as a sign of success (Meyer & Zucker, 1989), closure within social and health service industries indicates that clients who were previously receiving assistance must find alternative means for addressing their needs and/or experience a reduction in the services available to them. For some populations, especially those receiving residential care such as in homes for the elderly or substance abuse treatment centers, this may represent substantial hardship. Additionally, as more reliance is placed on the private sector for the delivery of many social services (De Vita, 1999; Alexander, 1999) it is important to have a comprehensive set of diverse and resilient organizations available for handling critical human needs, particularly during periods of economic and social distress. Examining organizational mortality will improve our understanding of the stability of the contemporary private sector social safety net.

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**Paper Number:** PA051428

**Paper Title:** Increasing Organizational Capacity through Organizational Self-Assessment and Academic/Practitioner Collaboration

**Author(s):**

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**Summary of Research**

This paper builds upon work currently being done in the field of nonprofit organizational self-assessment and capacity building as well as research done to examine the place and role of an academic center in coordinating and facilitating nonprofit capacity building efforts. Based on interviews and archival data, this paper examines a unique collaboration between the academic and practitioner communities. It furthermore provides empirical qualitative data that not only reveals a clearer perspective on the theories, processes, objectives, and impacts of nonprofit organizational self-assessment, but also highlights the unique obstacles, challenges, and opportunities that exist for such academic/practitioner collaborations.

**Description**

There are at least two converging forces that bring the issue of collaboration between academics and nonprofit practitioners to the forefront. First, there is pressure on universities, especially state supported ones, to be relevant and embedded within the communities in which they serve. Second, nonprofit organizations are under increased scrutiny to examine their operations to assure accountability and effectiveness. The convergence of these forces occurs when knowledge and tools are deployed through universities in collaborative ways that intersect with the desire of nonprofit practitioners to build their organizations' capacity and effectiveness.

This paper builds upon work currently being done in the field of nonprofit organizational self-assessment (Boardman & Vining 2000; Caravatta 1997; Connolly and York 2002; Ford and Evans 2002; Kearns 2004; Paton, Foot, and Payne 2000) as well as research done to examine the place and role of an academic centers in coordinating and facilitating such capacity building programs (Glassick, 1999; Holland, 1997; Mirabella and Renz, 2001; Smith, 1997; Walshok, 1995; Young, 1998). As a case-study, this paper uses the model developed and implemented over the past five years by Arizona State University's Center for Nonprofit Leadership & Management (ASU-CNLM). Built upon the Leader-to-Leader Institute's Drucker Foundation Self-Assessment Tool, the ASU-CNLM Nonprofit Organizational Self-Assessment Program was developed as a unique collaboration between the academic and practitioner communities. Based on archival information and interviews with past and current participants, this paper provides empirical qualitative data that not only reveals a clearer perspective on the theories, processes, objectives, and impacts of nonprofit organizational self-assessment and capacity building, but also highlights the unique obstacles, challenges, and opportunities that exist for such academic/practitioner collaborations.

**Paper Number:** PA051430

**Paper Title:** 'everyone belongs' TM - A Case Study in Social Marketing

**Author(s):**

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**Summary of Research**

The paper will summarize key learnings from a social marketing initiative undertaken by the Developmental Disabilities Resource Centre of Calgary (DDRC).

Two years ago an initiative was undertaken aimed at increasing awareness of inclusion and the developmentally disabled. This innovative approach and breakthrough work culminated in the development and subsequent trademarking of 'everyone belongs', (recently adopted as the agency's vision statement).

The paper will provide a summary of:

- A review of current literature on social marketing
- The processes and initiatives undertaken by DDRC that helped to build awareness
- current learnings
- challenges and expectations for the future

**Description**

The field of the developmentally disabled has evolved considerably over the past fifty years in Canada. Throughout the 1950's it was unusual for a 'mentally retarded person' to reside within the community. Rather, children and adults were most often placed in institutions or group homes. Unfortunately, what was missing, was the notion of 'belonging' and being a part of a community... that is, the notion of "inclusion".

The Developmental Disabilities Resource Centre (DDRC) was founded in 1952 by a mom with a Down's child who was unable to attend her local school. The resource centre started in Christine Meikle's kitchen and has grown to an organization serving more than 10,000 individuals in Southern Alberta, a staff of 400 and an annual budget of 11 million dollars. DDRC's modus operandi has never wavered, "let my child be part of your life".

In 2002, the management team of this innovative organization launched a social marketing initiative that focused on inclusion. As a result of this breakthrough work, 'everyone belongs' TM has become the mantra of staff, volunteers and clients. Its' brilliance rests with its' simplicity and in 2004, the organization adopted 'everyone belongs' TM as its vision. 'everyone belongs' TM , encompasses the values of the agency and its expectations for the future.

The initiative has been gaining momentum and work has now begun relative to branding, sharing our learnings locally, nationally and internationally. Considerable interest has been expressed across the sector from a diverse group of agencies.

The paper will summarize our current learnings as well as highlight opportunities the organization is currently considering in the future. (including replication, certification etc.)

It is an excellent case study of how one agency initiative can galvanize an entire organization.

**Paper Number:** PA051433

**Paper Title:** A Comparative Study on Collaboration and Partnership in Multi-Agency Networks for TANF Implementation

**Author(s):**

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### **Summary of Research**

The growing demand for devolution of authority since welfare reform enabled state and local governments to seek ways to improve efficiency, enhance coordination, and collaborate, and partner with other organizations in managing TANF programs. States and localities reorganized administrative infrastructure by expanding organizational linkages between state agencies and local governments, nonprofit, and private agencies. This research explores how local TANF agencies with responsibilities shifted from the federal and state, including county government, nonprofit and for-profit organizations have created a service delivery network, and collaborated and partnered for TANF implementation in Albany County, New York and Allegheny County, Pennsylvania.

### **Description**

The declining support for federal agencies and growing demand for devolution of programs and authority to state governments represented by the 1996 federal welfare reform enabled state and local governments to seek ways to improve efficiency, enhance coordination, and collaborate with other organizations. Many states and localities reorganized agency structures and created new administrative infrastructure to manage Temporary Assistance for Needy Families (TANF) programs by expanding organizational linkages between state agencies and local governments, nonprofit, and private agencies. This shift in authority from federal to state, and from state to county, empowered an interagency collaborative capacity and enhanced communication for increasing efficiency of the delivery of welfare services. It did so by facilitating resource exchange and integrating services in a variety of partnerships to enable agencies to work together more effectively to assist welfare recipients to achieve economic self-sufficiency.

□

The purpose of this research is to explore how the shift in authority has emerged at local administrative levels, how states and localities have changed their implementation structures for TANF programs under devolution, and whether the devolution of authority contributes to achieving the goal of welfare reform, economic self-sufficiency of welfare recipients. It addresses the following research questions:

- How have collaboration and partnership evolved and changed in TANF administrative structure?
- To what extent does the evolution in the administrative infrastructure contribute to economic self-sufficiency of TANF recipients?

This research is a comparative case study that compares the administrative infrastructure designed to deliver TANF programs in two selected counties for two states – Albany County for New York and Allegheny County for Pennsylvania. These states and counties represent diverse geographic, economic, and social contexts in which to examine the implementation process in different policy and institutional environments. Qualitative analysis and network analysis are used with multiple sources of data. Data sources include state welfare reform laws and TANF plans for the three states, professional reports of each state's case, 'Family Files' on 'welfare program participation' section of the National Survey of America's Families (NSAF) data sets, survey, and semi-structured interviews with key decision makers of state and local welfare agencies. This comparative case study provides significant insight into how policy reform contributes to changes in governance and whether new public management strategies result in improving efficiency of service delivery and empowerment of the government's decision making capacity in dynamic interactions with other organizations.

**Paper Number:** PA051434

**Paper Title:** Organizational Culture Theory and Its Application to Nonprofit Organizations

**Author(s):**

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**Summary of Research**

The purpose of this paper is to examine to what extent organizational culture research has extended to nonprofit organizations. It will first discuss the definition of “organizational culture,” followed by an examination of the inclusion of nonprofits in the literature. The final section of this paper will address future research needs in the area of nonprofit organizational culture. Arguments will be presented in response to three organizational culture research findings. Alternative responses will be explored for each argument.

**Description**

Since the early 1980s, scholars have paid increasingly more attention to the theory that organizations, like human populations, have “cultures” that affect the way in which these organizations operate. As is the case with most organizational theory, this research originated and has focused primarily on organizations in the private sector. As the American economy evolves into what Salamon (1999) describes as a “mixed economy” with a growing interdependence and competition between the private, public and nonprofit sectors, it is important to evaluate the appropriateness of the application of traditional organizational theories to nonprofit organizations. From an operational standpoint, there is a growing consensus in the literature that nonprofit organizations should operate more like for-profit organizations (Anthony & Young, 1994; Kearns, 2000; Denhardt, et al, 2002; Eikenberry & Kluver, 2004). This would increase nonprofits’ abilities to operate more efficiently and with more effective accountability.

There is agreement between scholars on nonprofits and organizational culture researchers as to what constitutes “organizational culture.” However, the question still remains as to whether the current culture research adequately addresses the organizational challenges faced by nonprofit organizations.

To date, the literature on organizational culture has made significant strides in its attempt to provide an alternative explanation for the influence of the organization on the behavior of the individual through socialization, as well as the influence of the individual on the organization through management. However, it is the opinion of this author that the literature falls short in its application to nonprofit organizations. The current literature fails to take into account those organizational dimensions that are particular to nonprofit organizations, primarily as a result of the origins of these organizations. Nonprofit scholars have provided a wealth of information to distinguish the nonprofit sector from the private and public sectors. Unfortunately, this research has been slow to make the transition into the organizational development literature.

In an effort to spur the need for more research, the following three arguments are offered in response to organizational culture (OC) research findings presented in this paper:

OC Finding Number One (Schein, 1985): If organizational values are not learned as part of the cultural experience, they may appear as “espoused values;” what people say in a given situation will be out of line with what they will actually do.

Argument Number One: Because members (staff, volunteers, etc.) of nonprofit organizations are so highly committed to the mission of the organizations, “espoused values” are very unlikely.

OC Finding Number Two (O’Reilly, 1989): There may be an important difference between “the guiding beliefs or vision held by top management and the daily beliefs or norms held by those at lower levels in

the unit or organization.” While top management’s beliefs reflect how things ought to be, the beliefs of those at lower levels define how things actually are. Top management’s view about how the organization should function may not necessarily be shared others.

Argument Number Two: Because adherence to the organization’s mission is so critical to the success of a nonprofit organization, there will be little difference between vision and beliefs of top management and lower levels.

OC Finding Number Three (Schein, 1985; Green, 1993): Culture is something that can be controlled or manipulated, often attributed to the leadership or management of the organization.

Argument Number Three: Culture is larger than the organization itself, often dictated more by the environment (community, society) within which the organization operates and the board. Because of a nonprofit organization’s heavy reliance on its environment, it may have little control over its general organizational culture.

Alternative responses will be explored for each argument.

**Paper Number:** PA051440

**Paper Title:** Assessing the success at one year of a comprehensive community-based program for youth-at-risk that incorporates science-based principles

**Author(s):**

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### **Summary of Research**

Two components of successful community and outcome-based intervention/prevention programs are the on-going collaboration between organizations/groups, and the community developmental framework employed. The importance of developmental models and the active engagement of the community-at-large are not well known. This research includes a history of a community program initiated by youth and community agencies (a school district, a religious congregation, county, legal /human services). The structure of the program at one-year is assessed in terms of program development driven by the client population, measured outcomes, the differentiation/re-integration of interorganizational relations, and the didactic importance of emergent visibility in the community.

### **Description**

Coordinated community response programs that incorporate what are currently referred to as science based principles tend to originate at the national level. Often they begin as experimental, pilot, or demonstration programs underwritten by foundations. The design of a particular program takes its cues from current applied theory and the empirical research associated with it. After the design is test-driven, and once evaluated as viable and promising, public funding becomes available for initiatives adopting the model and fully committing to processes and measured outcomes that have demonstrated success.

Comprehensive community-wide programs have become available in areas of public health and safety, increasingly visible, and encouraged by many funding sources including multiple levels of government, large NGOs like the United Way, and foundations. Outcome-based funding is an increasingly common expression of science-based design and one that explicitly requires effectiveness and accountability.

In many RFPs, the science-based principles adopted, and the outcomes specified are tailored toward particularistic goals. WIA programs for example emphasize social and life skill training with clearly delineated outcomes pertaining to job-readiness and employability. In contrast, other applications specify the outcome measures and allow several alternative strategies to reach them.

The last few decades have witnessed several ambitious such initiatives untaken in the fields of chemical dependency and public health. In the wake of their checkered history of failures and provisional success, a second wave of experientially informed designs are in the field which integrate this learned wisdom. The challenge for all model-derived programs is in their individual application. Regardless of how detailed the model is articulated, local wisdom, ingenuity and a capacity to translate the abstract into the concrete are important.

Two essential components of the model are especially noteworthy. Coordination and collaborative interaction between organizational players - voluntary associations, public agencies and private enterprise is one increasingly well-documented in the literature. The other is the developmental framework employed, and consists, on the one hand, of the individual as s/he grows and develops throughout one's course of life, and, on the other, the developmental model of the program as it grows from embryo to fully empowered and mature. This component is much less visible, not reported in the literature, and a focus of this analysis.

At-risk programs typically reference complex problems that develop in response to multiple influences. These spheres of activity-usefully called domains-include the individual, family, peers, school, community, and society/environment. Characteristics and conditions that exist within each domain of

activity also typically function as risk or protective factors that help propel individuals to or safeguard them from risk. As such, each of these domains presents an opportunity for preventive action in the sphere of influence it represents.

Research indicates that as individuals develop, their interactions within and across domains of activity change over time. Web of influence models illustrate how these dynamic and sometimes complicated relationships can result in effective problem prevention from at-risk behaviors. When explicitly integrated into a coordinated community programs, domains collectively provide a powerful conceptual and programmatic organizing rubric for community education and program implementation. Youth are seen as embedded in family, school, peers, community, society and environment. Engaged citizens can identify themselves and their neighbors as participants in these separate yet interrelated aspects of social and community life. The iteration of evidence associated with each domain facilitates direct and practical answers to the question " what can I do to help". Much less well understood and articulated is the efficacy and importance of making visible and available to the community the evolving development and vision of the program itself.

This research study and report begins with a natural history of a community program that was initiated by individual citizens (students in recovery), community agencies (a school district, a religious congregation, county and regional-level legal and human service organizations) with technical support from professors and students from two universities. The emergent structure of the program at the one-year benchmark is assessed in terms of: the development of program content as driven by needs of the client population at hand, outcome measures to date, an elaboration of the differentiation and re-integration of inter-organizational relations and process, and the resultant visibility of the program in the community-at-large.

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**Paper Number:** PA051441

**Paper Title:** Foundation Support for Partnerships: Possibilities and Pitfalls

**Author(s):**

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**Summary of Research**

Increasingly, foundations are encouraging and even requiring their nonprofit grantees to collaborate. This paper shows, however, that partnerships often fail to live up to funders' intended goals, and draws on insights from organizational theory to understand why. It concludes that funders too often treat partnerships as a panacea rather than a method suitable for certain ends but not others, and argues that greater realism is needed about partnerships' benefits and limitations. The analysis is based on personal interviews with five foundations and 45 grantees engaged in 19 partnerships.

