5-1980

Management Assistance for Nonprofit Organizations: Observations and Strategies on Utilizing Volunteer Consultants from For-Profit Enterprise

Daniel Henroid

LINDENWOOD COLLEGE

MANAGEMENT ASSISTANCE FOR NONPROFIT ORGANIZATIONS: OBSERVATIONS AND STRATEGIES ON UTILIZING VOLUNTEER CONSULTANTS FROM FOR-PROFIT ENTERPRISE

A PAPER SUBMITTED TO
THE FACULTY OF LINDENWOOD FOUR
IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF
MASTER OF ARTS

By

DANIEL HENROID, B.A., M.S.W.
ST. LOUIS, MISSOURI

MAY 1980

JOHN McCLUSKY, Ph.D.
FACULTY SPONSOR AND ADMINISTRATOR

A C K N O W L E D G E M E N T S

In a paper of this magnitude and with such a great fragmentation of data and information, it is difficult to single out all those who have been most helpful in gathering together the many scattered pieces which culminate in the final draft. Any list would probably omit someone of importance, but not to attempt to acknowledge the help given may represent a greater fault. Since it would be impossible to prioritize the personal investment of these fellow collaborators, I would like to single out some in alphabetical order.

Bernard H. Baum, Ph.D., Professor of Health Resources Management, School of Public Health, Univeristy of Illinois Medical Center, Chicago, Ill.

Jonathon Cook, Managing Director, The Support Center, Washington, D.C.

Ms. Donna Cornick, Volunteer Chairman, Management Assistance Program, United Way of Philadelphia, Pennsylvania.

John Danner, formerly with Nonprofit Resource Institute, Tiburon, California.

Philip Ewald, Executive Director of the National Executive Service Corps, New York City.

John Glaser, Vice President, Services Outreach Division, United Way of America, Alexandria, Virginia.

Brooke Mahoney, Executive Director, Volunteer Urban Consulting Group, New York City; and her staff.

Terry McAdams, New York Community Trust, New York City.

John McClusky, Ph.D., Executive Director CORO Foundation; formerly Director of Voluntary Association Administration Program, Lindenwood College, St. Louis, Missouri.

James Mitchell, formerly with Nonprofit Resource Institute, Tiburon, California.

Richard Packard, Development Counsultant, United Way of Metropolitan, Chicago, Illinois.

Donald Smith, Senior Policy Analyst for ACTION, Washington, D.C.

Ronald Swope, Director, Management Assistance Center, United Way of Greater St. Louis.

Sam Zibit, Faculty Sponsor, Voluntary Association Administration Program, Lindenwood College, St. Louis, Missouri

TABLE OF CONTENTS

CHAPTER I

GENERAL INTRODUCTION

> In the first half of the twentieth century, the nonprofit, private sector was almost totally supported by private dollars. The small budgets and staffs were supplemented, both financially and programmatically, by voluntary help.
>
> In the 1960's, however, the nonprofit sector experienced dramatic growth. Government programs provided substantial funding, and most organizations took the opportunity to expand. . . . The concern of these organizations was always to deliver the most service and the best service; few of them thought of the management problems that might arise. Before long, boards and managers of many agencies began to realize that they had bitten off more than they could chew--let alone digest. As committed and as expert as they were programmatically, many were unprepared for the challenge of running large organizations. Such basic concerns as financial planning, insurance protection, personnel administration, and organizational design were, in many cases, totally new to them. Furthermore, they had few places to turn to for advice on such matters. . . .
>
> Usually businesses have viewed their responsibility to the local nonprofit sector primarily in terms of financial support. An equally important role--helping the recipients of their charitable dollars to manage themselves better--has often been overlooked. Any personal involvement generally falls to senior executives who provide guidance as members of boards of directors.
>
> While this service is essential, few senior executives can take the time to help nonprofit groups solve their operational problems. These board members' corporations, however, are filled with middle-management executives who would jump at the opportunity to use their skills and their time for the benefit of worthy organizations--if only they had the opportunity.[1]

In a few short phrases, Mittenthal and Mahoney describe one of the most challenging frontiers for management today: how to improve the management capability of the nonprofit sector. We are dealing with a substantial and broad facet of American institutional life comprising hundreds of thousands of organizations utilizing the time, talent, and wealth of millions of our citizens. This nonprofit sector certainly, then, is a management area worthy of substantial investigation.

There is a widely held perception:

> *. . . that local level nonprofit organizations are experiencing management problems which are both pervasive and serious. The presence of these problems critically undermines the ability of the broad array of nonprofits to generate maximum social benefit from the resources available to them.*[2]

Further evidence of this is seen in the following comment from a report of the Filer Commission on Private Philanthropy and Public Needs which presented a comprehensive review of this most critical area:

> *The suspicion is widespread that there is an excess of inefficiency, organizational proliferation, and deficient standard-setting among [nonprofit organizations]; that their budget practices are generally outmoded, that their goal-setting and progamming procedures are ineffectual; that their service delivery systems are wasteful; and that their personnel procedures are unsatisfactory. Yet the fact is that sound data on these matters is so lacking that firm judgments cannot be made.*[3]

Our assumption, then, is as yet unprovable by rigorous objective or comprehensive empirical data:

> *Whether management of nonprofits is better or worse than that of business or government is largely beside the point. There are examples of well-run and poorly-run institutions in every sector. The key thing is that not only does there appear to be substantial room for improvement in the management effectiveness of nonprofit organizations, but also such improvement may become essential if the local nonprofit sector is to remain a vibrant force in American life during an era of increasingly limited resources.*[4]

An effort was developed in the 1960's for a specific new approach for helping nonprofit organizations cope with their rising management difficulties. Pioneering efforts by organizations such as the Volunteer Urban Consulting Group, United Way of Greater New York, ACTION (the federal agency for volunteer service), the United Way of America, and the Support Center, to name a few, were responsible for the development and refinement of this helping effort--to match management expertise from for-profit businesses with management problems in nonprofit organizations. Many of these efforts had grown out of local need from individuals and corporations seeking to respond to management difficulties in local nonprofit organizations. In many cases, local management assistance programs (as they were called) worked in virtual isolation from other similar *efforts throughout the country. It is only in recent years that a concerted effort has been made to pull together many of these management support organizations and individual consultants to share ideas, expertise and dreams. Now an annual conference for management support organizations (a term reserved for formalized programs of management assistance) is held nationally and several of the organizations have banded together to form a professional association.*

The purpose of this paper is to examine the development of the management assistance effort especially when it involves the utilization of volunteer consultants from for-profit enterprise. The author will present several facets of this development, examine the major current literature, and give his own assessment of many features of some current management assistance practice. Elements of the author's own critical commentary will be evident in the selection of relevant literature, the interweaving of the literary elements, and his own specific observations and impressions. The specific plan of action for this paper will be the following: (1) to set the stage for the current status of management demands for the nonprofit sector in the 1980's; (2) to expand a basic analysis developed by several authors to describe the similarities and differences of management in for-profit and nonprofit organizations; (3) to present a general framework for consultation in the nonprofit sector, specifically with the idea of its utilization by lay, nonprofessional, outside consultants; (4) to make general observations on the utilization of this information as it affects the recruitment, orientation, and specific assignment of volunteer consultants.