**Description**

Foundations today are big advocates of partnerships among their grantees. In an Urban Institute survey of 1,192 grantmakers – fully 69% of these foundations said they actively encourage their grantees to collaborate. And 42% of these said they sometimes require partnership as a grant condition. Yet, this paper argues, partnerships often fail to live up to their expectations and foundations and nonprofits alike need to think more carefully about how – and how often – to use them.

Data for this paper are drawn from research on 19 partnerships between cultural organizations funded by 5 different community foundations. These collaborations were funded as part of the Community Partnerships for Cultural Participation initiative, in which the Wallace Foundation gave funds to community foundations, who, in turn, made grants to broaden, deepen, and diversify cultural participation in their local communities. Interviews were conducted with the five foundations and 45 grantees engaged in the 19 partnerships. In 16 of the 19 partnerships, all partnering organizations were interviewed.

We repeatedly found that partnership realities failed to coincide with their intended goals. The foundations believed that partnerships were a powerful way to achieve their cultural-participation goals. However, the intended goals often were not achieved and some of the partnerships' most significant benefits were unanticipated. What happened? Steven Kerr's classic paper, "On the Folly of Rewarding A, While Hoping for B" offers a clue. Kerr pointed out that there is a tendency for organizations to reward behaviors that actually are unrelated or even antithetical to their managers' true goals. This "goal displacement" – where means become ends – happens in many types of organizations including nonprofits. Grantmakers who promote partnerships may be particularly prone to "Kerr's folly." In sum – the foundations studied had unwittingly come to see partnership – only a method – as an end in itself.

These foundations are not unique. As indicated by the opening paragraph, there is a widespread tendency in the philanthropic world today to assume that collaboration has an intrinsic value and effectiveness, and to expect partnership to offer a solution – often to problems that haven't even been well-defined. The way foundations speak about partnership initially makes it seem as if they are down-to-earth instrumentalists concerned about efficiency and rationality. A closer look though, reveals that foundations' enthusiasm for collaboration doesn't diminish even when they have evidence that partnering hasn't produced their desired outcomes.

Thus, while identifying specific problems (e.g., inadequate funds) the paper points to a deeper problem -- namely an ideological commitment to partnerships that leads them to be used even when they are not necessarily the best way to achieve a particular objective in a specific context.

The situation, it argues, is reminiscent of one Janet Weiss described in 1981 among government

policymakers. Weiss observed that policymakers' passionately advocated greater "coordination" among human service agencies despite evidence of the strategy's flaws. According to Weiss policymakers heeded "the siren call of coordination remedies" because of coordination's value as a symbol that "epitomizes widely shared social values of rationality, comprehensiveness and efficiency": For foundations today, this paper argues, "partnership" holds a similar symbolic value.

The paper's purpose is not to criticize partnerships. However, it does argue that greater realism is needed about partnerships' benefits and limitations. And, more broadly, the philanthropic world needs to resist invoking partnership as a panacea and treat it simply as one method among many for achieving a foundation's or a nonprofit's goals.

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**Paper Number:** PA051444

**Paper Title:** How Does a Network Mean?

**Author(s):**

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**Summary of Research**

This paper asks how the purpose or meaning of a network arises or evolves among a group of related actors and organizations. We present a study of the “networks” of actors that interact with two nonprofit resource conservation councils in Florida’s panhandle. Theoretically we want to stimulate ongoing dialogue about questions of context, meaning and purpose that network scholars have generally sidestepped in favor of more tractable questions about network structure. Methodologically we hope to encourage other nonprofit researchers to get their hands dirty in qualitative studies that elucidate network participants’ everyday experiences.

**Description**

This paper addresses the question of how the purpose or meaning of a network arises or evolves among a group of related actors and organizations. Both practitioners and academics have become increasingly attentive to network relations among nonprofit, government and for-profit actors and organizations. Their interest apparently is related to the increasing role of nonprofits in providing public services, the general growth in numbers of nonprofits, and the increasingly entrepreneurial efforts of nonprofits to collaborate with others to enhance their economic viability and legitimacy with others in their environments.

We offer our analysis as a contrasting perspective to the methods that are employed in most network research. Network researchers typically define the purpose and the boundaries of a network in ways that are theoretically and operationally parsimonious. In short, the researcher assigns purpose to the network based on an over-arching public policy focus or his or her own theoretical interests. Thus, because a group of actors can be shown to be structurally related to each other, it is often merely assumed that they share a common purpose.

We contend that this approach generally ignores a theoretically irreducible paradox posed by Siegfried Nadel nearly fifty years ago. Nadel (1957) believed it was necessary to identify and distinguish from each other, both the forms, or structures, of relations and the social or cultural contents that they convey. He observed that dyads are the building blocks of network relations, and that networks are characterized not only by structural relationships – that is, the particulars of who speaks to whom or who influences whom -- but by embedded context and institutionalized expectations, often local and particularistic, that define the roles constituted in dyadic relations. Thus in contemporary network research, while structural modeling draws on standardized mathematical methods and points to generalizable comparisons among network structures, each particular role paradoxically is defined by local expectations or understandings that may make it fundamentally incomparable to others. Pushing the network conception outward from the dyadic role, therefore, one could reasonably question whether the extended set of structural relations that we often refer to as a network actually possesses a shared purpose or meaning at all – aside from the purpose assigned by the researcher or onlooker. While the context-structure paradox remains theoretically insoluble, we contend that it is possible and useful to examine and illuminate this dilemma in empirical examinations of everyday actors’ experiences in network relations.

Our paper is based on a study of the “networks” of actors that interact with two nonprofit resource conservation councils in Florida’s panhandle, the West Florida Resource Conservation and Development (RC&D) Council and the Three Rivers RC&D. We presume that to understand where networks really exist -- and where their boundaries are – one must ascertain that the participants define

their participation similarly, and that this implies a common understanding of network "purpose." In our research we interview participants in these two networks by snowballing our way out to where conflict over the RC&D's purposes, goals, or policies becomes pronounced enough that adjacent participants clearly do not share a common perception of purpose or intention. One of our aims is to identify the "edges" of the two comparative networks. More generally, however, we get those "in" the network to describe the social construction process by which purpose unfolds and changes. In this sense, networks are constituted or understood not as "containers" but as entities whose structure (i.e., who participates) and purpose are both continuously evolving. While simulation research has offered provocative findings about the ways that network structures evolve (e.g., Carley et al. 2001), we offer a unique contribution to the parallel question about the ways that network meaning or purpose evolves.

We believe this contribution is important for several theoretical, empirical, and practical reasons. On the theoretical front, we want to stimulate ongoing dialogue about questions of context, meaning and purpose that network scholars have generally sidestepped in favor of more tractable questions about network structure. Relatedly, we hope to see network research begin more aggressively to examine questions of network meaning and purpose in parallel with its current focus on structure. In particular, we want to encourage researchers to get their hands dirty in qualitative studies that elucidate network participants' everyday experiences. We assert that such studies will help illuminate the often messy realities of social interaction among networks' participants. In terms offered by the late sociologist C. Wright Mills (1959), studies of this type help round out our understanding of how the grand structures and issues of society interface with the troubles that individuals experience in their everyday milieu. Finally, we contend that practitioners benefit from accounts that fully illuminate the evolution of shared community meaning within networks and the maneuvering of participants to impart particular interpretations on others around them. Practitioners benefit most from representations that give them realistic understanding about their capacities to influence others and the extent of their embeddedness in local contextual constraints in their own network relations.

\* In our title we are indebted to Dvora Yanow (1996) and her account of "how a policy means," and to John Ciardi, whose 1959 book *How Does a Poem Mean* inspired Dvora's book title.

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**Paper Number:** PA051448

**Paper Title:** Value Added by Community-Based Nonprofits: Expanding the Education Dollar

**Author(s):**

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**Summary of Research**

This paper documents the social value contributed by community-based agencies in one of Canada's oldest social housing projects, Regent Park in Toronto. In this highly stigmatized community, nonprofits and resident-volunteers provide an impressive array of programs to promote student success at school: breakfast clubs, homework clubs, recreation programs, arts enrichment, and a large school-to-university bridging program, Pathways to Education, Inc. However, the value of these initiatives has been largely overlooked. Using social accounting methods (Quarter, Mook & Richmond, 2003) and a participatory research design, the project highlights the value of community supports to the public dollars spent on education.

**Description**

The Problem to Be Addressed

Inner-city children in Toronto Canada's Regent Park neighbourhood are experiencing high drop-out rates in school, and low numbers of students are going on to higher education. Local nonprofits and resident-volunteers have organized to provide a wide range of programs that support success in school such as: breakfast clubs, sports and recreation activities, mentoring programs, homework clubs, reading, arts enrichment projects, and a large school-to-higher education bridging program, to name just a few. Although these programs augment public spending in education in the area, their value is not accounted for nor is it recognized. Instead, residents of this low-income neighbourhood have been negatively portrayed as uninvolved in their children's education or success at school.

Relation to the field

The research project integrates a number of conceptual fields into the study of nonprofit contributions to a community, including its education mandate. Recognizing the limits of financial accounting to show a complete picture of nonprofit value (Quarter, Mook & Richmond 2003; Richmond 1999), it applies knowledge of nonprofits as part of a social economy and social accounting methods to assess the social value contributed by nonprofit organizations. It further develops the concept of community-building, emphasizing the capacity and resilience of communities (Kretzman & McKnight 1993). It also provides a case study using ethnographic methods (Fetterman 1989) that analyzes the impact of the research process itself.

The Approach

The project uses social accounting techniques to document the contributions nonprofits make to communities. Social accounting can be defined as a systematic analysis of the effects of an organization on its communities of interest or stakeholders (Quarter, Mook & Richmond 2003). It attempts to broaden the domain of accounting to include social impacts and attempts to estimate a financial value for non-monetized social inputs and outputs (Richmond 1999). The project applies and expands the practice of social accounting to assess the social value added to the community by nonprofits that support student success at school. The research project also uses participatory research methods (McGuire 1997; Hall 1992, 1982; Barndt 1989; Oja, Nodie & Smulyan 1989) and applies

lessons from participatory action research case studies (Berge and Hildur 2000; McGuire 1997) to further develop community capacity.

Participatory methods (Hall, 1992) are used to involve residents in the design and collection of data. As well, student interns will be mentored as they learn social research skills. Using social accounting techniques (Quarter, Mook & Richmond 2003), quantitative, qualitative and financial data are being collected from local nonprofit agencies on their mandates, budgets, annual reports, outputs, and volunteer hours contributed. As well, data will be collected from Regent Park agency staff and Board members, residents, volunteers, children and youth, parents, educators, and educational administrators, and analyzed to produce social statements.

#### Significance of the Work

The project contributes to knowledge about how community-based nonprofits function and add value in low income communities. It advances social accounting (Quarter, Mook & Richmond 2003) by developing other indicators of nonprofit value. It documents the resilience and innovations of community-based agencies in low-income communities as they work to ensure the success of children in schools (Kretzman & McKnight 1993). It also contributes to literature and case studies on participatory research methods (McGuire 1997; Hall 1992, 1982; Barndt 1989; Oja, Nodie & Smulyan 1989) and on how researchers can use approaches that incorporate a stance of solidarity and mutuality as they work in impoverished and stigmatized communities (Desfor, Barndt & Rahder 2001).

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**Paper Number:** PA051449

**Paper Title:** Is That Right? Activities, Addresses, and Service Areas in the IRS Business Masterfile

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**Summary of Research**

There is interest in our ability to precisely locate the areas where nonprofit agencies offer their services. This paper reports on a survey of 1500 California nonprofit health and social service organizations. It asks the extent to which the IRS filing address can be used as an indicator of the location where services are delivered. It further asks about the accuracy of the activity and NTEE codes. The paper attempts to statistically model the characteristics of nonprofits where the IRS address is an accurate indicator of service area.

**Description**

For those who study the size and scope of the nonprofit sector there is a basic need to be able to locate organizational activities in space. Study of the nature of social capital found within a community for example requires knowledge of how many voluntary organizations exist within that community as well as the size and diversity of their membership (Coleman, 1990, Putnam, 2000). Work on the substitutive/partnered relationship between government, the private sector and the nonprofit arena necessitates particular knowledge of local funding patterns, service activities and population needs (Salamon, 1987, Weisbrod, 1988). The foundation community has interest in the geography of nonprofit activities as well. There is increased interest in the concept of asset mapping – identifying the density and characteristics of nonprofits within particular communities.

The increased use of GIS technology to visually represent the sector highlights the importance of being able to accurately identify where nonprofits actually conduct their work (Bielefeld & Murdoch, 2004, Joassart-Marcelli & Wolch, 2003). The technology overlays the location of nonprofits on maps that identify such demographic variables as the percent of the population in poverty or the percent of seniors in the population (Twombly et al, 2000, Wolpert et al, 2004).

Our knowledge of the geography of nonprofit organizations is largely derived from the filing addresses used with the Internal Revenue Service. Yet, there is no reason to expect that these addresses accurately locate organizational activities. The organization may file from an administrative office, may serve multiple locations or may use a professional's office as the filing location.

In this paper, we look at the extent to which use of the IRS Business Masterfile accurately depicts the geography and activities of the nonprofit sector. We report on a survey of 1500 nonprofit health and social service organizations in California. Each organization was asked if the IRS filing address accurately described their service area. For those where this was not the case, we obtained information on the location of the services they delivered. Additionally, we matched organizations to the listing of incorporated organizations maintained by the Secretary of State (SoS). In the cases where the SoS listed a different address, we asked whether this was a more accurate descriptor of service location. Finally, we asked supplemental questions designed to test whether the activity and NTEE codes maintained by the IRS accurately classified the organization's work.

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**Paper Number:** PA051451

**Paper Title:** Foundation Effectiveness: Definitions and Challenges

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**Summary of Research**

Pressures on foundations to be more accountable and demonstrate their public value are mounting in the wake of media reports of institutional misconduct and increased Congressional scrutiny. Yet all too often, this paper shows, foundations are not even engaging in practices that by their own standards increase effectiveness; nor have many made an institutional commitment to scrutinizing whether their practices match their stated beliefs. These findings, and the reasons why foundations do not act in ways consistent with their views are explored through an analysis of survey data on 1,192 foundations and in-depth interviews with 61 foundation leaders

**Description**

Pressures on foundations to be more accountable and demonstrate their public value are mounting in the wake of media reports of institutional misconduct and increased Congressional scrutiny. Yet all too often, this paper shows, foundations are not even engaging in practices that by their own standards increase effectiveness; nor have many made an institutional commitment to scrutinizing whether their practices match their stated beliefs. These findings, and the reasons why foundations do not act in ways consistent with their views are explored through an analysis of survey data on 1,192 foundations and in-depth interviews with 61 foundation leaders.

Failure to self-assess is often attributed to an absence of quantitative measures. While such measures can be helpful, this paper contends, the current focus on measurement can obscure a more fundamental problem – namely, that too few foundations have clarified what they mean by effectiveness. Without a clear conception of effectiveness, foundations cannot assess (quantitatively or otherwise) how close they are to the mark – and risk adopting measures first and then adjusting their conceptions of success to fit the measures. This problem and ways to address it become clearer through an analysis of how foundations themselves define and assess effectiveness and how they have changed (or feel they should change) to achieve it.

Toward that end, this paper examines how foundations define effectiveness; measures they say they use to achieve it; ways they have changed (and think they need to change) to become more effective; and obstacles to making such changes. The paper shows that foundations of quite varied types and size often face quite similar challenges. In doing so, the paper contributes to our understanding of foundation behavior, particularly the relationship between attitudes and behavior, and helps to move toward concretizing the meaning of a “effectiveness” a widely used, but often highly general and ambiguous concept, in the field

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**Paper Number:** PA051452

**Paper Title:** Funding sources, auspices, and the location of youth services

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**Summary of Research**

Using hypernetwork sampling methods we generated a sample of 350 organizations that serve youth on Saturdays in Phoenix-Mesa. The paper will examine the locations of nonprofit, for-profit, church and government providers in the Phoenix-Mesa area using GIS technology and zip code data. We expect that the location of providers will be a function of their financials rather than their auspices. Organizations reliant on dues and fees will be located in higher income areas, while those reliant on government grants and contracts will be located in low income neighborhoods. The effect of charitable contributions on location decisions is unclear.

**Description**

Research Question and Theory:

The question that drives this research is: does legal status or auspices affect organizational behavior or do resource dependencies? The first position argues that organizations because of their legal status behave differently than one another. Most researchers have focused attention on the presence or absence of the nondistribution constraint which distinguishes between for-profit and nonprofit organizations (Weisbrod, 1988; Hansmann, 1980). Economic theory argues that those who are bound by the non-distribution constraint should act less opportunistically toward both donors and users than those whose goals are to maximize profits. Research, however, has been inconclusive as to the effects of the nondistribution constraint on organizational behavior.

Weisbrod (1998) has contributed to this literature by arguing that auspices alone cannot explain organizational behavior. Rather one has to take into account managers and owners' different goals. Some managers and owners are profit maximizers while others are more interested in furthering social welfare ends (so-called bonoficers). For the most part, the former are more drawn to for-profit firms where they can pursue their material interests, while the latter are drawn more to nonprofits which are more mission driven. However, among nonprofits there can be different goals, since social welfare is a very broad term. Some managers may have a strong religious orientation, while others may be more secular. Research has shown that this seems to affect how organizations behave as much as being nonprofit or for-profit (e.g., Weisbrod, 1998).

A further complication is that governments are nonprofit as well as churches and secular nonprofits, thus it is difficult to say how government organizations would behave differently than churches or secular nonprofits based on the nondistribution constraint alone. Frumkin and Galaskiewicz (2004) discussed at length the differences between governments and private nonprofits. Clearly governments are more accountable to the public, because of hierarchical controls that emanate from executive and legislative branches of government. Yet research on the differences between public and private nonprofits is still in its infancy (for an exception see Ballou and Weisbrod, 2003).

An alternative approach to understanding behavioral differences focuses on resource constraints. Building on the early work of Pfeffer and Salancik (1978), resource dependency theory argues that organizational behavior can be explained by organizations' dependencies upon others for resources and the uncertainty often surrounding the procurement of resources. The success of this perspective is

well documented in the organizations literature. The interesting feature of this literature is its dogged insistence on ignoring – or at least not taking seriously – auspices. There is the explicit assumption that an organization is an organization regardless of ownership form and that resource dependencies rule.

This paper focuses on the effects of fees, equity, government support, dues, foundation support, and donations on the locational decisions of providers of youth services. We will argue that auspices do matter because auspices provide an incentive for different kinds of resource exchanges. For example, for-profits rely heavily on fees, contracts, and equity funding. Donations are rare, since there are no institutional incentives – such as tax deductions – to motivate this kind of transfer. In contrast, nonprofits will receive donations but they cannot sell stock and thus raise equity. Governments cannot sell stock either, but they can tax and thus easily raise revenues. Nonprofits do not enjoy this luxury. In other words, there are institutional prescriptions that affect the kinds of revenues different organizations can tap into. In turn, organizational behavior, as predicted by resource dependency theory, should be influenced by the various strings or institutional stipulations attached to different revenue streams. These arguments are consistent with Gronbjerg's (1993) findings that organizations will adapt to the constraints in their funding environments.

Hypotheses:

This paper will test the following hypotheses:

H1: Youth serving organizations that are more dependent upon fees and membership dues are more likely to locate in affluent neighborhoods than poorer neighborhoods.

H2: Youth serving organizations that are more dependent upon government grants and contracts are more likely to locate in less affluent neighborhoods than wealthier neighborhoods.

The arguments that underlie both of these hypotheses are straightforward and do not need elaboration. However, we are unclear about the effects of charitable contributions on locational decisions. Obviously donations are motivated by a host of factors and thus some donors give in order to realize redistributive goals while others give to offset the cost of services for themselves and families (e.g., donations to a private school). It may be that the vertical ties of organizations that receive donations (churches, secular nonprofits, and governments) may affect where they locate. One simple hypothesis is that the less vertically integrated the charity dependent organization (i.e., the more autonomous it is), the more likely it will locate in more affluent areas to tap into local resources. In contrast, charity dependent organizations which are more subject to external controls, are more likely to locate in less affluent areas and engage in redistribution. We need to think more about this, however, before we can formulate any credible hypothesis, however, this line of thinking seems fruitful.

Date and Methods:

The data for this research comes from many surveys that we did in the Phoenix-Mesa metro area over the last two years. In fall of 2003 and the winter of 2004 we surveyed a sample of 1,036 families which had children between 5 and 12 years of age. We asked adult respondents to give us information on what a child in the household, chosen by us at random, did "last Saturday." They gave us diary data on activities outside the home for the 24 hour period. They told us what the child did, who s/he did it with, where they did it, and who was the provider (if there was one). We were particularly interested in the auspices of the providers and have written several papers in the last year that describe what types of families use the various types of providers (Galaskiewicz, Mayorova, and Duckles, 2004).

The advantage of this type of study is that we have now an unweighted sample of service providers that served out 5-12 year olds on Saturday. We included a wide range of activities including sports, education, cultural experiences, socializing, being entertained (e.g., going to a movie or rodeo), religious activities, simple play, shopping, eating, and personal services (going to the doctor), and thus had a wide variety of service providers among our for-profit, nonprofit, governmental, faith-based

organizations, and other households. Altogether we have about 630 organizations and 345 household or informal providers.

During the Fall of 2004 and the Spring of 2005 Arizona State University's Institute for Social Science Research has been collecting data on 350 of these providers for us. We decided to exclude providers of shopping, eating, and personal services (mostly businesses) and household providers (a relative or neighbor's home). We are gathering information on activities, auspices, vertical ties, staffing, and finances among other things.

We also have been able to tap into spatial data sources and technologies which have given us census data aggregated at the tract and block group level. This summer we will reaggregate the data at the level of the zip code. Since we have the addresses of all 350 providers in our study, we have been able to locate them in geographical space and thus match them up with demographic characteristics of the tracts and block groups. Eventually we will have them matched with census data at the level of the zip code. This is the way we will measure the neighborhood characteristics, e.g., income, of the places where organizations are located.

Analysis:

Our goal between now and October 1st is to obtain these data from ASU, clean the data, try and get any missing data, operationalize our variables, and do empirical analyses to test our hypotheses. We have complete confidence that the data will be ready by the beginning of summer and we should complete the analysis in plenty of time for the ARNOVA meeting.

**Paper Number:** PA051453

**Paper Title:** The Status of Board Accountability in Nonprofit Organizations: How Board Chairs and Executive Directors Frame the Issues

**Author(s):**

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### **Summary of Research**

This paper reports on findings from an invitational symposium addressing issues of board accountability in nonprofit organizations. The symposium included separate focus groups of board chairs and executive directors discussing their perceptions of the ability of boards to fulfill their fiduciary duties, the impact of increased attention to fiduciary duties on the relationship between the board and the executive, the barriers boards face in fulfilling their governance duties, and the impact of the increased attention to fiduciary duties on board recruitment and motivation. Analysis of the data from the focus groups has resulted in recommendations for board-accountability practices and policies.

### **Description**

□ It is generally recognized that the nonprofit sector is experiencing an accountability crisis. According to Eisenberg, (2002), assuring public accountability is one of the seven major challenges that currently face the nonprofit sector. As stated by Bielefeld and Burlingame (2005), "Trust in nonprofits has decreased in recent years and thus outcome evaluation, accountability, and transparency have become standard discussion items among professionals, volunteers, donors, and policy leaders" (p.5).

□ Increased scrutiny of nonprofit organizations and their boards is indeed a fact of life in today's society. Instances of executives "gone bad," outright fraud by financial officers, and inflated compensation of executive staff and board leadership are prominently covered by the media. A common question after each new case is publicized is "where was the board?" A different version of the question is "why didn't the board uphold its fiduciary duty?" Issues of conflict of interest, self-dealing, and lack of oversight of executive compensation, among others, are frequently raised.

□ Many people in the nonprofit sector believe that the legalistic responses to board failures (such as SB 1262 passed by the California legislature and the Congressional hearings at the federal level) have severe limitations, especially for small or medium-sized community-based organizations. The legislation (proposed or passed) assumes that board members are well educated in their fiduciary roles and that they can act as independent overseers, whereas actual experience suggests that the board's ability to govern is limited by members' part-time volunteer status and their reliance on the staff for critical information. Furthermore, though there are many resources available for educating boards on their fiduciary duties, these resources do not seem to be reaching their intended audience.

□ This paper will report on the findings of a research project to be undertaken this year to assess the current situation regarding board accountability within nonprofit organizations and identify ways to help boards better fulfill their governance duties. The project will begin with an invitational symposium on April 22, the Symposium on Board Leadership for Nonprofit Integrity, which will be attended by 40 board chairs and their executive directors from nonprofit organizations in a major city. At the symposium, there will be separate focus groups of board chairs and executive directors discussing questions designed to discover why boards do not always fulfill their fiduciary duties and what would be needed for them to improve. Topics addressed in the focus groups will include the following:

- \* How have boards of different types of organizations dealt with accountability issues in the past? What must they do now to respond to the new demands for accountability?
- \* What are the obstacles that keep boards from fulfilling their fiduciary duties? Are there different obstacles for different types of boards?
- \* How do boards interact with key management to insure they understand what is happening within the organization? Do board members find information from staff and reports from professional service

providers (like the audit) helpful?

\* Are board members asking the right questions of their executive staff? If not, why not?

\* Do boards know about and access the educational resources that have already been developed in the accountability area?

\* What are good governance practices that all boards should follow in order to carry out their fiduciary duties? Are standards set by the organization itself (requirements for board membership, minimum time commitment) helpful?

□ The focus groups will be taped, transcribed, and analyzed and will be used to develop a “white paper” that will inform nonprofit organizations, funders, and the public policy debate. All of the work on this project will be completed by the end of July, 2005; therefore, the paper prepared for the ARNOVA conference will be a summary report on the findings of the symposium and will include a synopsis of the recommendations in the resulting white paper.

□ Accountability in nonprofit organizations has been the subject of recent scholarly research. Ebrahim (2003) examined the concept of accountability from various disciplinary lenses (legal, economic, principal-agent theory) in order to develop an integrated understanding of the term. He suggested that external approaches to accountability (laws, codes, and reporting requirements) are inadequate mechanisms since they do not promote internalization of accountability in organizations. Mechanisms such as self-evaluation, performance assessment, and self-regulation do promote such internalization. The questions asked of focus groups at the symposium are designed to gather information and perceptions especially about the internal approaches to accountability among nonprofit boards.

□ Holland (2002) noted that many nonprofit boards expect their executives to account for use of their organization’s resources, but few boards apply such expectations to themselves. As part of a series of research projects on board performance, he examined the interview records and consultation notes from 169 trustees of 34 nonprofit boards, looking for descriptions of practices relating to accountability. He found six types of practices that foster board accountability: setting clear expectations and standards, following explicit policies on conflicts of interests, identifying and staying focused on priorities, maintaining strong two-way communications with constituencies, conducting assessments of meetings and of board performance, and making use of feedback to identify and experiment with new approaches to board work. These practices will be used for comparison purposes when analyzing the data from the focus groups after the symposium.

□ Using perspectives drawn from agency theory, resource dependence theory, and institutional theory, Miller-Millesen (2003) developed a model of board behaviors suggesting that such behavior is influenced by (a) external factors such as funding and the regulatory environment, and (b) institutional factors such as organizational age (life cycle), stability, and professionalization. Behaviors specific to accountability that are included in her model include fiscal control, evaluation of the CEO, assuring legal compliance, and implementing mandates. She hypothesized that nonprofit boards are more likely to engage in monitoring behaviors when the organization is stable and less likely to engage in these behaviors when the executive staff is professionalized. She also proposed that agency theory and institutional theory help explain board composition: Agency theory predicts that nonprofit boards select members capable of providing organizational oversight, while institutional theory predicts that board composition reflects the pressure to conform to societal expectations by selecting board members who can legitimize the organization. These perspectives will be used in analyzing the data from the focus groups at the symposium.

□ This paper and the project it describes will make an important contribution to the discussion of board accountability in nonprofit organizations. While there is much prescriptive literature about how boards should fulfill their fiduciary responsibility, there is little empirical research into how well they are doing so. Obstacles to boards’ fulfilling their oversight responsibilities have been little investigated, and the voices of board members themselves have seldom been heard. The symposium project will gather qualitative data on important questions of board behaviors in the accountability area, and these data will point to recommendations that will be of interest to the field. The paper presented at the ARNOVA

conference will tie the findings of the project to previous scholarly work on nonprofit boards as well as presenting the findings from the symposium and recommendations drawn from those findings.

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**Paper Number:** PA051455

**Paper Title:** Organizational Form and Service Quality: An Empirical Study on the Effect of For-Profit and Nonprofit Organizations in Evaluating the Quality of Care in Nursing Homes

**Author(s):**

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### **Summary of Research**

When public services are delivered by the private sector, sector selection emerges as an important issue. In other words, it is associated with what is an effective organizational form between for-profit and nonprofit organizations in the delivery of public services. Recently, nonprofit organizations have played an important role as a core provider in health care services. Unfortunately, there is little empirical evidence on the consequences of their differing organizational attributes and changing roles for health care services. The purpose of this study is to examine the relationship between organizational form and the quality of care in nursing homes.

### **Description**

The study on the quality of care in nursing home service has been examined for past four decades. One of the significant issues in the study is about ownership type. That is, it is associated with what is an effective organizational form between for-profit and nonprofit organizations in the nursing home service quality. Previous studies that examine the effect of organizational form on a nursing home service quality have not yield a consistent finding. They have drawn three different conclusions regarding the relationships between organizational form and service quality. First, proponents of nonprofit nursing homes argue that since they are relatively free of the contaminating motive of profit, there is no obstacle for providing high-quality care. As a result, many research shows that the nonprofit nursing homes provide higher quality of service than for-profit ones (Aaronson, Zinn, and Rosko 1994; Chou 2002; Hawes and Phillips 1986). Second, there are no significant differences in service quality between for-profit and nonprofit nursing homes (O'Brien et al. 1983; Wan, Zhang, and Unruh 2005). Finally, empirical evidence is inconclusive in regards to whether nonprofits provide higher quality. Recent work in the literature has continued to find mixed evidence (Cohen and Spector 1996; Gertler 1992; Harrington et al. 2001; Holtmann and Ullman 1991).

Recently, nonprofit organizations have played an important role as a core provider in health care services. What are theoretical reasons of this tendency? Weisbord (1988) emphasizes consumer information in the sector choice of public services. A for-profit organization is preferred by logic of efficiency when consumers are informed. But, they frequently have limited capacities in information available to evaluate quality of purchase. In the situation of such an information asymmetry, consumers tend to understate their true demands for collective-type services. Thus, they may be unable to judge what type or level of services would benefit them. In a situation that does not decide a correct judgment with complete information, nonprofits may have a competitive advantage in evaluating service quality because the lack of a profit motive may motivate honest behavior by the nonprofits, ensuring that they deliver the promised level of service quality (Grabowski and Hirth 2003).