To an extent, the major divisions of this paper can be seen as separate, free standing topics. However, the key purpose for this overall study is that these topics are developed together and directed toward their application in *management assistance programs. As will be seen later, this comprehensive view can have significant influence on the practical operation of many management assistance programs.*

A review of the comprehensive bibliography researched for this paper will show a broad range of relevant and supportive material on the subject of nonprofit organizations, their management, and the utilization of volunteer management consultants to resolve identified problems. However, this current study is most indebted to a series of reports which sought to develop a national direction to improve the quality of management assistance for nonprofit organizations. This comprehensive study, funded by the Charles Steward Mott Foundation, was entitled Resources and Strategies for Improving the management of Nonprofit Organizations.[5] The project was conducted by the Support Center of Washington D.C. with major subcontracting through the Nonprofit Resource Institute of Tiburon, California, headed by John Danner and James Mitchell. The primary purpose of the study was to inform and guide funders and potential funders with strategies and programs to improve the management of nonprofit organizations. The study in its final draft form represents a broad exposure of ideas and comments to improve the field rather than a general consensus of ideas. Material from this five part study can provide a solid background for a new investigation into understanding the theory and method behind management consulting. This goes well beyond its original goal of guiding funders of management improvement in the nonprofit sector. These materials can provide a solid basis for understanding the very process of management consultation, its application in the nonprofit sector, and the implications for using volunteers from for-profit enterprise as consultants.

The first segment of the study entitled Designing Effective Strategies for management Capacity-Building in the Local Nonprofit Sector[6] had five major goals:

(1) A short overview of the national nonprofit sector, e.g. its size, scope, and structure based on a review of relevant academic and government literature.

(2) An examination of the types of organizations that comprise the nonprofit sector--by primary role, primary field of program activity, and primary beneficiaries of their programs.

(3) An examination of the various attitudinal, behavioral and structural factors that appear to differentiate nonprofit management from commercial or governmental management.

(4) A taxonomy of the management functions and activities of nonprofit administrators and organizations, and the organizational characteristics which affect the nature, frequency or extent of their management improvement requirements.

(5) An identification of possible key differences among the multiple geographic settings in which nonprofits operate and in which capacity-building strategies might be carried out.

Despite the many limitations affecting the study of the the nonprofit sector (see especially Chapter II of this paper), the Mott report provided these major conclusions:

(1) There is a lack of evidence and data about nonprofits and their management demands which is comparable to the lack of similar evidence about management in the for-profit sector.

(2) Management is management, and as such, relects a somewhat universal set of logical and organizational behaviors and choices.

(3) Despite the diversity among nonprofits, many of the external environmental characteristics of the nonprofit sector, e.g. the grant-making process and standard accounting principles, affect nonprofits in roughly the same way.

(4) The resources necessary to fill management demands on nonprofits will vary little from community to community, or organization to organization.

(5) The value of skills such as planning, financial management, and marketing is so widely accepted that there is no need to document the fact that modest skills in those areas will increase the effectiveness of nonprofits.

As discussed before, there have been several concurrent and somewhat disjointed efforts throughout the U.S. to develop better management support facilities for nonprofits. The key thread through all of these efforts appears to involve executives from for-profit enterprise as voluntary consultants to nonprofit organizations. The success or failure of many of these consultative efforts would appear to rest very heavily on the degree to which the volunteer consultants can make the "technology transfer" from their experience and expertise in the for-profit sector to the nonprofit sector. In order to make this transfer, the middle management executive, who would generally be the typical volunteer consultant, would have to develop new knowledge about nonprofit organizations, their management, and the application of the consultative process to those nonprofit organizations.

It is well beyond the scope of this paper to go into specific operational dynamics in management assistance programs for nonprofit organizations. To an extent, this is being developed by such groups as the Volunteer Urban Consulting Group[7] and the United Way of America.[8] A review of the literature reveals that there has not been a specific effort to pull together information on

(3) Despite the diversity among nonprofits, many of the external environmental characteristics of the nonprofit sector, e.g. the grant-making process and standard accounting principles, affect nonprofits in roughly the same way.

(4) The resources necessary to fill management demands on nonprofits will vary little from community to community, or organization to organization.

(5) The value of skills such as planning, financial management, and marketing is so widely accepted that there is no need to document the fact that modest skills in those areas will increase the effectiveness of nonprofits.

As discussed before, there have been several concurrent and somewhat disjointed efforts throughout the U.S. to develop better management support facilities for nonprofits. The key thread through all of these efforts appears to involve executives from for-profit enterprise as voluntary consultants to nonprofit organizations. The success or failure of many of these consultative efforts would appear to rest very heavily on the degree to which the volunteer consultants can make the "technology transfer" from their experience and expertise in the for-profit sector to the nonprofit sector. In order to make this transfer, the middle management executive, who would generally be the typical volunteer consultant, would have to develop new knowledge about nonprofit organizations, their management, and the application of the consultative process to those nonprofit organizations.

It is well beyond the scope of this paper to go into specific operational dynamics in management assistance programs for nonprofit organizations. To an extent, this is being developed by such groups as the Volunteer Urban Consulting Group[7] and the United Way of America.[8] A review of the literature reveals that there has not been a specific effort to pull together information on *similarities and differences in management between for-profit and nonprofit organizations targeted for the lay audience of potential volunteer consultants. Much of the the existing literature on consultation does not develop a specific focus geared for the volunteer and/or nonprofessional consultant who might be involved in a typical management assistance program. Most of the literature, whether developed in periodical or book form, is geared toward consultation as offered in the business or governmental setting. This literature is structured for a significantly different type of consultative process which would have to be greatly modified when applied within a formally organized management assistance program for nonprofits. Some phases which would be significantly modified in the typical management assistance program might include such areas as recruitment of clients, assignment to a specific nonprofit managemtn problem, or the negotiation for a specific contract and/or fee for service. (The specific phases of a typical consultation will be discussed later in Chapter IV.) In fact, much of the consultative literature as well as the commentary on management for nonprofit organizations appears to be biased with a preference for what is presumed to be the more effective management used in for-profit enterprise.*

FOOTNOTES TO CHAPTER I

[1]Richard A. Mittenthal and Brooke Mahoney, "Getting Management Help to the Nonprofit Sector." Harvard Business Review LV (September-October, 1977, p. 95.

[2]John Danner and James Mitchell, Designing Effective Strategies for Management Capacity-Building in the Local Nonprofit Sector: Part One of A Pilot Project, Washington, D.C.: The Support Center, 1978, p. 3.

[3]Reynold Levy and Waldemar A. Nielsen, "An Agenda for the Future," Research Papers: The Commission on Private Philanthropy and Public Needs, Volume II, Part II, U.S. Department of Treasury, 1977, p. 1047.

[4]Danner and Mitchell, p. 3.

[5]Support Center, Resources and Strategies for Improving the Management of Nonprofit Organizations: Final Report, Washington, D.C.: Support Center, 1979.

[6]Danner and Mitchell, op. cit.