Public goods theory also provides a useful explanation for comparing the organizational form between a for-profit and a nonprofit organization. A public good is a commodity or service whose benefits are not depleted by an additional user and for which it is generally difficult or impossible to exclude people from its benefits (Baumol and Blinder 1991, 617). A public good is a commodity or service whose benefits are not depleted by an additional user and for which it is generally difficult or impossible to exclude people from its benefits. Traditionally, government is viewed as a main provider of these public goods or services. Complexity of government activity, however, makes it difficult for only government to provide public services. Furthermore, the absence of competition within government is a major reason that it does not dominate the delivery of the public goods service. Thus, government needs to find another service provider for their service.

When a service has a collective type, like public goods, the nonprofit sector may play a leading role in their delivery (Weisbord 1988). For-profits often are reluctant to participate in the delivery of these services because the costs of entry into the services are high, and they usually require long-term care. Weisbord (1977) emphasizes a role of nonprofits in supplementing the provision of public goods service. A voluntary motivation of the nonprofit organizations may foster experimentation and permit those who represent unpopular or extreme ideologies to put their ideas into practice. Although nonprofits are not consistently viewed as more trustworthy than for-profits in the delivery of similar services, the former tends to have advantages over the latter in service areas that pursue relatively less profit motives or provide collective-type services.

Despite these widespread studies, there is comparatively little a theoretical framework for explaining service quality of nursing homes and the relationship between organizational form and the service quality (Unruh and Wan 2004; Wan, Zhang, and Unruh 2005). Generally, Donabedian's structure-process-outcome (SPO) framework has been widely used to examine physician or hospital quality (Donabedian 1966). It provides a comprehensive framework to evaluate the quality of medical quality. This SPO framework, however, is somewhat limited to apply nursing home quality. Shortcomings of the SPO framework include the failure to: 1) consider organizational form as an important variable of structure indicators; 2) consider cultural characteristics of profit and nonprofit organizations to evaluate service quality; and 3) account for the influence of environmental or contextual factors such as regional location and elderly populations. In this study, I propose an expanded framework revising these shortcomings, focusing on structure factors. First, I outline a theoretical framework for evaluating nursing home service quality. Second, I discuss theories of organizational form in public service delivery. Third, I describe the method of data collection and introduce variables and hypotheses. Finally, I conclude that I indicate implications and limitations of this study.

The primary data source is the Online Survey Certification and Reporting (OSCAR) system database. The OSCAR is a national database of nursing facilities federally certified for Medicare and Medicaid in the United States. A number of nursing home researches have used the OSCAR database (Grabowski and Hirth 2003; Harrington et al. 2001; Wan, Zhang, and Unruh 2005). I randomly select 500 nursing homes including profits, nonprofits, and government in all 50 states. In this study, the dependent variable is the quality of service care. It is measured by a quality index from nursing home self-reported measures of quality, infection rate, and resident satisfaction. Recent studies have used a quality index from these self-reported measures (Wan, Zhang, and Unruh 2005; Zhang and Grabowski 2004). The measures include the incidence of pressure scores, physical restraints, and indwelling catheters. In this study, I focus on organizational structure, process, and environment as key factors and how they influence improvements in the quality of nursing home service care. I include nursing staff characteristics, organizational form, bed size, resident characteristics, cultural characteristics of nursing home organizations as structural factors and nursing care deficiencies (NCD) and rehabilitative services as process factors.

**Paper Number:** PA051456

**Paper Title:** A National Survey of the Role of Non-formal and Informal learning in Canadian Nonprofit Organizations

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### **Summary of Research**

This paper looks at the role that non-formal and informal learning have in Canadian nonprofit organizations. A survey of 211 nonprofit organizations found that non-formal learning served as the primary strategy in these organizations. We discuss the extent to which non-formal and informal learning varied by the organizational characteristics such as form of incorporation, charitable status and size of membership.

The findings of this research can inform the development of appropriate training initiatives that will contribute to an organization's ability to be effective to the different stakeholders by recognizing and strengthen existing learning strategies endemic to the organizational environment.

### **Description**

This study focuses on non-formal and informal learning in the context of nonprofits and cooperatives. Researchers suggest that non-formal and informal learning varies according to the context in which it occurs. For example, although the ability to read a budget document is vital for a board member within nonprofits, many such organizations cannot afford to provide necessary training. As a result many nonprofits will rely on either informal or non-formal processes of learning as the primary approach to training prospective board members. Whereas, this may be a prevalent form of non-formal learning in a nonprofit, it is unlikely to be of such importance in private business.

According to the European Commission statement on lifelong learning, non-formal and informal learning can be defined in the following way:

Non-formal learning: learning that is not provided by an education or training institution and typically does not lead to certification. It is, however, structured (in terms of learning objectives, learning time or learning support). Non-formal learning is intentional from the learner's perspective.

Informal learning: learning resulting from daily life activities related to work, family or leisure. It is not structured (in terms of learning objectives, learning time or learning support) and typically does not lead to certification. Informal learning may be intentional but in most cases it is non-intentional (or "incidental"/ random).

Livingstone demonstrates the important role that informal learning by using the metaphor of an iceberg to describe the vastness and significance of informal learning that not only goes on in organization setting but also within individual lives. The present study focuses on the resources and types of learning that are more likely to occur within nonprofits and cooperatives.

As indicated in the above, the aim of this study was to explore the incidences of both informal and non-formal learning in nonprofit organizations and cooperatives. Non-formal learning is the predominant form of learning occurring within nonprofit and cooperative organizations in this study, and in nonprofits more than cooperatives. Having a charitable status and organization size were also positively related to the value placed on different forms of informal and non-formal learning, and organization size had a positive relationship to a number of the informal and non-formal learning categories.

The primary value of this categorization is that it breaks down non-formal and informal learning into

distinct categories and relates these to nonprofits and cooperatives. This work builds upon the tradition of, but as applied to nonprofits and cooperatives.

The question remains why these organizations favour a non-formal over informal learning. Future studies should use the resources discovered in this study as indicators to determine not only the type of learning that an organization utilizes but also the significance of the resources that are offered by the organizations. Specifically, measuring the impact of the resources for learning should be a goal for future research.

The obstacles and barriers to establishing a learning environment were not explored in this study. It is unclear whether the type of learning that is predominant within an organization arose because of challenges faced by organizations. According to anecdotal evidence, many nonprofit organizations pursue informal or non-formal methods of learning because of costs associated with providing formal mechanisms for learning. There may also be philosophical objections to providing formal education opportunities because of challenges to adult learning and teaching.

Finally, in most instances the organizations included in this study are part of a larger community of service providers that operate within a partnership arrangement with government agencies and they tend to prioritize the social aspects of service delivery over the economic benefits. It is unknown whether the type of learning that appears predominant in a nonprofit organization is related to their mandate or to a partnership with the government. Furthermore, as described previously, it is unknown whether the learning process evolved organically over the life span of the organization or was deliberately created in order to compensate for decreasing operating funds.

In sum, future research should not only explore the internal dynamics of individual organizations but also the dynamics of belonging to a wider community of service providers. The dominance of non-formal learning over informal learning has been demonstrated in this study; however, because there are a greater number of informal learning opportunities available within the organizations it is premature to state unequivocally that informal learning has a less important place. Furthering this area of research by using the suggestions above will demonstrate the importance of alternate forms of learning for nonprofits and cooperatives and also how the forms of learning can be a catalyst for social change.

**Paper Number:** PA051457

**Paper Title:** Diversity or Pluralism: Pitfalls and Promising Prospects for Voluntary Associations

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**Summary of Research**

As North American society becomes more ethnically diverse, voluntary associations face significant choices and challenges. Being built on the bonding form of social capital and tending toward exclusion, associations must make intentional decisions and overcome significant challenges if they are to bridge ethnic differences and remain viable to significant portions of society. Extending prior work (Weisinger & Salipante, 2005), we draw on subsequent studies and action projects pursued in councils of Girl Scouts of the USA. We examine both pitfalls and promising prospects for utilizing bonding and bridging social capital in order to achieve a pluralistic form of diversity.

**Description**

Serious realities face contemporary voluntary associations. Demographic trends in the U.S. and Canada foretell a continuation of the already rapid growth of ethnic diversity. In voluntary associations strong social capital of the bonding type can result in exclusion of others. The tendency of individuals to form ties with similar others is most pronounced with regard to the social dimension of ethnicity (McPherson, Smith-Lovin, & Cook, 2001). Consequently, voluntary associations are largely homogeneous with regard to ethnicity. In order to build memberships that are more broad-based, these associations must acquire the bridging form of social capital (Putnam, 2000). Two scenarios can be foreseen for voluntary associations. The first is that voluntary associations that are ethnically homogeneous, such as Jack & Jill of America in African American communities, will expand and multiply. The second is that existing, majority-dominant associations, such as Girl Scouts of the USA, will find ways to be attractive and inclusive for an array of minority ethnic groups. Which scenario dominates will have significant consequences. If the first, exclusionary forms of bonding social capital and separate ethnic identities will foster the types of ethnic tensions that underlie identity-based conflicts in many parts of the world. If the second, a mixture of bonding and bridging social capital will enable the society's members to have both separate and common identities, producing a multicultural balance useful for a dynamic society.

Which scenario will evolve? The answer depends in large part on how associations come to understand diversity. Thomas & Ely (1996) describe three alternative paradigms that organizations can adopt. The first reflects a view of diversity as equal employment opportunity, where the organization's emphasis is on meeting the numbers, with the goal of increasing representation for underrepresented groups. The second recognizes the value of differences for the purposes of marketing to previously untapped markets. Here, the numbers of underrepresented members do increase, but also such members can often become pigeonholed in jobs that tie them to only those opportunities involving their own identity group. The third paradigm is characterized by learning and effectiveness. Achieving that paradigm requires a form of diversity best described as pluralism. Pluralism involves diverse individuals learning how to produce meaningful relationships with each other, enabling them to interact effectively and produce new practices, capabilities and strengths. In this sense, voluntary associations that rely on the first paradigm by attracting previously underserved populations but without creating practices of pluralism cannot be expected to sustain that diversity, let alone benefit from it, over the long term. Diverse members initially attracted to the association will not experience inclusion and will exercise their voluntary status by leaving.

In the ongoing research reported here, we have found that how an organization actually measures its

progress on diversity goals can run directly counter to how the organization has defined diversity, and that both bonding and bridging social capital can be usefully employed in creating a more pluralistic association. This paper draws on studies conducted over several years in five local councils of the Girl Scouts of the USA, the premier organization in the world dedicated to the development of girls. The paper also incorporates one GSUSA council's experience in analyzing its diversity efforts and identifying promising new practices for achieving pluralism. In a prior paper (Weisinger & Salipante, 2005) we proposed a two-pronged theory of organizational practices for building bridging social capital and pluralism in voluntary associations. In this paper, we identify both pitfalls and promising practices for these purposes.

A first, basic pitfall involves the organization as a whole thinking in terms of Thomas & Ely's third paradigm, but actually performing in the first. Girl Scouts of the USA in its promotional and training materials makes the explicit distinction between "diversity" and "pluralism," but the metrics used to measure diversity progress are essentially first paradigm. A second pitfall is that the organization relies on annual efforts of staff to recruit minority members, but lacks practices that foster a continuing commitment of these members to the organization.

To counter these pitfalls, the paper identifies several promising practices in Girl Scouts of the USA, practices that can be utilized by a range of voluntary associations. For the first prong of our theory, which involves attracting and retaining previously underrepresented members, one practice is to rely on bonding social capital to form organizational subunits that are largely homogeneous in ethnic composition. An association can insinuate itself into existing associations and networks in minority neighborhoods. Despite presumptions to the contrary in the larger society, it has long been known that inner city neighborhoods are organized (Whyte, 1981). Some Girl Scout councils are striving to appropriate the social capital of existing associations and social networks. In inner cities they have identified community action coalitions, churches, and school-based networks of staff and parents that are well-organized and led. In suburbs sororities, fraternities and other elite organizations are prominent among African Americans. We have found that Girl Scout councils are pursuing partnerships with these organizations to attract girl and adult members. The paper identifies challenges to these pursuits, including the lengthy time frame and protracted efforts required to provide a transition of commitment and leadership from the ethnically homogeneous associations to the purposefully diverse association that is reaching into these new populations. For instance, there is need for association staff or lead volunteers to stay engaged in neighborhood civic activities for an extended period. Also, practices must be developed to help volunteers progress into volunteer leadership positions.

Another issue addressed in the paper is whether the organization settles for a "drive-by," watered-down version of the associational experience. Our research indicates that newly-served groups that are provided with only a remedial, lesser-form of Girl Scouting's developmental experience cannot interact effectively with members that are offered a fuller experience. The correspondence here is to Thomas and Ely's second paradigm, where minority members are not incorporated into the full range of the organization's mission. The second prong of our theory, devoted to the creation of social capital that bridges ethnic boundaries, involves interaction across the association's relatively homogeneous subunits. When some members receive a lesser organizational experience than others, this cross-ethnic interaction is hampered. The basic problem is one of inclusion. Among the related issues explored in the paper concerns an association's cultural flexibility. Does the association have sufficient flexibility to address the somewhat differing interests and values of various ethnic groups, all the while maintaining the core mission and values that represent the organization's distinctive contribution to society?

There is contention over the roles of bonding and bridging social capital in communities. For example, Leonard (2004) suggests that to truly alter existing tendencies toward affiliation with like others towards more integration, bonding social capital must be decimated. The findings and discussions in our paper, however, point to the complementary nature of bonding and bridging social capital in the pursuit of pluralism.

The purpose of this paper, then, is to take a realistic view of the challenges that voluntary associations face in remaining relevant to their increasingly diverse societies. The challenges that associations face require new research and new theory to guide existing associations in maintaining their relevance and contributing to the bridging of ethnic boundaries in contemporary society.

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**Paper Number:** PA051459

**Paper Title:** The Roles of Commitment to Operating Standards and Transformational Leadership in Describing Nonprofit Accountability

**Author(s):**

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**Summary of Research**

Nonprofit accountability has dominated the headlines of both the trade and popular presses. However, there appears to be little empirical research that examines the broader accountability construct. This study proposes a framework to measure nonprofit accountability defined by Brody (2001) as fiscal responsibility, good governance, adherence to mission and donor direction, and program effectiveness. It proposes that higher levels of nonprofit accountability can be predicted through greater levels of an organization's commitment to operating standards and greater levels of transformational leadership. Study results indicated that both predictor variables were positively and significantly related to levels of nonprofit accountability.

**Description**

Three key questions arise in the beginning of every discussion of nonprofit accountability: To whom are nonprofits accountable? For what are nonprofits accountable? and How are nonprofits accountable? (Chisolm, 1995). These questions provide the context for determining its appropriate conceptual definition. Asking these questions begins the process of moving the concept of nonprofit accountability from the abstract art to more concrete science. Even though there has been some research related to its specific areas or components, such as program accountability and financial accountability (Buckmaster, 1999; Campbell, 2002; Hoefer, 2000; Keating & Frumkin, 2003; Lampkin & Boris, 2002; and Poole, Davis, Reisman and Nelson, 2001), which have rendered many different conceptualizations and measurements of the construct, research that encompasses the broader realm (not just financial or program) of nonprofit accountability is lacking.

Why it is important to better conceptualize nonprofit accountability? Most would agree that there is an accountability problem in the nonprofit sector, and some would say that it rises to an accountability crisis. For instance, in a study of wrongdoing of officers and directors of charities, Fremont-Smith and Kosaras (2003) documented 152 criminal and civil incidents involving the theft or misappropriation of \$1.28 billion from nonprofit organizations between 1995-2002. These authors also suggest that the numbers may be vastly under-reported due to the nature of criminal proceedings.

Keating and Frumkin (2003) suggest that expanding and improving reporting and accountability systems could realize significant financial benefits. Hoefer (2000) states that program evaluations will foster accountability but concluded that program evaluations, due to the lack of reliable and valid measures, are not yet producing it. Further, Boris and Lampkin (2002) assert that better information on the nonprofit sector is needed to answer questions about the impact and accountability of nonprofits.

More specifically, these authors focus on the IRS Form 990 noting that the different reporting requirements complicate the task of creating reliable and valid data from IRS files. They conclude that the ability to improve this nonprofit financial data is hampered due to the lack of standards.

Buckmaster (1999) notes that there is pressure for more accountability, but there is little agreement about what constitutes accountability in the nonprofit sector. She also raises the cost benefit issue of diverting resources from value creating activities into an accountability process. Others also question what the desired state of nonprofit accountability should be. Chisolm (1995) asserts that some aspects of accountability cannot and should not be the subject of legal rules. She suggests that it is a delicate balance to determine what is enough regulation to protect social interests without squelching the qualities our society most values in the charitable sector. Chisolm concludes that an aggregation of informed individual judgments about what constitutes public benefit is more likely to give us what we want from the nonprofit sector rather than attempting to legislate the ideal.

By studying the components and potential predictors of accountability through a broad conceptual

definition, we may discover some important information that will help all nonprofits better achieve their missions and preserve the public trust. Therefore, proposed here is a descriptive study of nonprofit accountability. The hypothesis of this study is that commitment to operating standards and transformational staff leadership, both predictor variables, have roles in describing nonprofit accountability, the dependent variable.

To test the hypotheses of this research, a list of 325 nonprofit leaders of health, human service, arts/cultural, educational, economic development, environment and public benefit organizations was used. This comprehensive list was compiled by cross-referencing database listings provided by the United Way, the Health and Welfare Council, a Community Foundation and GuideStar, thus offering the opportunity for all nonprofit organizations within the county to take part in the study.

The research design was a mail survey. The survey included reliable and valid scale items measuring the two independent variables—commitment to operating standards and transformational leadership—and the dependent variable of nonprofit accountability.

Preliminary results indicate that both predictor variables are positively and significantly related to levels of nonprofit accountability.

**Paper Number:** PA051460

**Paper Title:** International public relations theory: A communications perspective on the development of nonprofit organizations in the Czech Republic

**Author(s):**

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**Summary of Research**

This paper would explore the possibility that theories developed to help explain the management of relationships between international organizations and their constituents by public relations professionals would shed light on the development of international nonprofit organizations.

**Description**

The issue and the literature

Scholars have paid considerable attention to the developing nonprofit sector in the Czech Republic since the "Velvet Revolution" of fall 1989 (Anheier, Ben-Ner, & Hazen, 2003; Anheier & Salamon, 1998; Dahrendorf, 1990; Fric & Deverova, 1998; Kuti, 1999; Potucek, 1999, 2000; Toepler & Salamon, 2003). In many ways, the fall of the communist government was itself an outcome of the kind of citizen engagement that is a pre-condition for the development of a robust nonprofit sector. However, over the subsequent years, the growth of the sector has been somewhat slower than initially expected.

In the same timeframe, communications researchers (Molleda, 2002; Molleda, Connolly-Ahern, & Quinn, 2003; Sharpe & Pritchard, 2004; Sriramesh & Vercic, 2003) have been studying the development of public relations in various countries. In these studies, public relations is defined as the active management of the relationship between organizations and their publics.

A vibrant nonprofit sector is dependent on the relationships that organizations establish with their diverse and specific constituencies, including government, clients, members, and donors. Potentially, a public relations function would provide the knowledge and skills to establish and maintain effective constituent relationships in a specific country's contextual setting. If this were the case, the maturing of the communication function in the nonprofit sector would contribute significantly to the strengthening of the sector's overall ability to meet the goals of individual nonprofit organizations.

The goal of the proposed paper

This paper would explore the convergence of international public relations theory and of theories related to the development of nonprofit organizations in the Czech Republic. The purpose would be to determine whether empirical studies that test international public relations theory in this specific country, with its vibrant and not yet fully mature nonprofit sector, might advance understanding of the infrastructure needs of nonprofit organizations.

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**Paper Number:** PA051461

**Paper Title:** The Intellectual Capital Model of Organizational Capacity: Validity and Utility

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**Summary of Research**

The paper presents a conceptual model of nonprofit organizational capacity that views organizational capacity to be the product of an organization's ability to deploy a variety of types of capital (e.g., intellectual, financial, structural). Structural equations are used to test the fit of the model to data from Canada's National Survey of Nonprofit and Voluntary Organizations that assess the capacity challenges that organizations experience. The model is then used to guide the development of a series of capacity indexes that can be used to distinguish the types of capacity challenges that different sizes and types of organizations face.

**Description**

The Intellectual Capital Model of Organizational Capacity: Validity and Utility

Nonprofit organizations vary substantially in their capacity to deliver services and programs and there is substantial interest in how to build or improve their capacity to do so. The paper presents a conceptual model of nonprofit organizational capacity that has been developed to help guide efforts to strengthen the capacity of nonprofit organizations (Hall, et. al. 2003).

Our research suggests that it may be useful to conceptualize overall organizational capacity as the product of an organization's ability to deploy different types of capital (e.g., financial, intellectual, structural). An organization's ability to develop or maintain these different types of capital depends, in turn, upon a variety of external factors such as the economy, the legal and regulatory framework in which it operates, and the availability of human and financial resources.

Organizations can deliver similar services while relying on entirely different types of capital. For example, one organization providing a "meals on wheels" program may do so by drawing on its ability to access financial capital (e.g., money to pay staff) while another may do so by drawing on its ability to access human capital (e.g., to recruit and deploy volunteers). Understanding the specific types of capital that an organization relies upon is essential to understanding the organization's overall capacity to pursue its mission.

The paper presents a model of nonprofit organizational capacity that has been adapted from the work of Edvinsson & Malone (1997), and Roos et al. (1998) on intellectual capital and that of Nadler, Gerstein, & Shaw (1992) on organizational design. It is grounded in the literature on organizational effectiveness (e.g., Campbell, 1977), and the resource-based view of the organization that recognizes the importance of both tangible and intangible resources (e.g., Barney, 1991; Hitt, Bierman, Shimizu, & Kochhar, 2001). As such, it offers an alternative (cf., De Vita, Fleming, & Twombly, 2001; UNDP, 1998) and useful perspective for efforts to build the capacity of nonprofit organizations.

Building on earlier work (Hall, 2004), the validity of the model is tested using data from Canada's National Survey of Nonprofit and Voluntary Organizations (NSNVO). The NSNVO was conducted in 2003 and employs a representative survey of 14,000 incorporated Canadian nonprofit organizations and registered charities.

The validity of the model is tested in two ways. First, structural equations are used to test the fit of the model to data from the NSNVO organizations that assess the capacity challenges that organizations experience. Second, the model is used to guide the development of a series of capacity scales or

indexes. Multivariate profile analyses are then employed to demonstrate the extent to which the scales are able to distinguish the particular patterns of capacity challenges that organizations with different sizes of revenue and different areas of activity (e.g., health, social services, arts and culture face).

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**Paper Number:** PA051462

**Paper Title:** Theorizing Three Brands of Entrepreneurial Nonprofits

**Author(s):**

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**Summary of Research**

The paper contributes to theory about hybrid nonprofits by analyzing three cases of mixed-form nonprofits operating in workforce development; and offering a conceptual framework that helps explain advantages and disadvantages of entrepreneurial strategies among nonprofit organizations with strategic orientations characterized by market, bureaucratic, and community characteristics. Combining quantitative and qualitative data over a six year period, the study is relevant to researchers and policymakers interested in understanding strategy alternatives and performance parameters among multi-sectoral mixed-form organizations.

**Description**

In recent years, public policy and other economic changes have transformed local landscapes of public service delivery signaling not only a retrenchment of the welfare state but also reveal an increased reliance on competitive market-based mechanisms for resolving public policy dilemmas. Whether called "privatization," "marketization," "commercialization," "new public management," or "market-based governance," many researchers suggest that such changing public policies increasingly rely on notions of competition in government practices as a means to spur efficiency, effectiveness, and innovation (Barzelay 2001; Donahue 1989; Donahue and Nye 2002; Gruening 2001; Kettle 1997; Weisbrod 1998). In this evolving environment, organizational and policy processes among public and nonprofit organizations are increasingly complicated by blurred boundaries between governmental, public, and nonprofit orientations. Taken together, these transformations contribute to shaping an environment for public and nonprofit organizations featuring varied interdependent relationships (e.g., partnerships, networks, alliances), competition, and dynamic complexity. Consequently, inter-related public and nonprofit organizations often demonstrate a blending of characteristics featuring attributes from public, nonprofit, or market organizations. This phenomenon challenges theoretical and managerial conceptions of public and nonprofit management and organizational processes that emphasize distinct organizational types. This paper contributes to theory about public and nonprofit relations by critically reviewing literature regarding mixed-form organizations; presenting three cases of public/nonprofits operating in the workforce development arena; and offering a conceptual framework that helps explain the advantages and disadvantages of entrepreneurial strategies among public/nonprofit organizations. The paper used a multi-method approach combining qualitative and quantitative data that were analyzed to develop three comparative, historical case studies of One-Stop Career Centers in Boston. Each Career Center was operated by an organizational partnership characterized by a distinctive governmental, nonprofit, or market orientation. Qualitative data were collected via three waves of 50 semi-structured interviews with representatives of the career centers, public agencies, nonprofit organizations, and private sector employers during 1998, 2000, and 2002. A second method was a textual analysis of annual organizational documentation assembled by the over-seeing Boston Workforce Investment Board as part of each One-Stop's charter review process that includes strategic plans, program budgets, customer satisfaction surveys, employer focus groups, and annual monitoring reports by the WIB. Quantitative data was collected from annual review documentation reports as well as the One-Stop Career System's administrative information system that contains customer databases and placement data.

Findings of the study include: 1) identifying key characteristics of "entrepreneurial" strategies as contrasted with conventional governmental "bureaucratic" and nonprofit "community" orientations; and 2) specifying the advantages and disadvantages of the different strategic orientations regarding service delivery, program innovation, and outcomes. The study is relevant to researchers, policymakers, and managers of public and nonprofit organizations interested in better understanding strategy alternatives and performance parameters among multi-sectoral mixed-form organizations.

**Paper Number:** PA051463

**Paper Title:** Policy Action: A Case Example of Religious Lobbying in the State of Virginia

**Author(s):**

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**Summary of Research**

Recognizing the increasing relevance of religion and religious organizations in policy and public discourse, the proposed presentation will explore religiously-affiliated legislative advocacy on a state level. Such advocacy is left virtually untouched by academic literatures which focus on faith-based social service provision and the influence of faith on federal policy (and, in lesser extent, local policy). Using a legislative organization in Virginia as a case example, the presentation will address the roles, motivations, influence, and strategies of faith-based state legislative organizations and suggest categories and themes to consider as this area of faith-based literature further develops.

**Description**

Since Charitable Choice was enacted as a part of the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), the viability of faith-based social service provision has been the focus of speculation, debate, and a growing amount of research (Chaves & Tsitsos, 2001; Cnaan, Wineburg & Bodie, 1999; Wineburg, 2001). With the election of George W. Bush to two presidential terms, focus on faith-based and community initiatives has intensified. The public discourse surrounding the initiative has centered on policies proposed and enacted by federal legislation that impact state and local implementation. Little discussion has been directed toward state legislation, although with increasing devolution, recognition is growing that the states are the next field of concern regarding faith-based initiatives (Lupu & Tuttle, 2004). Of the discussion related to faith-based initiatives on the state level, attention is focused almost exclusively on direct services (Bartkowski, 2001; Campbell, 2002). The content of the often contentious discourse surrounding faith-based initiatives has predominantly been the constitutional relationship between church and state and the implications of direct service provision by congregations and religiously affiliated non-profits (i.e., competition for funds without the allocation of additional resources, effectiveness of services, capacity for services). More recently, a growing literature is evolving regarding the local grassroots change efforts of faith-based community organizing and community development (Slessarev-Jamir, 2004). Scant attention, however, has been paid to the structural changes sought by faith-based organizations on state social policy and the role faith plays in these proposed changes.

□ While the direct and community development services of faith-based organizations are legitimate and crucial areas for prolonged inquiry, so too, are the structural changes (or lack thereof) being pursued in state legislatures around the nation. "Faith-based organizations" including state Councils of Churches, the Family Foundation and Family Research Council (affiliated with James Dobson's Focus on the Family), interfaith organizations, and judicatory bodies representing Protestant, Catholic, and Jewish denominations are involved in "lobbying" or "advocating" for change in most states. Theologically progressive organizations have been working on this front since the early 1900s. Theologically conservative organizations have been lobbying in local, state, and national governments since the 1970s and 1980s (Dunn, 1984; Hofrenning, 1995; Yamane, 1998). Efforts in faith-based legislative action represent a range of theological and political views as multiple perspectives attempt to lobby for different understandings of morality. While this legislative activity persists, little historical and contemporary research has explored the activity and these theological and ideological tenets driving them (Yamane).

Recognizing the increasing relevance of religion and religious organizations in policy and public discourse, the proposed presentation and paper will explore religiously-affiliated legislative advocacy at the state level by exploring an interfaith legislative organization in Virginia as a case example. The Virginia Interfaith Center for Public Policy (VICPP) is self-described as one of only two organizations in the United States that brings together multiple faith perspectives to advocate on a number of justice-related issues including poverty, housing, health care, and capital punishment. VICPP engages in both

direct legislative activities and community education in order to attain their vision of “a more just and compassionate Commonwealth.” The proposed work will address the roles, motivations, influence, and strategies of VICPP and suggest categories and themes to consider as this area of faith-based literature further develops. In addition, it will provide an extensive overview of the related literatures that frame the rarely examined arena. While the organization describes itself as one of only two such organizations in the U.S., a number of organizations in states throughout the country advocate from positions of religious conviction and join in coalitions that share religious values. The information and implications gleaned from this case example, then, may find wide application and set the stage for further relevant research.

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**Paper Number:** PA051466

**Paper Title:** Measuring Cultural Vitality: Arts/Culture Nonprofits in U.S. Metro Areas

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**Summary of Research**

The paper argues that measures of arts/culture nonprofits may be appropriate indicators of cultural vitality.. The paper examines the standardized national nonprofits database (National Center for Charitable Statistics (IRS 990) as a data source for this indicator of cultural vitality. The paper analyzes the data across 25 U.S. metro areas. The paper includes a comparison of the 990 data with the Urban Institute's Unified Arts Nonprofit Database which includes supplemental nonprofit information from other data sources. Analysis suggest that certain measures of arts/culture nonprofits are sufficiently robust indicators to include in quality-of-life measurements of communities and cities.

**Description**

Communities across the country are increasingly exploring and adopting culture-based approaches to revitalize communities and improve quality of life. Despite the proliferation of such efforts, surprisingly few standardized measures have been available for comparative analysis of arts and culture in different communities and urban areas. For example, there are no common art/culture measures among the 21 cities participating in the Urban Institute's National Neighborhood Indicators Partnership that are similar to other common measures related to issues such as housing, employment, education, and crime. The proposed paper addresses this current knowledge gap by identifying and analyzing a set of standardized cultural vitality measures across the top 25 metro areas in the United States. The paper examines the standardized, annually available national nonprofits database (National Center for Charitable Statistics (IRS 990) as a data source for this indicator of cultural vitality. The paper's analyses includes a comparison of the 990 data with the Urban Institute's Unified Arts Nonprofit Database which includes supplemental nonprofit information from other data sources. Based on their findings, the authors suggest that the ratio of arts/culture nonprofits to population is a sufficiently robust indicator to include in quality-of-life measurements of communities and cities. The paper builds upon a multi-year study by The Urban Institute with the purpose of developing indicators of arts and culture in community building in United States. By offering an innovative approach to standardized measurement of urban cultural vitality, the paper helps more fully account for the heretofore under-emphasized role of art and culture nonprofits in communities.