7 Volunteer Urban Consulting Group: A Guide to Operations, New York: Volunteer Urban Consulting Group, 1977.

8 Services Outreach Division, Management Assistance Program, Alexandria, Virginia: United Way of America, 1979.

CHAPTER II

GETTING ONE'S BEARINGS ON THE NONPROFIT SECTOR

A. Introduction

> The nonprofit sector has been characterized as the "terra incognita" of American society--a vast unexplored area populated by a myriad of little-understood organizations with highly diverse goals, activities, and structures. In fact, most of our current understanding of this sector comes from the anecdotal observations and insights of a few intrepid pioneers; much as knowledge of the geography and customs of the New World was built from reports by explorers, fur trappers, and early settlers.[1]

There are several limitations in our attempt to get a clear knowledge of the nonprofit sector which may be based on a primitive and fragmentary understanding. In general, several of these factors could be listed as follows:

> (1) a critical lack of reliable data even on such rudimentary issues as the economic magnitude of the sector, the number of organizations active in them, their geographical and size distribution, the nature and extent of their activities, their sources of support, and the number of individuals involved in them.
>
> (2) an absence of widely-accepted working definitions of such key terms as "nonprofit," "tax-exempt," or "voluntary" activities. . . .
>
> (3) a paucity of conceptual models and theories to describe and explain why and how this sector operates. There is a tendency to interpret what data are available using familiar constructs borrowed from other settings usually private sector business operations.
>
> (4) Unlike the better mapped private and public sectors, we lack the ability and tools . . . "to explain the behavior of nonprofit organizations and their founders, managers, contributors, and volunteers; to understand the internal systems by which these groups are managed and held--or not held--accountable for their various publics; and to parse the patterns of birth, death, growth, and change.[2]"[3]

While several allusions will be made to these limiting factors, they will not be repeated in each section of this paper. However, it would be important to point out that the primitiveness of our current knowledge of nonprofit affairs affects virtually all aspects of our attempts to gain a greater understanding of them.

This chapter will deal with three major subjects: (1) an understanding of the size of the nonprofit sector and several definitions for nonprofit organizations and discussion of the definition to be used within this paper; (2) a presentation of a comprehensive array of complaints commonly lodged against nonprofit organizations to serve as a backdrop for our understanding of how to improve their management; and (3) a presentation of trends affecting nonprofit management and some generalizations which can be made from these trends.

B. The Number of Nonprofit Organizations and a Working Definition

There are approximately 700,000 tax-exempt "entities" in the United States, of which almost 273,000 are classified as 501(c)(3) institutions.[4] *This total, while impressive, is somewhat misleading since it lumps together many different organizations who choose to be treated as a single "legal entity"; and also excludes nonprofits who, for whatever reason, do not seek or qualify for exempt status. To give an idea of the possible number of actual* organizations, *David Horton Smith, a noted researcher in this field, estimates there are as many as 6,000,000 "voluntary associations" in America.*[5]

Nonprofit organizations employ close to 5 million people, representing over \$25 billion of earnings.[6]

An additional 37 million people contribute roughly 6 billion hours of time to nonprofit enterprises each year, an investment worth \$29 billion.[7]

Nonprofits receive between \$25-26 billion worth of cash donations and in-kind contributions from both individuals and organizations.[8]

These data are not strictly comparable, since they have been assembled from a variety of sources, each of which used different years and working definitions. We have clustered them here to give readers a rough sense of the scope of the nonprofit sector, based on latest estimates.[9]

One factor which limits the reliability of our data is certainly a problem of blurred boundaries and ambiguous terminology often used within this field. There is a frequent use of a variety of terms as if they were interchangeable. The three most common are "voluntary," "nonprofit," and "tax-exempt."

But while all tax-exempt groups are theoretically nonprofit, not all nonprofits are tax-exempt. And while there are many nonprofits who do not utilize volunteers, there are also many volunteers who donate their time to essentially governmental or, to a lesser extent, commercial activities. Moreover, the lines between exempt nonprofits are frequently blurred, despite significant functional and structural variations among groups in differing exempt categories.[10]

Certainly another source of confusion in the field is the tendency to use the term "nonprofit" to refer both to the function of the organization (often equating it with "charitable" or "non-economic" activities) as well its form. Some nonprofit organizations perform similar functions to for-profit entities, e.g. hospitals, research institutes, etc., which may be indistinguishable from those of commercial enterprise. Also nonprofit organizations such as universities closely resemble their governmental counterparts in their day-to-day activities. While all operate formally as nonprofit entities, these organizations perform functions at both extremes within the nonprofit sector, i.e. near its border with business and near its border with government.

Another important distinction is that within the nonprofit sector, we must also consider a number of actors from other sectors. These range from individuals to business firms and governmental agencies, who provide resources to nonprofits or whose actions otherwise affect what they do.

Danner and Mitchell provide an excellent conceptual overview of the key terms frequently use to describe nonprofit organizations.[12] *(See figure on the following page.)*

"VOLUNTARY"

(groups dependent on volunteers, but sometimes including private sector activities.
6,000,000 groups?

"NONPROFIT"

(noncommercial groups, but may include governmental organizations as well as non-exempt

"TAX-EXEMPT"

(includes all types of exempt groups, e.g. IRS 501(c)(1-20), (d), (e), (f), 521(b), 527(c)(3), and 528(c) entities
700,000 "entities"

"CHARITABLE"

(all IRS 501(c)(3) groups including "private" foundations)
273,000 "entities"

"PUBLIC CHARITIES"

(includes IRS 509(a)(2-3) organizations)
190,000 "entities"

Overview of key terms used to describe nonprofit organizations

Throughout this paper, I will use the terms "nonprofit organization" "nonprofit" or "third sector" to refer to nongovernmental, noncommercial organizations whether or not they are also tax-exempt or voluntary in nature. There are a number of ways to describe nonprofit organizations. A very effective method of classifying nonprofits separates them according to the following descriptive factors: (1) primary role; (2) primary field of program activity; and (3) primary beneficiary. An excellent summation of these distinctions taken from Danner and Mitchell is contained in the Appendix A of this paper.

C. Common Complaints Lodged Against Human Service and Nonprofit Organizations

Richard Steiner, in his provocative book, Managing the Human Service Organization[12] provides a comprehensive summary of the typical complaints most often voiced against nonprofit organizations especially those providing human services. Due to a limited contact with nonprofit organizations, an individual reader may have a positive or negative view of nonprofit organizations in general. The depth of the reader's experience may very well determine whether or not the following list developed by Steiner provides a comprehensive picture of the concern for the quality of nonprofit management.

> 1. In general, human service organizations are ill-managed, inefficient, wasteful, while they, at the same time, consume an ever-larger share of our financial and human resources. This general inefficiency complaint has been broken down into four areas:
>
> A. Human service managers are poorly chosen, lack confidence, not suited to managerial responsibilities, and fail to improve organizational efficiency and productivity. . . .
>
> B. The ongoing human service organization fails to renew its valuable human resources, update methods for encouraging employees, and provide a mechanism for promoting individual growth within the organization.
>
> C. Organizational structures and procedures designed to cope with predictable, simplistic, and routine problems are becoming inadequate to deal with escalating demands of new, more complex social programs, This situation is a failure to update and provide a capacity for the organization to adapt to change in order to increase overall organizational effectiveness. . . .
>
> D. . . . [T]he specific complaint that current approaches to human service delivery are ill-conceived, poorly coordinated, and cumbersome to administer. . . .
>
> 2. The intergovernmental approach (federal, state, local) to the delivery of human services generates a maze of counterproductive, confusing and contradictory administrative, judical, and legislative laws, rules, regulations, and guidelines that serve to confuse and create conflict. These, in turn, produce a situation of limited teamwork, lack of integretion, and even more conflict.
>
> 3. The human service manager has failed through lack of interest to legitimize and rationalize to a skeptical public the reason for expenditure of public funds; there is an unwillingness to respond to the public's

need for greater participation in the decision-making and delivery process; and charges that service techniques are dehumanizing, inconsistent, ill-organized, insensitive, and incomplete have not been answered. . . .