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**Paper Number:** PA051467

**Paper Title:** Canada's Nonprofit and Voluntary Sector: New Evidence and the Need for New Public Policy

**Author(s):**

Michael Hall, Imagine Canada, Toronto, CANADA

### **Summary of Research**

This paper reviews research on the Canadian nonprofit and voluntary sector that has been conducted over the past five years including work on the National Survey of Nonprofit and Voluntary Organizations, Statistics Canada's Satellite Account of Nonprofit Institutions and Volunteering and findings from the Johns Hopkins Comparative Nonprofit Sector Project. The research provides important evidence about the strengths of the sector and the challenges it faces. The need for a public policy framework for nonprofit and voluntary organizations is identified and suggestions for policy initiatives are provided.

### **Description**

In the past five years the body of knowledge on Canada's nonprofit and voluntary sector has grown dramatically. Recent research (Hall, Barr, Eswaramoorthy, Sokolowski, & Salamon, 2005) shows that Canada has one of the largest nonprofit and voluntary sectors in the world and is unique in its composition and focus. It is an important economic force in Canada accounting for 6.8 percent of the nation's gross domestic product (GDP) and, when the value of volunteer work is incorporated, 8.5 percent of GDP. Nonprofit and voluntary organizations employ 12 percent of Canada's economically active population, and provide 13 percent of its non-agricultural employment.

Canada's nonprofit and voluntary sector is the second largest in the world when expressed as a share of the economically active population. It relies more on the efforts of paid employees than sectors in other countries and more Canadian nonprofit and voluntary sector workers (both paid and volunteer) are engaged in the delivery of direct services such as education, health, and housing than is the case internationally.

Canadian nonprofit and voluntary organizations receive more revenue from government than do those in other countries. Government funding is particularly prominent in the fields of health, education, and social services reflecting the special form that the welfare state has taken in Canada and echoing what is found in a number of European countries.

Despite its significant role in Canadian life, the nonprofit and voluntary sector faces a number of issues that may affect its future vitality. Many organizations report difficulties fulfilling their missions because of problems planning for the future, recruiting volunteers and board members, and obtaining funding from governments and private philanthropy (Hall et al. 2004). Most of those that rely on external funding from governments, corporations, and foundations report serious problems. Much of this can be attributed to the challenges they have had adjusting to changes arising from the substantial retrenchment of the Canadian state that occurred in the 1990's.

Organizations report that government funding has become more short-term, more competitive, and less predictable with support being targeted to programs and projects and little funding available to support overall organizational capacity (Hall et al. 2003; Scott, 2003). At the same time, the administrative burden associated with acquiring funding, reporting on funding, and mandated collaborations is increasing. As a result, organizations and the people who work and volunteer with them are under considerable strain. Moreover, the ability of organizations to identify and respond to needs earlier, more quickly, and often more innovatively than government appears to be eroding.

Canadians also may have reached the limits of their willingness to support nonprofit and voluntary organizations with the donations of their time and money. Although charities enjoy a high level of public

trust and credibility (Hall, Greenberg, & McKeown, 2000), the number of volunteers appears to be declining and the number of donors is not growing (Hall, McKeown, & Roberts, 2001).

Considering the future of Canada's nonprofit and voluntary sector it is important to recognize its increasingly bifurcated nature. The character of the sector may be changing because, in the current funding environment, the larger, more professionalized, and well-resourced organizations have substantial competitive advantages over the smaller, mostly volunteer-operated ones (Hall and Reed, 1998).

Taking the broad view, the lack of a coherent policy framework in Canada for its nonprofit and voluntary sector may be one of the biggest constraints to its future development. Compared to the many initiatives that have been developed to support Canadian businesses, little has been done to improve the capacity of the nonprofit and voluntary sector to deliver social and economic benefits.

Canada is only beginning to understand how it can make the most of the civil society assets it has created. To do so will require a collective commitment that includes: leadership from government and a renewed commitment to partnership with the sector; more effective funding that is longer term, more predictable, and has greater flexibility; improved organizational capacity fuelled by investment in human resources; new partnerships with business and increased involvement from Canadians; and ongoing research and development both to track the health and progress of the sector over time and to better understand how to maximize social and economic contributions.

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**Paper Number:** PA051469

**Paper Title:** “Crowding out” debunked: New evidence and explanations for a positive effect of government funding on charitable giving

**Author(s):**

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### **Summary of Research**

This paper reports results of a study demonstrating the largely positive effects of government funding on charitable giving to nonprofit organizations (NPOs) based on analysis of data from 40,715 NPOs. This study goes beyond previous studies by examining the effects of government funding on charitable giving for different types of NPOs—by subsector, size, and degree of dependence on government funding—rather than treating the sector as a monolith. Perhaps more importantly, this study tests hypotheses derived from alternatives to conventional, but recently disputed, microeconomic explanations of the subsidy-charity relationship using more finely grained measures of subsidy and charity.

### **Description**

“Crowding out” debunked: New evidence and explanations for a positive effect of government funding on charitable giving

#### **1. ISSUE TO BE ADDRESSED**

This paper reports the results of a study demonstrating the largely positive effects of government funding on charitable giving to nonprofit organizations (NPOs) based on the analysis of detailed financial data from 40,715 NPOs over a three-year period. This study goes beyond previous studies by examining the effects of government funding on charitable giving (the “subsidy-charity relationship”) for different types of NPOs—by subsector, size, and degree of dependence on government funding—rather than treating the sector as a monolith or focusing narrowly on a small portion of the sector. Perhaps more importantly, this study improves upon previous research by testing hypotheses derived from alternatives to the conventional, but recently disputed, microeconomic explanations of the subsidy-charity relationship.

#### **2. RELATION TO STATE OF KNOWLEDGE IN THE FIELD**

The subsidy-charity relationship has been a matter of empirical inquiry since at least the late 1970s (Reece, 1979), and the importance of understanding this relationship has grown as governments have increasingly turned to NPOs to deliver government-funded services over the past three decades (Salamon, 2002). In stride with the steady increase in government funding of NPOs has been a steady stream of research examining the effects of government funding on charity, with almost all studies building on the theoretical foundation of welfare economics to predict, test, and interpret the relationship between government funding and charity (for examples, Brooks, 1999; Payne, 1998; Khanna, Posnett, and Sandler, 1995; Kingma, 1989).

Most economists have favored the crowding-out hypothesis, which predicts an inverse relationship between government funding and private giving. This hypothesis posits that charitable donors derive utility from the services being provided by NPOs at a certain level. Since an NPO can use a dollar of government subsidy to provide the same amount of service as with a dollar of private charity, private donors can maintain the level of utility derived from the NPO’s service provision by collectively decreasing their donations by one dollar for each dollar of government funding (Roberts, 1984; Warr, 1982). Many theorists temper this hypothesis by acknowledging that the displacement may be less than dollar-for-dollar since private donors may derive some satisfaction from the act of giving itself in addition to the satisfaction they derive from having the NPOs provide their services (Andreoni, 1990). Other theorists have proposed that government funding may actually enhance utility derived from

charitable giving by acting as a signal of NPOs' quality to private donors (and potential private donors), stimulating an increase in private giving—a “crowding-in” effect (Schiff, 1990).

A recent review of this literature (Brooks, 2000a) identified twenty-two empirical studies of the subsidy-charity relationship. The studies yielded conflicting results, but the evidence favors a partial crowding-out effect, with thirteen studies supporting the crowding-out hypothesis, four supporting crowding-in, and five finding no statistically significant relationship between government funding and private contributions. The partial crowding-out effects ranged from 2 to 53 cents per dollar of government funding.

While these findings provide compelling evidence of a relationship between government funding and private charity, recent research has cast doubt on the theory uniformly adopted by previous research used to explain this relationship. Based on a comparison of survey respondents' estimates to NPOs' financial statements, Horne, Johnson, and Van Slyke (2005) found the assumption that charitable donors are aware of the extent of NPOs' dependence on government funding—let alone changes in this dependence over time—to be untenable as an explanation of why government funding affects charitable giving.

### 3. THE APPROACH TAKEN IN THIS STUDY

For this study, multiple regression analyses of three-year panel data constructed from the financial reports of 40,715 nonprofit organizations were conducted to describe the effects of changes in government funding on charitable giving to NPOs. The analyses were conducted for the nonprofit sector as a whole, for twenty-five subsectors, for NPOs grouped by organization size, and for NPOs grouped by the extent of their dependence on government funding.

In addition to generating this comprehensive description of the subsidy-charity relationship for different types of NPOs, multiple regression analyses were also used to test hypotheses generated by explanations of the subsidy-charity relationship derived from organizational theories as alternatives to conventional microeconomic explanations. These alternative explanations predict patterns subsidy-charity relationships contingent on the type of government funding (for example, grants versus fee-for-service) and the types of charitable giving (for example, direct giving versus giving through intermediary fundraising organizations).

### 4. CONTRIBUTION OF THIS STUDY TO THE FIELD

Based on data from a near census of NPOs, this study provides the most comprehensive description of the subsidy-charity relationship to date. Examples of key findings from the descriptive component of the study include:

--In the nonprofit sector as a whole and in the three subsectors receiving more than half of the government funds transferred to the nonprofit sector, government funding predicts an increase in charitable giving, contrary to fears that government funding “crowds out” philanthropy.

--While the positive effect of government funding on charitable giving in the nonprofit sector as a whole is a modest 5-cent increase in giving per dollar of subsidy, the effect is as high as 80 cents per dollar in individual subsectors.

Furthermore, the study supports alternative explanations of the subsidy-charity relationship, moving this research stream past the now dubious reliance on welfare economics for its theoretical foundation. In its place, this study provides evidence to support organizational structures and processes as the causal mechanisms explaining the effects of government funding on charitable giving to NPOs. By advancing this body of research to more empirically justifiable theoretical ground, this study provides a starting point for additional research seeking ways to mitigate potential adverse effects and to promote potential beneficial effects of government funding on charitable giving.

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**Paper Number:** PA051470

**Paper Title:** The Derry Story as an Example of Sustained Dialog:

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**Summary of Research**

This paper asks how building community-based organizations serve as an example of the peace strategy Harold Saunders calls "sustained dialog". Rather than treating sustained dialog as an intervention strategy to achieve peace, we wish to use it to describe a self-conscious process of building cross-community relationships. Second, we describe the story of Derry/Londonderry's reconstruction during 1990s through the work of community-based organizations. Third, we will examine national policy changes that since the Good Friday Agreement have de-emphasized civil society. This allows us to consider that Sustained Dialog may be a peace-model that has definite uses but limited scope.

**Description**

This paper involves the joining of two research undertakings. Joining the two efforts asks how building community based organizations can be understood as an example of the peace strategy Harold Saunders calls "sustained dialog". Our intention is to ask how this sort of sustained dialog works as an ongoing strategy for building and maintaining peace in a conflict-torn society. Post-2000 politics in Northern Ireland suggest that civil-society building-the focus of sustained dialog-has diminishing returns.

The first part of our analysis-the first research undertaking-is a community study of Derry/Londonderry Northern Ireland. The description and analysis of life in the city concentrates on the role played by community-based organizations in the 1990s as they built a community-wide commitment to the peace process. Northern Ireland, of course, had been embroiled in violent civil conflict since about 1967 and Derry/Londonderry had been a center of the conflict. Derry/Londonderry was not only a focus of Irish Republican Army activity and overt conflict. There was great physical destruction in the city due to numerous bombs that destroyed much of the center city. The 1990s saw a large and impressive reconstruction process spearheaded by community-based organizations that fostered both physical renewal and the forging of strong cross-community relationships.

The second part of our analysis grows out of a research and action team focused on the work of diplomat Harold Saunders. He has developed a program within the Kettering Foundation called The Sustained Dialog Institute. A consortium of scholars from both the United States and Northern Ireland have joined in teaching and research. One aspect of our partnership has been to involve Saunders in our work and particularly to focus on how systematic research would describe the nature of the sustained dialog model and how it would assess its usefulness as a strategy for peace. This paper is one contribution to this effort to direct analytic research at Saunder's theory, a theory that has grown out of his life as a practitioner in the field of diplomacy.

The paper makes three new contributions. First, we shall reconfigure the concept of sustained dialog. Rather than treating it as an intervention strategy we wish to use it to describe a self-conscious community process of building cross-community relationships and working for forgiveness and reconciliation. Second, we will describe the remarkable story of Derry/Londonderry's reconstruction during 1990s through the work of community-based organizations. Third, following the work we have done as co-authors over the last several years, we will argue that the national policy process has changed since the Good Friday Agreement so that it supports peace-building models different from those that supported building civil society in Derry. This allows us to consider that Sustained Dialog may be a peace-model that has definite uses but limited scope.

**Paper Number:** PA051471

**Paper Title:** The Impact of Strategic Planning Process Variation on Superior Organizational Performance in Nonprofit Human Service Organizations Providing Mental Health Services

**Author(s):**

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### **Summary of Research**

This research investigated the question: "What is the impact of strategic planning process variation on organizational performance in nonprofit human service organizations providing mental health services?" The study employed a retrospective, cross-sectional, comparison group design using a combination of survey data, unobtrusive agency backup data, and follow-up in-person interview data. An 81% response rate was achieved with an initial sample of 380 organizations based in New York City. Hypotheses were tested using multiple and logistic regression procedures. Implications for nonprofit management and public policy are discussed.

### **Description**

**Research Goals:** The main purpose of this study was to contribute knowledge in three areas of strategic planning research on nonprofit human service organizations that demand more elaborate scrutiny than they have received previously, namely, 1) the sources of strategic planning process variation, 2) the role of key organizational (internal environmental) factors, and 3) the effects of these determinants on superior organizational performance. Concerning sources of planning process variation, as well as the particular environmental contexts in which formal strategic planning is undertaken in nonprofit organizations, the empirical literature has made some progress but is still inadequate and inconsistent in terms of illuminating which internal and external factors combine to stimulate and produce superior performance in nonprofit organizations using strategic planning (Kearns & Scarpino, 1996; Stone, Bigelow, & Crittenden, 1999). Moreover, the overall prospects for achieving substantial agreement on defining and evaluating performance in nonprofit organizations continue to remain low (Herman & Renz, 1999), and nowhere is this debate more readily apparent than among the nonprofit human service organizations that deliver mental health services.

**Methodology:** The sample comprised of two main groups of organizations, those that were doing strategic planning and those that were not engaged in strategic planning. As sample representativeness and results generalizability were priorities, the original sample consisted of 380 randomly selected organizations. The study's primary method of investigation was through a large-scale telephone interview survey that utilized an initial precontact mail questionnaire in a booklet format containing the same questions that were asked subsequently of the key respondents. The respondents were the chief executive officers (CEOs) of sampled organizations because CEOs are generally acknowledged as the most informed stakeholders regarding the connection between an agency's strategic administration and its performance (Hambrick, 1981; Menefee, 1997; Shortell, Morrison, & Friedman, 1992; Zajac & Shortell, 1989).