4. . . . [L]ack of good internal communications. There is a general tendency for human service managers to slight this important linking mechanism in their overall responsibilities and a failure to build in an effective communication mechanism and view it as a total process from sender to receiver. . . .

5. There's a general failure to respond to proven needs as indicated by discrepancies between professed objectives and actual performance. . . .

This list is neither complete nor final and does not represent the total spectrum of problems faced by human service organizations and their managers. In actuality, each problem statement or complaint area is composed of a multitude of organizational difficulties which have their roots in a myriad of causative, interrelated factors. . . . This guide might not be the cookbook we have all be looking for, but at least it is the first step to help identify the crucial ingredients.[13]

D. Trends and Generalizations Effecting Nonprofit Management

In March 1979, the fourth National Conference of Management Support Organizations was held in Dallas, Texas to cover training, information exchange, tools sharing, and a discussion of nonprofit management issues. The keynote address of the conference theme "The Bottom Line" was presented by James Hardy Organization Development Consultant. Hardy's opening comments provide an excellent overview of significant trends effecting the future of nonprofit management. The following is a condensation of those remarks.[14]

Hardy opened his remarks with the statement that even though the need for effective management is being recognized, we must acknowledge from the onset that the management of nonprofit organizations is not an easy task. He quotes Peter Drucker, management consultant, from the New York Times:

> Both the businessman and the civil servant tend to underrate the difficulty of managing service institutions. The business man thinks it's all a matter of being efficient; the civil servant thinks it's all a matter of having the right procedures and controls. Both are wrong--service institutions are more complex than either business or governmental agencies.[15]

Hardy sets the following overall perspective on his discussion on nonprofit management:

(1) He states that management in the nonprofit sector is a "highly mixed bag." It includes hospitals, museums, universities, professional associations, civil groups of all kinds, private voluntary organizations, public interest groups and religious groups. The list could be extended. Some are huge with multi-million dollar budgets and others get by with a part-time clerk or an unpaid secretary. Some are well staffed by trained professionals and others only by volunteers with great dedication. Some are funded by contributions and federated support, others primarily by program and membership fees, and still others are supported entirely or in part by tax dollars.

(2) The third sector is big and still growing. Even though we acknowledged earlier that precise estimates and numbers are difficult, there is a general feeling that the number of organizations, their dollars of support, and their volunteer and staff hours are staggering.

(3) The third sector is not only diverse, it's big and important. It is important in terms of the effects it has on the country in providing services not given by other sources in our society. Millions of Americans participate in third sector activities and derive direct benefits. The third sector probably has had a direct and positive effect on each of us and our families.

(4) The nonprofit sector will have a major impact on the future. Many futurists are predicting that we are in a transition period toward what they call a "Post-Industrial Society." A Post-Industrial Society is essentially a society in which the objectives of expanding all types of productivity are less focal and the concerns of the consuming community are more central;

where spending of all kinds is more balanced and replaced by the values and virtues of conserving; where providing human services is the basis for 75% of our jobs; where the assumption of steady growth of affluence is confronted with new realities. Hardy cites as some of the indications of this painful, complex, and frustrating transition to the Post-Industrial Society some of the following: a stop-and-go economy; a mixture of peace and conflict-oriented tensions; of international interdependence but competitive coalition formation; of massive poverty and embarrassing affluence; of worldmindedness and protective nationalism; of risk-taking initiatives and cautious reactionism; of a sense of growing control over our fate and a sense of impotence; of rapid change and consolidation to the resistence to change.

Hardy felt that the decade ahead, in which we will remain in this transition period toward the Post-Industrial Society, will be characterized by a multiplicity of trends. He selected ten trends which he felt were relevant to the management of nonprofit organizations and are, in varying degrees, in evidence at the present time. He felt that each of them will become more intense within the next few years:

1. Government regulations of nonprofit organizations will increase in the future. One of the most troublesome issues will be how to achieve a balance between reasonable regulatory requirements and overkill. Although regulatory provisions will be aimed at the very small percentage of organizations whose behavior falls outside of legal or ethical standards, the vast majority of nonprofit organizations will find compliance to be burdensome and costly.

2. Recipients of services (consumers, constituents) will increasingly demand more influence and power in nonprofit organizations.

3. Forces working counter to volunteerism will accelerate and intensify. Some forces are already in evidence: the women's movement deploring volunteerism; "professionalism" which views volunteers as untrained and not able to deal with complex social problems; militant minority groups who see volunteers as elitist exploiters of the poor; the wave of self-absorption or the narcissistic trend that is sweeping our society that causes people to become enamored with the notion that turning inward is the only route to self-fulfillment.

4. Money crunch. The economy will tend to operate on a "stop-and-go" basis for the near future due to: a) the possibility of politically induced crises of international supply; b) the development of real scarcities of certain commodities; and c) the ideological unwillingness . . . to give the government significant authority to plan economic development and intervene in the economy. At best, the real dollar support for some nonprofit organizations from government and federated funding sources will remain stable; at worst, support will substantially decrease or be withdrawn.

5. Pressure will increase from several sources for nonprofit organizations to justify themselves, improve their accountability, and provide measures of performance and effectiveness. A growing importance will be attached to the formulation of explicit goals and to the creation of organizational foci in an era of change.

6. Increased importance will be placed on collaboration among various organizations in achieving desired social goals in American communites in the larger society. Collaboration between nonprofit organizations and the busines, and governmental sectors will increasingly be in evidence.

7. Boards of Directors of nonprofit organizations will become increasingly aware of their legal responsibilities and fiduciary duties. Far fewer Boards of the future will exhibit the "rubber stamp" behavior of the past. Boards will give much more attention to monitoring the performance of employed staff, particularilу with regard to the achievement of goals and objectives and to fiscal responsibility.

8. People in nonprofit organizations will be more committed to their own self-development and their own professions. rather than to the organization for which they work.

9. People in all organizations will demonstrate a greater sophistication about interpersonal relationships. In the thirties and forties we had paternalism as the way to placate people. In the future it will be much more difficult to lead by paternalism, benevolence or even rational systems.

10. People will value being relevant, doing something worthwhile.[16]

From the foregoing trends Hardy derived six genralizations concerning the management of nonprofit organizations in the future. Undoubtedly, many more could have been derived. However, it is postulated that each of these six generalizations has direct implications for those concerned with the quality of nonprofit management.

Generalization No. 1: Effective nonprofit organizations of the future must have clear goals and objectives and a practical on-going system for managing resources to achieve these goals and objectives.

His point is that nonprofit organizations must have a comprehensive, integrated planning and management process in place which is based on the best research from both the management sciences and the behaviorial sciences and the experience from business and industry, and from the nonprofit sector itself. This means that it will be necessary to provide training, support, materials, and consultation to key executives and volunteer officers of nonprofit organizations in developing and implementing such a comprehensive planning process that will ensure organizational self-correction on a continuing basis. This means stopping some of the things that various management support organizations have been doing: (1) imposing fragmented efforts on nonprofit organizations such as isolated training in performance review and appraisal (without connection to organizational goals and objectives); (2) assisting a nonprofit organization in implementing a wage and salary administration with no reference to performance on achievement of objectives but only related to job descriptions; (3) setting up an accounting system for nonprofit organizations that meets the standards of the American Institute of Certified Public Accountants (AICPA) but does not provide the information ncessary to manage the enterprise in relationship to its goals and objectives; (4) imposing reporting requirements that absorb middle management time in the organization and are unrelated to the measurement indices to which the organization is committed.

Generalization No. 2: Nonprofit organizations will require new flexible structures to cope with employee, consumer (constituent), and community needs in the future. Traditional management structures and forms will not be adequate for organizations to utilize all of the resources to achieve their goals. They will require adaptability and flexibility which applies the organization's best resources to the achievement of priority objectives. These new types of organizations will: (1) fully use resources regardless of their location in the organization; release rather than constrict, the creativity of staff and volunteers. (2) provide free access to information and two-way communication. (3) provide increased centralization and decentralization in decision-making. (4) be open and responsive to need. (5) be pro-active and directionalized rather than re-active to the multiplicity of external forces. (6) use technology as means of accomplishing goals but not become slaves to technology as an end in itself. (7) be characterized by excellence in both management and programmatic activity.

Generalization No. 3: Effective nonprofit organizations of the future will give major attention to the development of all of their human resources. Management training must be more comprehensive than the "one shot" variety that is most often provided today. Systematic individual development programs should be offered which clearly place the responsibility for development on the individual while arming the individual with the necessary skills of self-directed learning. Nonprofit organizations will increasingly need help in recruiting, orienting, and training of volunteers in the future because of the multitude of previously noted trends that are working counter to voluntarism in our society.

Generalization No. 4: Effective nonprofit organizations of the future will have increased sophistication in both fiscal management and financial development. Publicized fiscal abuses by a very small number of nonprofit organizations points out the absolute necessity for solid fiscal accounting, budgeting, auditing and reporting systems and procedures for the future. It is critical that fiscal systems produce data that are needed for the management of the enterprise and data that help the organization's public to understand the financing. But we must also guard against overkill. The stabilization or decrease in real dollar government and federated funding that seems likely in the future, combined with limitations which nonprofits must place on charging fees for service, require the development of new skills for in-contribution support, e.g. deferred giving and new cost effective fund-raising methods.

Generalization No. 5: Both internal and external collaboration will make effective nonprofit organizations of the future. External collaboration has already been cited as a future trend. Similarly, internal collaboration ie. collaboration among operating units in individual organizations, should be maximized. Unit isolation in large nonprofit organizations is much in evidence and emphasis must be given to cross-unit functioning to achieve goals and objectives for the entire organization. Grant resources can greatly encourage collaboration through making funding contingent on collaborative efforts to achieve common goals and objectives among community organizations. Such collaboration will result in solutions to massive problems and the achievement of goals which cannot be achieved by any one organization or institution.

Generalization No. 6: Effective face-to-face groups will be the key unit of nonprofit organizational accomplishment in the future. Training and consultation will be needed in team development and in interfacing interdependent work units, particularily in large nonprofit organizations. This kind of training and consultation should facilitate the development of management approaches which could result in relatively short term project teams, temporary task forces dna cross-functional grouping composed of persons from various parts of the organization who are commissioned to develop specific projects and achieve certain tasks.

FOOTNOTES FOR CHAPTER II

[1]John Danner and James Mitchell, Designing Effective Strategies For Management Capacity-Buiilding in the Local Nonprofit Sector: Part One of A Pilot Project, Washington, D.C.: The Support Center, 1978, p. 4.

[2]John G. Simon and Henry Hansmann, "The Role of the Not-For-Profit Corporation," Yale Magazine, (Spring, 1978), p. 48.

[3]Danner and Mitchell, p. 4.

[4]Ibid.

[5]David Horton Smith and Burt R. Baldwin, "Voluntary Associations and Volunteering in the United States," Voluntary Action Research: 1974, David Horton Smith, ed., Lexington, Ma: Lexington Books, 1974, p. 282.

[6]T. Nicholas Tideman, "Employment and Earnings in the Nonprofit Sector," Research Papers, Volume I, Part II, U.S. Department of Treasury, 1977, p. 325.

[7]ACTION, "Americans Volunteer-1974, Washington, D.C.: ACTION, 1975, p. 3; James Morgan, Richard F. Dye and Judith H. Hybels, "Results From Two National Surveys of Philanthropic Activity," Research Papers, Volume I, Part II, U.S. Department of Treasury, 1977, p. 160.

[8]American Association of Fund-Raising Counsel, Inc., 1975 Annual Report, New York: American Association of Fund-Raising Counsel, 1975.

[9]Danner and Mitchell, p. 5.

[10]Ibid., 6.

[11]Ibid,, 7.

[12]Richard Steiner, Managing the Human Service Organization, Beverly Hills, CA: SAGE Publications, 1977.

[13]Ibid., 31-33.

[14]James M. Hardy, "Managing Nonprofit Organizations: Some Implications for the Future," The Bottom Line: Improved Management of Nonprofit Organizations, Dallas: Human Systems, Inc. and the University of Texas at Dallas, 1979.

[15]Peter F. Drucker, "Managing the Third Sector," New York Times, October 3, 1978.

[16]Hardy, p. I-5 andI-6.

CHAPTER III:

COMPARISON OF MANAGEMENT IN THE NON-PROFIT AND PROFIT SECTORS

A. Introduction

When viewed generically, management should be pretty much the same in commercial, governmental, and nonprofit institutions. Any "rational" organization attempts to establish goals for itself, to acquire and utilize resources in accordance with its plans for accomplishing those objectives, and to ensure adequate control and monitoring of its day-to-day activities ... However, it is still unclear to what extent management principles and theories developed in the commercial sector are applicable to the behavior of nonprofit organizations. In short, how true is the assertion that "management is management is management"? How unique are nonprofit organizations?

Examination of the context within which nonprofits operate shows potentially significant factors that appear to differentiate nonprofit from commercial or governmental management.[1]

This chapter will form the heart of the project to help bridge the gap in understanding between management operation in a typical nonprofit organization and in a typical middle to large for-profit corporation. The major purpose of this chapter is to compare various similarities and differences between for-profit and not-for-profit organizations. Obviously I am speaking in generalities for my description of management approaches from these two areas. Exceptions could be cited for almost all areas described. The principal focus of discussion will be on two types of managers: (1) nonprofit executive director, and (2) chief executive officer and/or middle manager of a business sufficiently large to allow the release of key management personnel to offer their talents to assist nonprofit organizations.

Although innumerable points might be made for comparison, an effort has been made to group the material around key areas for analysis. While several authors cite numerous points for comparison, this grouping represents one of the more comprehensive attempts to clarify the material.

The fourteen categories for comparison can be roughly divided into (1) general and attitudinal factors and (2) structural factors. Each of the following factors will be discussed separately with amplification and the use of some practical examples.