The survey was implemented according to empirically verified procedures recommended and described by Dillman (1978, pp. 232-281; 2000, pp. 149-193). The choice and measurement of the independent and background variable questions were based on the results of a literature search and the author's (2000) pilot study, and the dependent variable questions were structured after Dillman's (2000) scale construction suggestions. "Cronbach's alpha" was used to examine the reliability of the strategic planning process instrument (the SSPMX) as it is a frequently utilized statistical procedure to measure the internal consistency of responses to multiple items comprising a scale ( DeVellis, 1991, p. 25). In addition, the booklet survey format was constructed according to the prescriptions of Dillman (1978, 2000) and Salant and Dillman (1994).

**Results:** The major finding of this study was that complete strategic planning appears to be highly correlated with superior organizational performance. On its own, it tends to be the most powerful

predictor of superior organizational performance, and much more so than any other predictor variable. Other predictor variables that were found to be significantly associated with superior organizational performance were use of an external consultant, chief executive officer involvement, and high organizational maturity.

Implications for Administration: The major benefit of this study is that a standardized instrument to measure the process of strategic planning in nonprofit human service agencies has been developed. Also, explanations have been sought as to the conditions under which it is likely to be effective.

Implications for Policy: Given the finding from this study and others (e.g., Webster & Wylie, 1988) that funders are the top reason why agencies initiate strategic planning, agencies currently not doing strategic planning should overcome their resistance to doing so and start the planning process. Not only will they be in a position to stay several steps ahead of the competition and avoid the sometimes unwelcome attention of funders who strongly support strategic planning, but also they will be able to potentially increase their overall levels of performance. And, for funders, it is recommended that they fully appreciate the importance of strategic planning by financing the process, including the hiring of external consultants and the provision of technical assistance, rather than simply requiring agencies to initiate and sustain strategic planning without supporting its costs.

**Paper Number:** PA051473

**Paper Title:** The Impact Paradox

**Author(s):**

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**Summary of Research**

This paper argues that efforts to posit the arts as engines of economic development largely supported by public and private funders, results in a paradox. As nonprofit organizations strive to justify their importance in quantifiable terms, their internal constraints do not allow for advocating for other benefits the sector brings, thus jeopardizing their mission-driven nature.

**Description**

Beginning in the 1980s, economic impact studies began to be used as instruments to justify financial support for arts and culture organizations. Although there has been criticism leveled at these strategies and approaches, it has mostly focused on issues of valuation (how economic impact is measured), emphasis (what should be included in these studies), and utility.

Although arts and culture organizations recognize that their impact goes far beyond the economic, there is significant pressure from funders, both public and private, to demonstrate their capacity to create jobs, boost sales, book hotel rooms, and fill parking lots.

This paper argues that the pressure put by funders on organization to demonstrate impact in economic terms results in a paradox: demonstrating impact, within the constraints of most organizations' structure and capacity, leads to an excessive focus on the quantifiable to the detriment of other social contributions these organizations can make. In fact, organizations discover that the best way they can demonstrate economic impact is by behaving increasingly like for-profit organizations, which ultimately jeopardizes the mission-driven nonprofit arts sector. Thus, public and private funder-driven initiatives that reward quantifiable impacts may ultimately have a detrimental effect on the very organizations they are supporting. The paper differs from previous criticism of economic impact studies in showing how the emphasis on quantifiable outcomes is changing the nature of the nonprofit arts and culture sector.

The case for the arguments presented in this paper is made through an analysis of critical texts on both sides of the economic impact argument, recent scholarship on the arts and the public purpose, the arts as an engine of economic development, and a survey of organizations touted as "successful" in demonstrating quantifiable economic results in the United States.

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**Paper Number:** PA051476

**Paper Title:** Academic Library Services for Nonprofit Education

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**Summary of Research**

Nonprofit management education is an interdisciplinary field that draws on research and practice from a number of different areas of expertise including business, public policy and social work.

This paper will explore the role that academic libraries play in relation to developing nonprofit management programs in university settings as well as the ways in which libraries are providing support for such programs

**Description**

Academic Library Services for Nonprofit Education:  
Enhancing Information and Access for Third Sector Research

LeRoy Jason LaFleur, Policy and Management Studies Librarian, George Mason University.

The study of nonprofit management is an interdisciplinary field that draws on research and practice from a number of different areas of expertise including business, public policy and social work. In mirroring the needs of the profession, students and faculty alike engage in studies ranging from philanthropy to organizational development and community outreach. Likewise, the graduate programs that offer degrees and certificate for nonprofit management are found in a wide array of university colleges and departments.

Academic librarians that support such programs must not only be well versed in the language of the field and related areas of inquiry, but must also understand the ways in which government and social service relate to one another. Furthermore, librarians must also be knowledgeable about the availability of information resources on the third sector and the needs of scholars who seek to use library collections for their research.

By conducting a study of academic libraries and librarians that service academic nonprofit education programs this research provides a much needed contribution to the body of literature on nonprofit management education as an academic discipline.

This paper will explore the role of the library in relation to developing nonprofit management programs in academic settings and the ways in which libraries are providing support for such programs.

As part of this research we will review the ways in which libraries have adapted to serve the needs of this growing area of study as well as the strategies librarians and information professionals employ in managing the relationship between a variety of constituents including student and faculty researchers, practicing professionals in the nonprofit sector, and members of the general public.

Additionally we examine the place of libraries as an intellectual bridge between public policy, government, and community based research, as well as the balance between application based and theory based modes of inquiry.

Lastly we will look at new and ongoing partnerships between libraries and nonprofit organizations, from the management of grants information centers to instruction and training initiatives.

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Educational impact graduate nonprofit degree programs: Perspectives of multiple stakeholders

Roseanne M Mirabella, Naomi B Wish. Nonprofit Management and Leadership. San Francisco: Spring 1999. Vol. 9, Iss. 3; p. 329 (12 pages)

**Paper Number:** PA051478

**Paper Title:** Closing the Loop: Corporate Links to the Voluntary Sector

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**Summary of Research**

This paper brings together findings from three separate investigations, to provide a deeper understanding of the changing roles of the public, for-profit and nonprofit sectors in our society. The research reported in this paper focuses on corporations and probes more deeply into the myriad of ways they are getting involved in their communities as socially responsible corporate citizens. The findings from these corporate interviews are compared and then melded with those from previous interviews with government officials and nonprofit organizations to provide a three dimensional perspective of the direction in which Canadian civil society may be moving.

**Description**

This paper brings together findings from three separate investigations, to provide a deeper understanding of the changing roles of the three sectors - Public, For-profit and Nonprofit - in ensuring civil society. Based on a survey of 645 nonprofit organizations, and interviews with 20 Government of Ontario officials with links to the nonprofit sector and 17 senior officers of Ontario-based corporations active in philanthropy, we present a picture of the public and nonprofit sectors relying more and more heavily on the for-profit sector to fill in the gap caused by government retrenchment. This is a clear shift in Canadian government policy.

□ During the two decades immediately following WWII, Canadian social policy concentrated on establishing a broad and expansive welfare state, based on a partnership with the voluntary sector. The construction of this nation-wide social welfare system was largely completed by the mid-1970s. The system involved a matrix of programs and services that were delivered by both the public and voluntary sectors. Nonprofit organizations were part of the elaborate system that was created to extend specialized services to the public. Since the mid-1980s however, the political philosophy in Canada has been shifting from a pluralist, social welfare conception of State to a neo-conservative philosophy (McBride and Shields, 1997; Jeffrey, 1999). In an atmosphere of drastic funding cuts, operating grants have been replaced by contractual relationships arranged through competitive bidding, placing nonprofit agencies in competition with for-profit businesses (Taylor et al., 1995; Ryan, 1999, Weisbrod, 1995; Pal, 1997).

□ As a result of these changes, the nonprofit sector has been described as being in a state of lurching from crisis to crisis (Meinhard & Foster, 1998; Scott, 1992). Pessimistic about the future, yet unwilling to cut services, voluntary organizations have been exploring an array of strategies to ensure their survival (Meinhard & Foster, 2003a) including rationalizing operations, adopting business practices which include marketing and branding, forming partnerships with other nonprofit organizations or for-profit businesses, and embarking on commercial ventures. They have been encouraged by government officials to seek ways in which to adopt business-like practices in order to increase organizational efficiency and improve organizational accountability, and to seek ways in which to diversify their resources. Partnerships of all sorts have been encouraged, and at times demanded, by government, in order to increase efficiencies (Meinhard & Foster, 2003b). And so, nonprofit organizations, coerced by government cutbacks and encouraged by civil servants, have been turning to the corporate sector.

□ Historically, in Canada, corporate involvement with the third sector has been minimal. Donations to charitable organizations account for only 1% of the total funding received by charitable agencies (Goldfarb, 1995). However, realizing the potential market benefits of supporting social causes, for-profit

organizations have begun to engage in a variety of exchanges with voluntary organizations (Drumwright, Cunningham and Berger, 2000; Bloom and Hussein, 1995; Handleman and Arnold, 1999; Brown and Dacin, 1997; Ellen, Mohr and Web, 1997) These range from straight philanthropic exchanges, to complex commercial partnerships that involve common strategic planning (Sinclair and Galeskiewicz, 1997; Sagawa and Segal, 2000; Austin, 2000).

□ The research reported in this paper probes more deeply into the myriad of ways in which the business sector is getting involved in their communities as socially responsible corporate citizens. Sixteen, 90-minute, in-depth, elite interviews (Holstein & Gubrium, 1995) were conducted with senior officers of 17 corporations in various industries including: banking, insurance, food and beverage, media, technology and natural resources. Respondents were asked about their philanthropic strategies, their relationships with the nonprofit sector, the general direction in which the voluntary sector is moving; the roles of government, voluntary and for-profit organizations in this new sociopolitical configuration; and the interaction of the three sectors in the future.

□ Analysis of the interviews revealed a wide range of different approaches and practices to corporate philanthropy and a variety of different views on the future relationship of the three sectors towards building a better society. We found that organizations are generally proud of their charitable giving and level of community participation; they all agree that it is time for corporations to "give back" to their communities. However all of them believe that the onus for providing social, educational and cultural services lies with the government, and several of them complained that government is derelict in its support of essential social and cultural services. They all believe in the importance of a vibrant voluntary sector and try to offer support in different ways.

□ Finally, the findings from the corporate interviews are compared and then melded with those from the government interviews (Meinhard & Foster, 2003b) and the nonprofit survey (Meinhard & Foster, 2003a) to provide a three dimensional perspective of the direction in which Canadian civil society may be moving.

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**Paper Number:** PA051479

**Paper Title:** Audited Financial Statements and the IRS Form 990: An Empirical Assessment of their Differences

**Author(s):**

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### **Summary of Research**

This paper explores the differences between the IRS Form 990 and audited financial statements using a sample of approximately 130 nonprofit organizations' 990s and audited financials. The focus will be on assessing the prevalence and magnitude of the differences and identifying the specific sources of the differences. Specific sources that will be scrutinized include the use of consolidated financial statements, the inclusion of donated facilities or professional services in the financial statements, and reporting of government fees as earned income on financial statements but as "contributions and grants" on the 990.

### **Description**

The audited financial statements of many nonprofit organizations are public documents in twenty states; the IRS Forms 990 are public documents throughout the country and are available over the internet for free from GuideStar. It is conventional wisdom that the audited financials and the Forms 990 ought to paint a consistent picture of an organization but that, in reality, they often and scandalously do not. Much of this conventional wisdom appears to be based on anecdote.

Lack of solid empirical research is especially problematic in 2005 with the ongoing Senate Finance Committee hearings on the charitable sector and a \$3 million Independent Sector-led panel poised to recommend major changes to the nonprofit sector's regulatory regime. See, e.g., U.S. Senate Finance Committee (2004) & Panel on the Nonprofit Sector, 2005. The Form 990 and audited financial statements figure prominently in some of the recommendations and the Form 990 is widely viewed as needing major revision if it is to fulfill its dual roles as a tool for regulators and as a primary source of information for the public.

In general, Forms 990 are completed after the audited financial statements and the IRS Form 990 instructions make it clear that the 990 is expected to be consistent with organization financial statements. However, there are some conceptual differences between the two types of documents, which have been examined by several CPAs. See Cornwell, et al. (2003).

Some relatively superficial empirical comparisons of financial statements and 990s were conducted by Froelich, et al. However, there has been little or no effort to combine the research on the conceptual differences with empirical analysis. This paper seeks to fill this gap through an empirical analysis of a sample of more than one hundred organizations' audited financial statements and Forms 990. The sample will consist of a randomly drawn subset of 100 organizations plus a subset of approximately 30 organizations with significant differences between their 990s and financial statements. The Forms 990 will be obtained from GuideStar and the audited financial statements from state charity offices. We will explore a range of questions including:

- What is the prevalence and magnitude of differences between audited financials and Forms 990?
- To what extent can differences be explained by the fact that generally accepted accounting principles (GAAP) permits the consolidation of financial statements?
- To what extent are fundraising and other overhead expenses reported consistently (albeit often incorrectly) in the two types of documents?
- To what extent can a reorganization of existing items on the Form 990 resolve apparent differences between it and financial statements? (If this is successful, then a mere change in presentation might be sufficient to address policymakers' concerns.)

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**Paper Number:** PA051480

**Paper Title:** Congregations and Coalitions: The Dynamics of Faith-Based Collaborations

**Author(s):**

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Helen Rose Ebaugh, University of Houston, Houston, USA

**Summary of Research**

Recent studies have found that congregations frequently participate in social service programs in collaboration with faith-based coalitions yet we know little about the dynamics of these relationships: How are they structured? What factors motivate congregations' involvement in coalitions? What exchanges are involved? We address these questions based on nine case studies of faith-based coalitions. Utilizing analytical frameworks established in studies of interorganizational relationships, we compare the determinants and values of these collaborations to those involving secular nonprofits and for-profit organizations. Our analysis highlights practical and policy-oriented implications associated with collaborations involving congregations.

**Description**

In the past few decades, congregations and faith-based organizations have gained significant attention from researchers, policy analysts and public officials. Research has demonstrated that religion plays an important role in facilitating volunteering and funding nonprofit ventures (Hodgkinson & Weitzman 1992; Wuthnow 2004). President George W. Bush instituted the White House Office of Faith-Based and Community Initiatives with the overarching goal of increasing the role religious organizations and their volunteers play in meeting human welfare needs. Recent studies have found that congregations frequently participate in community service projects in collaboration with other organizations (Ammerman 2005; Chaves 2004). Ammerman (2005) concludes that nonprofit organizations are the primary means through which congregations serve their communities and that the majority of these connections are with faith-based organizations.

Several typologies of faith-based organizations have been proposed, each of which identifies a subtype typically referred to as "ecumenical and interfaith" agencies or coalitions (Cnaan 1999; McCarthy and Castelli 1998; Wuthnow 2001, 2004). In studies of over 20 ecumenical/interfaith organizations in various parts of the country, we have found that the emphasis on relationships with congregations is a characteristic they all share despite tremendous variation in other organizational traits such as revenues, programs and religiosity (Pipes 2001; Pipes and Ebaugh 2001). The relationship is perhaps equally important to congregations. Chaves and Tsitsos (2001) demonstrate that congregations that participate in social services are more likely to galvanize volunteer and financial support for programs administered by another organization than they are to organize and operate programs on their own. Others argue that faith-based coalitions provide congregations and their members with boundary spanning opportunities that generate social capital and have important implications for civil society (Ammerman 2002; Wuthnow 2004). Therefore, these collaborations are key to congregations' involvement in social mission and may play a role in shaping public religion.