A. General and Attitudinal Factors

1. A greater requirement for a generalist role for the typical nonprofit manager

2. Absence of a management ethic

3. Tradition of passive management controls and oversight

4. The lower expectations for performance among nonprofits

5. Differences in operational style

B. Structural Factors

1. Lack of trained, experienced managers

2. Absence of objective measures of performance

3. Ambiguity and multiplicity of organizational goals

4. The service-oriented and labor-intensive nature of the nonprofit sector

5. Dependence on volunteers

6. The paradox of performance: the consequences of poor management or superior results

7. Operating in a state of continual financial adversity and uncertainty

8. The mixed blessing of tax exemption

9. High degree of organizational interdependency

Most of the areas of similarities and contrasts in for profit and nonprofit management will be included under one of these fourteen categories. A fuller understanding of the specific issues of these fourteen items, and appreciation of their development, and a sensitivity to the consequences for each sector will certainly enhance two-way communication and break down many areas of confusion and stereotyping.

B. A greater requirement for a generalist role for the typical nonprofit manager.

With the exception of the extremely large nonprofit organization, most nonprofit managers must be fairly well-rounded generalists in order to succeed. While some private corporations will have division upon division with many employees to deal with complex issures of management, the nonprofit organization will typically have very few management specialists. Very often the successful nonprofit manager must have more background or understanding of distinct, specialized areas of management than his profit sector counterpart.

These management demands are focused in the single top nonprofit executive or delegated within a few high level associates or department heads. The contrast in size between the large successful corporations and many struggling nonprofits may present significant problems of understanding. There may simply be no one else available to research, evaluate, and implement management recommendations besides the chief executive officer or associate director (if they even have one) in the nonprofit organization, whereas in the corporate world these functions would be spread among a wide range of high level managers and their subordinates. Real size differences can generate even greater attitudinal differences. All other specific areas of management comparison may well be colored by this primary feature.

> There are certain things that have to be done to run any organization: books need to be kept, have to be filed, etc. The aggregate of all these functions or tasks represent the management "demands" with which organizations must cope.[2]

Danner and Mitchell, following management expert Robert Anthony of the Harvard School of Business, have outlined the four essential elements of management:

> 1. Strategic Planning: The process of deciding on the goals and objectives of the organization as a whole, any changes to them, the resources used to fulfill them, and the policies that are to govern the acquisition, use, and disposition of those resources.
>
> 2. Organizational Control: The process whereby resources are secured and applied efficiently and effectively to activities and programs designed to fulfill the organization's goals. This includes budgeting, program planning, and accounting.
>
> 3. Operations Control: The process by which authority and responsibility for program implementation is delegated or assigned, including the monitoring of how well specific tasks are carried out.
>
> 4. Accountability: The disclosure of both financial and programmatic information regarding organizations performance to parties outside the organization.[3]

Danner and Mitchell have also done a remarkable job of profiling the typical management demands in basic functional areas in the following manner.

Internal Management Demands

Strategic Planning
- mission identification
- assessment of organizational strengths and weaknesses
- goal-setting
- policy-formulation

Program
- monitoring of field (trends, community needs, constituent concerns, etc.)
- planning
- administration
- marketing
- evaluation

(Internal Management Demands continue on the next page)

Internal Management Demands cont'd

- *Financial*
  - *financial planning*
  - *fundraising (capital, project, operating)*
    - *-proposal writing*
    - *-solicitation techniques*
  - *financial control systems*
    - *-accounting*
    - *-bookkeeping*
  - *budgeting*
- *Personnel (Board, managers, other employees, volunteers)*
  - *recruitment*
  - *training*
  - *supervision*
  - *placement and promotion*
  - *compensation/reward*
  - *development*
  - *evaluation*
  - *termination*
- *Logistics*
  - *facilities: planning, management, maintenance*
  - *equipment: purchase vs. lease arrangements*
  - *supplies: inventory control*
  - *support services: secretarial, etc.*
- *Other*
  - *trouble-shooting skills*
    - *-problem diagnosis*
    - *-corrective action*
  - *management information systems*
  - *office administration*
  - *meeting management skills*

(For External Management Demands see next page)

External Management Demands

- *Legal*
  - *creating the organization (incorporation, articles, bylaws, etc.)*
  - *qualifying for tax-exemption (state and federal)*
  - *maintaining tax-exempt status*
  - *reporting to regulatory bodies*
  - *legislative advocacy/lobbying*
  - *entering into transactions, contracts, etc.*
  - *defending organization's interests*
- *External Relations*
  - *publicity*
  - *community involvement*
  - *image-building*
  - *donor relationships*
  - *coordinated planning*
  - *mutual referral arrangements*
  - *resource sharing projects (space, personnel, equipment, etc.)*
  - *liaison with other agencies active inprimary areas of interest* [4]

The top notch manager of the nonprofit organization should have skills in each of these areas of management. This expectation is shown in the following extended quotation taken from a typical article on this subject.

> *To achieve financial self-reliance, a modern nonprofit organization needs to be a hybrid: a classical charitable organization in purpose and successful business enterprise in mode of operation. Diversification of revenue sources, allocation of scarce resources, expanding markets, government relations, tax problems--these and other legitimate business concerns of nonprofits must be handled with the same managerial skills and techniques as in for-profit businesses. The place to start is with the choice of a chief executive officer who can run the business side as well as the organization's programs....*
>
> *Modern nonprofit institutions need full-time, first-rate professional management in all phases of their operations, business as well as program. They can no longer rely on the timely "pro bono" help of trustees and friends from the business and professional world to supplement the capabilities of their permanent staffs. In particular, nonprofits need professionals with a flair for marketing the organization's services and for producing income. Entrepreneurial-minded managers are essential for nonprofits to build up their revenues. At the same time, they need management with the sensitivity and finesse to accommodate the tradeoffs between financial and program goals.*[5]

C. Absence of a Management Ethic

It is not at all uncommon that the manager of a complex nonprofit organization may have had little or no formal management training by the time s/he has become the executive officer. Since most nonprofit organizations are service oriented (as will be highlighted in a later section of this chapter), many managers have shown primary success in a programming area which traditionally focuses on one-to-one or small group services. Promotion from within the ranks may be the response to excellence in service delivery rather than any demonstrated talent for overall management. Promotion into management may be the only route available to get higher pay for the promising service providers.

The patchwork growth of many agencies' expansion programs may have been significantly influenced by the huge influx of governmental or foundation funding for a service project. Within a short span of years, especially in the late sixties and seventies, annual budgets, staff and organizational complexities may have made quantum jumps but the manager was no better prepared to deal with them than before.

Many nonprofit executives from the ranks may view management as a private sector intrusion into their area of expertise--direct service. The executives response to a call for "better management" for their organization can vary widely from apathy or ambivalence to irritation, confusion, even outright hostility.

Many executives from the program ranks may be acutely aware of their management deficiencies, but the opportunities to truly increase management skill may be quite limited. Numerous announcements of management seminars, programs, books and periodicals cross their desk each week. All purport to provide management answers, but the quality and depth of these unrelated tools is often sadly lacking. Prices of such programs are usually very high and carryover from classroom to the actual management opportunitu is often lacking. In depth academic programs are usually too formidable, expensive (in time and money), or more targeted to management in marketing, sales, or industrial settings. This confusing maze may only further intensify the executive's feeling of insecurity and lack of proper credentials to perform a management function.