We know very little about the dynamics of the relationships between faith-based coalitions and congregations: How are they structured? What expectations and values do congregations and coalitions associate with the partnership? What factors motivate congregations' initial involvement in coalitions and influence their continued participation?

In this paper, we analyze the relationships between faith-based coalitions and affiliated congregations utilizing data collected in nine communities across the United States. Our goals are twofold: First, to extend the research on collaborations between faith-based coalitions and congregations by describing the social and resource exchanges involved. This analysis will highlight practical and policy-oriented implications associated with these alliances. Our second objective is to

broaden conceptualizations of interorganizational relationships to include religious organizations. Utilizing analytical frameworks established in studies of IORs we will compare the dynamics, determinants and values associated with these alliances to those involving secular nonprofits and for-profit organizations (Austin 2000; Oliver 2001).

**Paper Number:** PA051481

**Paper Title:** Denver International Airport: Nonprofit and Voluntary Roles in Economic Vitality

**Author(s):**

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**Summary of Research**

This study explores the roles of nonprofit organizations and voluntary action in the closure of Stapleton International Airport and the development of Denver International Airport as a regional and international transportation hub.

Literature on collaboration and social movements are employed to frame the chain of events leading to the closure of the "runway that roared (Stapleton International Airport)" and the development of a major engine for economic success (Denver International Airport) in the Rocky Mountain region during the past decade.

**Description**

Denver International Airport: The Role of Nonprofit and Voluntary Activity

Denver International Airport (DIA) is celebrating its 10th anniversary. In the era from the late 1970s through the early 1990s, nonprofit organizations and vast numbers of community volunteers worked diligently to expose the community challenges presented by Stapleton International Airport (SIA).

SIA was once described as the airport landing the most airplanes on the least concrete of any airport in the world with all of the related noise and crash hazards. Residents and their community-based nonprofit organizations in the areas surrounding SIA found this to be an intolerable experience. In the early 1980s, local citizens and organizations came together to push for the closure of SIA and for the development of more community and environment-friendly ways to assure the continuing dominance of Denver, Colorado in the national transportation network.

This study examines the roles of nonprofit organizations and individual volunteers in collaboration to assure the closure of SIA and the development of Denver International Airport as an international transportation hub and economic development engine for the Rocky Mountain Region. SIA landed more planes on less concrete than any other airport in the world in the early 1980s, and Denver metropolitan area residents under the east/west landing and takeoff runways were bitterly complaining about airport noise and community safety. In 1982, representatives of these communities and their related community-based nonprofit organizations brought litigation that led to the ultimate closure of SIA and the development of Denver International Airport.

This study explores the roles of community based organizations and individual volunteers in the movement of a major international airport (SIA to DIA). How did organization and volunteer collaboration change the dynamic of international transportation in landlocked Denver, Colorado? Extensive document review, elite interviews of key participants, review of participant observation notes (the researcher was a named plaintiff in the litigation that was a significant factor in the closure of SIA and development of DIA), and related literature on collaboration (Bardach, Chrislip, Mandell, and others) are the principal research methods and designs employed. Specifically, the study reviews the importance of collaborative endeavors to: (1) instigate noise litigation that led to airline willingness to explore alternatives to SIA; (2) organize community-based nonprofit organizations and volunteers to implement social change strategies resulting in new metro Denver economic development activities; and (3) the successes of such collaborative endeavors.

This study is a companion study to a review of collaboration by local government officials to bring about the development of Denver International Airport. The culminating combined document has an anticipated publication date of mid to late 2006.

**Paper Number:** PA051482

**Paper Title:** Contentious Collaborators: Research and Practice in the field of Micro-Finance

**Author(s):**

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**Summary of Research**

Prolonged involvement with three development NGOs in India in course of an in-depth field study on women's participation in micro-finance groups provides the basis of this paper. Several factors pose obstacles to free and fair communication between researchers and NGOs in this field of non-profit work. These obstacles have been discussed in this paper. In brief they are the following: entry into the field, identity of the researcher, relationship with international organization and funding sources, maintaining organization image, finding good contacts in weak areas of operation.

**Description**

Paper Abstract and Bibliography

'Contentious Collaborators: Research and Practice in the field of Micro-Finance.'

This paper highlights some obstacles towards better communication and collaboration between researchers and practioners in one area of non-profit work. That area of work is development, particularly economic and social development. Development is one of the sectors where a predominant percentage of work is conducted by non-profit organizations rather than commercial or governmental organizations. These organizations are popularly called non-government organizations (or NGOs, to distinguish them from government departments) in developing countries. Any research that involves evaluating the nature and impact of such development projects calls for the involvement with NGOs in the research process. Such involvement extends from the selection of sample sites for research, selection of survey respondents or interviewees, access to particular resources, groups and areas. Prolonged involvement with three development NGOs in India in course of an in-depth field study of women's participation in micro-finance groups and its impact on their agency and social capital provides the basis of this study. Micro-finance groups are neighborhood based savings and credit groups through which non-collateral based loans are distributed for agriculture and small enterprises with the purpose of enhancing household income of poor families in rural communities. Such groups are usually composed of women who are mobilized and organized into groups by local NGOs in their geographical domain of work. The NGOs then work in collaboration with banks to collect savings deposits and to disburse loans. Each group is typically composed of ten members who meet bi-monthly to deposit savings and conduct group related affairs. NGOs employ personnel and facilitators who monitor these groups.

□ Research in microfinance calls for close collaboration between the researcher and the NGOs conducting the program. But several factors pose obstacles to free and fair communication between researcher and the NGO. These obstacles have been discussed in this paper. In brief they are the following: entry into the field, identity of the researcher, relationship with international organization and funding sources, maintaining organization image, finding good contacts in weak areas of operation. These problems are particularly critical from the organization's perspective since work performance is closely related to funding and indirectly related to the survival of the organization. This makes NGOs wary of exposing their unsuccessful cases to researchers. From the researchers side preserving the anonymity of respondents becomes a challenging task on the face of NGOs desire to receive feedback in return of their cooperation.

□ This paper explores in greater depth these obstacles to collaboration between researchers and NGOs. The discussion is relevant to a variety of non-profit work particularly in developing countries.

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**Paper Number:** PA051484

**Paper Title:** Land Use Policies and Local Resistance: Protection of Open Green Space and NGOs in Two Communities in Korea

**Author(s):**

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### **Summary of Research**

This paper contends that, in explaining the role of agency, not only new institutionalism in organizational theory and economic-political theories but also some efforts to converge two perspectives are not adequately applicable to advocacy organizations. It is shown that advocacy organizations may attempt to adopt innovations despite their efficiency failures in the early stages of adoption. It would be mainly because they are issue or value-based organizations. Advocacy organizations may attempt to even manipulate unfavorable institutional environment in their favor, despite the unintended consequences that their autonomy would be eventually constrained by newly adopted institutions.

### **Description**

The new institutionalism perspective is a powerful analytic tool to study social phenomena, but it has not yet led to a common understanding of the role of agency among different disciplinary contexts (DiMaggio & Powell, 1991). The new institutionalism in economics and political science (rational-choice) assumes that institutions are the products of human interactions (Williamson, 1991; Ostrom 1986). By comparison, the new institutionalism in organization theory contends that individual organizations' autonomy to freely choose institutions is constrained by legitimacy consideration (Meyer & Rowan, 1977; DiMaggio & Powell, 1983).

Some theorists maintain, however, that the role of active agency may vary from passive conformity to proactive manipulation, depending on the adoption stage of innovations (Armour & Teece, 1978; Westphal et al., 1997). Whereas early adopters may be those driven by efficiency gains, later adopters may be those driven by legitimacy gains.

This paper will contend that the foregoing observations are not adequately applicable to advocacy organizations. It will be shown that advocacy organizations may attempt to adopt innovations despite their efficiency failures in the early stages of adoption. It would be mainly because they are issue or value-based – not just instrumental rationality-based – organizations. Advocacy organizations may attempt to even manipulate unfavorable institutional environment in their favor, in addition, despite the unintended consequences that their autonomy would be eventually constrained by newly adopted institutions.

This paper attempts to address the issue of active agency by examining campaigns for philanthropic giving recently adopted by environmental nongovernment organizations in South Korea. The organizations are each attempting to change open spaces in urban areas into common property with the support of individual giving made by citizens. This is an innovative strategy adopted by some environmental NGOs in Korea, which responded to a governmental measure in land use in 1999. The measure was intended to loosen strict restriction of individual liberty to develop private properties located within Green Belt areas, resulting in exorbitant developments. In order to preclude green areas from being further destroyed, some environmental NGOs have pursued campaigns for philanthropic giving from citizens, which had been never seen in environmental movements in Korea.

The outcomes of the new strategy in Korea vary during the past years, however. Some NGOs succeeded in attaining their organizational goals while others failed. Furthermore, some NGOs are now actively attempting to create a new institution, which will result in the adoption of a law. This law is expected to provide legal underpinnings of the strategy.

This paper will adopt cases studies, examining four different regions in South Korea. It will explore the

relations between outcomes of the new strategy with organizational factors, environmental factors and the timing of adoption. Organizational factors refer to organizational capacity including size and expertise. Environmental factors break down into socio-economic-physical factors and individual factors. Whereas the former includes development pressure, landscape features, the size of targeted areas, economic munificence, relation with local administrations, the latter includes the degrees of civic environmentalism.

This paper will make contribution to a better understanding of active agency, in terms of which new institutionalism is partly divided between organizational studies and economic and political studies. In addition, it will also be shown that efforts to converge two perspectives by mainly relying on adoption timing are not necessarily applicable to advocacy-based nonprofit organizations. It will also remind us of the importance of organizational and environmental factors in the success of innovations.

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**Paper Number:** PA051487

**Paper Title:** Volunteering, Social Capital, and Giving

**Author(s):**

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**Summary of Research**

The study explores the relationship between volunteering, social capital, and giving. Main questions to be studied are: (1) what demographic features increase volunteering and social capital; (2) does the existence of social networks and norms encourage donation. It is argued that volunteering activity contribute to the development of social capital in a community by providing opportunities to build up networks. As people are closely connected to each other, develop more trust, and share common interest, they are more likely to provide monetary contribution. The study uses the Social Capital Community Benchmark Survey dataset.

**Description**

Relevant Literature:

Ever since Robert Putnam's "Bowling Alone" stuck American's sensitive nerve with the claim of declining social capital in the States, the concept of "social capital" has caught the attention of scholars and practitioners from various fields. Accumulating empirical studies have demonstrated that social capital, defined by Putnam (1995) as features of social organization such as networks, norms and social trust that facilitate coordination and cooperation for mutual benefit, attributes to a wide range of desirable outcomes, such as economic development (Fukuyama, 1995; Francois, 2002), successful government reform (Putnam, 1993a), improved school performance (Helliwell and Putnam, 1999), decreased crime (Galea, et. al 2002), and better health (Kawaki, et. al 1999). However, few attempts have been made to address the relationship between social capital and individual's philanthropic behavior. In addition, among the few attempts, there are different understandings on how volunteering, social capital, and giving are related—whether volunteering and giving are components of social capital or a response to social capital. Some studies on social capital used volunteering and/or giving as one of the proxies to measure social capital (Narayan and Cassidy, 2001), some argued, "doing good for other people...is not part of the definition of social capital" (Putnam, 2000), namely volunteering and giving are not components of social capital, and some study showed that social capital attributes to volunteering and giving (Brown and Ferris, 2002). In view of the discrepancies, a fresh review of the relationship among the three is necessary.

Issues and Methods:

The study will explore the factors that influence individual's philanthropic behavior and test what role social capital plays in encouraging people's charitable giving. Main questions to be studied in the research include: (1) what are the forces, mainly individual's demographic features, shape volunteering and social capital; and (2) what is the relationship between individual's charitable giving and social capital, in another words, does the existence of social networks and social norms encourage personal donation.

In the study, multivariate analysis methods (i.e. multiple regression and factor analysis) will be applied to analyze data from the Social Capital Community Benchmark Survey (SCCB).

Contribution:

The research is expected to provide a new perspective on the relationship between volunteering, social

capital, and giving behavior. Volunteering activity contributes to the development of social capital in a community by providing the opportunities to build up networks among people. As people are closely connected to each other, develop more trust, and share common interest in improving the quality of life in the community, which is a goal of community foundations, they are more likely willing to provide monetary contribution. The research finding will have significant implications on the development of the nonprofit sector.

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**Paper Number:** PA051493

**Paper Title:** French & American NGOs: Differences in Discourse and Practice

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**Summary of Research**

This paper addresses the real and evocative differences between French and American NGOs, their different relationships with the state, and one another, in the fast changing geo-political context of globalization and EU expansion.

**Description**

This paper results from the teaching and research collaboration between the two authors over the past several years, supported by the Alliance Program at Columbia University and the Centre American, and Sciences-Po in Paris. The course—jointly taught—by the authors has been offered at the School for International Affairs, Columbia University, NYC and at l' Institut d' Etudes Politiques (SC-PO) in Paris. It addresses the real and evocative differences between French and American NGOs, their different relationships with the state, and one another, in the fast changing geo-political context of globalization and EU expansion. We start with issues brought to the forefront by the war in Iraq and state use of the (originally) NGO concept of humanitarian intervention. But several core operating differences between French and American NGOs are rooted in political and cultural and conceptions of the role of the state, the role of NGOs, and of the centrality of independence. While most true of work in humanitarianism, these differences also permeate the context for development work by both groups of NGOs.

Rousseau with his mandate that no organization or person should act as an intermediary between the citizen and the state carried the day in the French Revolution. This perspective was diametrically opposed, and in stark contrast to, Alexis de Tocqueville views of the values inherent in associational life as reflected in America's democracy. (Several other differences between the French Revolution and the American Revolution impacted upon the saliency and role for citizen associational life in the two polities, the French debate over the Rights of Man and Citizen, and the fierce secularism of the French revolution while Americans were more interested in freedom of religion than in secularism.) Fast forward—France is late to recognize the potential role for NGOs; the legal context for French NGOs starts in 1901. But the advent of the French doctors in Biafra launches international recognition that French NGOs were going to be a force in international relations.

ECHO—the major source of funding for European NGO humanitarian work numbered several French NGOs among those it supported five years ago. But with the expansion of the EU, changes in political leadership in Echo, and changes in the views of participating NGOs, that has changed—far fewer French NGOs today are in the top twenty NGOs supported by ECHO.

The growing international networks that have been put in place among the national units in many NGO families (Save the Children Int'l (26 members), Oxfam International, (12 members), or Medecins sans Frontieres (18 members)—has added potential for transnational advocacy work to impact upon global governance. But given serious and divisive operational practices and policy discourse between French and American NGOs—can they work together? The little progress made in that direction was impacted adversely by the Iraq war—a major turning point for many NGOs.

Thus we ask in this paper under what circumstances might these two groups of NGOs work together? What are the underlying sources of differences—and how insurmountable are they? What might be gained, and what lost, were they to work jointly—especially on transnational advocacy campaigns? Is it more likely that French NGOs will work with European NGOs first and foremost? Or will the fast growing numbers and clout of German NGOs—add appeal for French-American joint work in some instances?

These are among the issues raised and examined in this paper. .

In addition to interviews, data searches etc, below is a very partial list of the published resources that will be drawn upon in the paper itself.

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**Paper Number:** PA051496

**Paper Title:** Social Engagement and Religion in Scandinavian Perspective

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**Summary of Research**

**Description**

**Paper Number:** PA051497

**Paper Title:** Proselytizing in the Salvation Army in the UK: Much Ado About Nothing?

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**Summary of Research**

**Description**