Peter Drucker, reknowned management consultant, cites as one of the popular explanations for the common failure of service institutions to perform the fact that their managers aren't businesslike. While background and training of nonprofit managers may not fit the "business mold", Drucker feels that service institutions will perform if they are managed in a business like manner.

> If only, they all say, their administrators were to behave like business men, service institutions would perform. This belief underlies today's management boom in the service institutions. It is the wrong diagnosis, and being businesslike is the wrong prescription for the ills of the service institution.
>
> The service institution has performance trouble precisely because it is not a business. What businesslike means in a service institution is control of cost. What characterizes a business, however, is control by performance and results. It is effectiveness and efficiency which the service institution lacks. Effectiveness cannot be obtained by businesslike behavior as the term is understood, that is, by greater efficiency.
>
> To be sure, there is need for efficiency in all institutions. Because there is usually no competition in the service field, there is no outward and imposed cost control on service institutions as there is for business in a competitive (and even an oligopolistic) market. But the basic problem of service institutions is not high cost but lack of effectiveness. They may be very efficient--some are. But they tend not to do the right things.[6]

Another commentator, Harold Lewis, Dean of the Hunter College School of Social Work, focuses on the cultural difference from the for profit area:

> We come from a culture very different from that of the business manager. We operate nonprofit organizations and can, with little effort, spend for good purposes more than we have, thereby incurring a deficit, but

no loss in profit. When our consumers no longer need our services, an optimistic interpretation is that success has been achieved; this is hardly the case in business when customers stop buying a firm's product. In the social service organization concern for fairness often takes precedence over efficiency. The service ethic considers unequal advantage justified only if it raises the expectations of the least advantaged. Since the most disadvantaged are also more likely to experience difficulty in making appropriate use of opportunities, special and costly effort may be required to reach out to them. This, despite the fact that other claimants who do not need this special effort are sufficient in number to absorb totally the available resources. What business would spend resources to attract the most difficult to serve and usually most deprived customer when there are more than enough cooperative and affluent customers prepared to buy all it has to sell? In business, when competition doesn't bring efficiency, adversity will. In social service rarely does competition compel efficiency, and adversity is not likely to be the result of a client taking his business elsewhere. Given our lack of resources, selective inefficiency may be a necessity for organizational survival.[7]

This cultural view represents a major contrast to the typical for-profit enterprise. While not every nonprofit organization operates with this same service ethic, evidence of its widespread allegiance can be seen throughout the description of other contrasts or similarities for the two sectors. It will also be evident in many procedural steps and service programs of hundreds of typical nonprofit organizations.

Another common concern for nonprofit organizations is that the solution is to get better people as managers. This has been the call for many reformers. Drucker has swift and concise response to this argument as well:

> Service institutions can no more than businesses depend on supermen or lion taimers to staff their managerial and executive positions. There are far too many institutions to be staffed. It is absurd to expect that the administrator of every hospital in the world be a genius or even a great man. If service institutions cannot be run and managed by men of normal and fairly low endowment; if in other words, we cannot organize the task so that it will be done adequately by men who only try hard, it cannot be done at all.
>
> There is no reason to believe that the people who staff the managerial and professional positions in our service institutions are any less qualified, any less competent or honest, or any less hard-working than the men who manage businesses. Conversely, there is no reason to believe that business managers, put in control of service institutions, would do better than the "bureaucrats."[8]

D. *Tradition of Passive Management Controls and Oversight*

There is often a startling difference between the quality and operation of the governing boards of nonprofit and for-profit organizations. Many nonprofits have relatively weak governing boards whose members lack time, qualifications, or commitment to be effective leaders or watchdogs.

> *Since there are no "owners" in the ordinary sense of the term in the nonprofit world, no specific beneficiaries, no general or uniform rules for the disclosure of financial or other types of information, nonprofit trustees in effect are not answerable to anyone. Within very broad limits they are their own masters. The words "irresponsible power" are harsh words, but they are relevant .... The trustees' problem is compounded -- or simplified, depending on their point of view -- by the absence of any systematic, generally accepted criteria that define satisfactory performance on their part.*[9]

A substantial amount of literature has developed which is aimed at improving the over all quality of nonprofit governing boards. Even the more elaborate schemes of board development, orientation, and evaluation may set relatively low estimates about the quality of board members within nonprofit organizations. Many will continue to be elected to the governing board on the basis of their "name" or community "contacts". This selection process may downplay required meeting attendance, time commitments, etc. The lure of associated prestige, access to financial resources, or the community power structure may be the overwhelming consideration for election rather than the prospective member's sense of stewardship and community concern. Much of this past history is changing substantially.

> *Before the new "age of accountability", organizations luxuriated in rationalizations as a form of accountability. They were powerful in homogeneous enclaves and immune from questions or protests. Now the new concern grows out of an awareness that the voluntary sector is not exempt from slipshod practices and must atone or justify. Concerned about financial practices, the public is asking how much of the contributed dollar is spent on program versus administrative costs; how much tax money is lost through property tax exemptions; and how expensive is duplication of services.*[10]

There has been a whole new awakening of legal responsibility among board members in their governing role. Sparked by a concern of potential lawsuits against directors and officers, two national groups, the United Way of American and the National Easter Seal Society, have each developed group liability insurance plans for their volunteer directors and officers.

Board membership and responsibility in the private sector is substantially different in nonprofit organizations than in the private sector.

> In profit-oriented organizations, policy and management responsibilities are vested in the board of directors, which derives its power from the shareholders. In turn, the board delegates power to the president, who serves at the board's pleasure, acts as the board's agent in the administration of the organization, and who is replaced if there are serious differences of interest or opinion.
>
> In many nonprofit organizations the corresponding line of responsibility is often not clear. In nongovernment organizations, the presumably controlling body does not necessarily represent the source of the organization's power. Instead of being selected formally by those ultimately responsible for the organization, it may be self-perpetuating, selected by outside parties, or selected de facto by the top management of the organization. Its members are seldom paid for their services. Instead of a single chain of delegation of power--from shareholder to board to president--there are often three somewhat independent power centers: (1) contributors, who can exercise control by withholding contributions; (2) the board, which de jure controls the organization, and (3) the chief executive officers who may in fact hold much control over the board by deciding who shall be appointed, who shall be given special recognition, and what are the rewards of board membership.[11] ...
>
> In summary, in many nonprofit organizations there is no single outside group to which the management is clearly accountable. Even in those organizations in which such a group exists, there may not be a similarity between the objectives of the management and those of the outside group that is close to the similarity that exists when both groups are essentially interested in profits.[12]

Many competent directors who enjoy substantial business success are reluctant to bring the same approach to the "business of charity". Robert Anthony feels that nonprofits have lagged behind in adoption of successful techniques of management. His following quotations cite two separate reports of major examples (a) application of PPBS - Planning Programming Budgeting

System, and (b) updates from the field of accounting.

> ... Nonprofit organizations have been slow to adopt modern management techniques. Nonprofit organizations do differ from profit oriented companies, but they also have much in common. They both have objectives, they both make decisions about the use of resources to accomplish these objectives, and in both cases an important management function is to see to it that the organization uses these resources efficiently and effectively. Business companies have developed a number of valuable tools for aiding management in this process: budgets, responsibility centers, cost analyses, standard costs, analyses of variances, management by objectives, linear programming, probability analysis --I could extend this list indefinitely. Most of these can be used, or adapted for use, in nonprofit organizations, but nonprofit organizations are slow to do so.
>
> To take just one example: Nonprofit organizations are hearing a lot about a control system called PPBS or Program Budgeting. A research report in a recent issue of Science lists the development of PPBS as one of the 62 leading achievements in the social sciences. Anyone familiar with business practice knows that there is nothing fundamentally new about PPBS; it is an adaptation to nonprofit organizations of techniques that many profit-oriented companies having been using for at least 20 years.[13]
>
> In the 19th century, accounting was primarily fiduciary accounting; that is, its purpose was to keep track of the funds that were entrusted to an organization to ensure that they were spent honestly. In the 20th century, accounting in business organizations has assumed much broader functions. It furnishes useful information about the business both to interested outside parties and to management .... The principal concepts and techniques that distinguish modern management control from fiduciary accounting, arranged approximately in the order in which they became generally accepted by business are: (1) the accrual concept, (2) cost accounting, (3) standard costs and variance analysis, (4) budgeting, (5) variable costing and breadeven analysis, (6) responsibility accounting, and (7) programming.[14]
>
> The largest classes of nonprofit organizations -- health care and education --until recently had poor management control systems. Hospital systems, under the impetus of Medicare and in response to widespread criticism of skyrocketing prices, have been improving rapidly, although resistance to modern budgeting practices continues in many of them. Colleges and universities, led by certain state universities, also are making rapid improvements, although they have a long way yet to go. Public schools generally use a system developed under the auspices of the U.S. Office of Education; although recently revised it continues to be an antiquated system. Religious organizations generally have only rudimentary control systems, although there are important exceptions.[15]

E. Lower Expectations For Performance Among Nonprofit Organizations

> Particularly in charitable organizations, community benefit and well-being is a valued criterion by which the institution guides its affairs. While often its perception of community interest may reflect its own capabilities and objectives, nonetheless there is explicit recognition of the legitimacy, if not necessity, of considering external factors in making crucial management decisions. Commercial organizations are more avowedly dedicated to benefiting their investors, with little concerted attention to notions of 'community welfare", especially when those concepts contradict a more parochial decision-making calculus.[16]

There has been a general tendency to have lower performance expectations for "charitable" organizations. For years large sums of money have flowed into the treasuries of thousands of nonprofit organizations from donors of all sizes. Generally the smaller personal donor will not directly raise question how funds are accounted for. Rarely will they ask questions If they do raise a question over funds utilization, generally they will be given a pat or unsatisfactory answer to their question. In the face of this, such typical donors will simply discontinue support. Certain state charitable solicitation laws are now forcing the issue by requiring either a factual statement on the solicitation of how the funds are used or at least to offer to send a financial statement to the donor on request.

Since the cost of fund raising derived from many small donors has increased geometrically in recent years, there is more focus on large grants from government, corporations, or foundations. Grant writing has become an art with high salability on an executive's resume. For many nonprofit organizations, proposal writing represented their first major challenge to detail their specific objectives, measurements of attainment, units and costs of service, etc. Now corporations and foundations which are beseiged with requests for funds are requiring more of this specific data.

Foundations especially seem to have more scrutiny in reviewing requests for financial assistance. It has become harder to get grants for general operating purposes versus specific planned use of the funds for capital, equipment, or direct service. Many socially responsible corporations are gravely concerned about how their funds will be used and how this association with a worthwhile purpose will enhance the corporate image.

The author feels that even board members of nonprofit organizations expect less of their organizations and that they expect less of themselves as board members for nonprofits. Many board members are recruited by a haphazard method and may not be well matched to the needs of the organization. A recent study in the Barvard Business Review cited some very interesting facts in this regard:

> *There was a pronounced lack of systematic planning by both companies and managers for participation in voluntary organizations. In looking at a part of the study that shows the interests of those business volunteers compared with the activities or responsibilities they were asked to become involved in, the researchers found no relationship. As a matter of fact, the volunteers were being asked to take responsibility for and to actively work on projects they were the least interested in .... I think it is a startling fact that more than half of these business volunteers were underutilized. And, I would bet that after a period of time these volunteers will rotate off the board because they don't feel challenged or that their efforts have made a difference to that organization.*[17]

The board member of a nonprofit organizations is not compensated, at least monetarily, like their counterpart in the for profit sector. Typically a for profit enterprise, corporate directors are paid an annual fee plus expenses for each board and/or committee meeting attended. These fees can run from relatively nominal amounts to substantial sums. Attendance and director preparation are virtually assured because of this compensation and the responsibility undertaken. By contrast the typical nonprofit organization my be struggling to conduct important business with a minimum quorum in attendance.

Failure to be adequately prepared because advanced data was not developed for the board member by the staff or because the board member did not review it in advance may significantly hamper their performance.

The author also feels that another critical area of control which demonstrates these lower expectations is advanced planning for new areas or substantial changes to operation. The same degree of care (compared the for-profit operation) is simply not exercised.

> No corporate executive would unilaterally decide to embark on an expansion program. He would first consult with his marketing, manufacturing, financial, and engineering people. He would trade ideas with investment executives, industry specialists, accountants, bankers, economists, management consultants. In short, he would bring a variety of professional disciplines to bear on the problems involved. He would take advantage of all the experience and expertise at his disposal in evaluating and resolving the elements that bear on the decision.
>
> Social programs and problems are infinitely more complex than their business counterparts. In addition, vast sums of money are involved. Yet all too often we see sociologists, economists, and statisticians performing accounting functions without an adequate understanding of accounting principles and concepts, or of budgetary procedures and managerial controls. We see administrators of health, correctional, educational, and welfare institutions performing management tasks for which they possess neither the background nor the training. The results are predictable.[18]

F. Difference in Operating Style

> There are thousands of nonprofit groups which are basically informal, ad hoc collections of individuals pursuing limited common objectives. Frequently, these groups are unincorporated, unstructured, and lack a permanent office location. Their style of operating is casual. On the other hand, there are permanent, quite complex, nonprofit organizations which choose, for philosophical reasons, to operate in a "democratic" or participative management style, with shared responsibilities and authority in all major functional areas. There are few parallels for these types of organizations in either the public or private sectors.[19]

Many of the same operating tools employed very successfully in business organizations are available to nonprofit organizations but they may not be applied as thoroughly or may not be applied at all. Linowes has described several of these proven strategies of business management:

Competitive intelligence makes it possible to determine waus and means of getting the jump on the competition in quality, productivity, and market acceptance.

Technology transfer, applied extensively in the aerospace industry, formalizes the procedure of disseminating information throughout the enterprise so that multiple mileage can be achieved from outstanding capabilities, innovations, and ideas.

Management by objectives ties the planning and funding of programs and facilities to well defined and clearly stated short and long term goals.

Profitability accounting is designed to identify wasteful and nonproductive elements in a system and root them out.

Incentive techniques provide individual recognition and make it personally rewarding to meet and exceed high standards of performance while at the same time they see that mediocrity and indifference are penalized.[20]

While these strategies have been successful in the profit sector, the style of nonprofit management often mitigates against their effectiveness or blocks their use entirely. Let us examine several concrete areas for comparison: decision making, administrative process, organizational flexibility, and information flow.

Decisions in the human services tend to be slower and more highly ritualized than in profit oriented organizations. In the private sector, decisions tend to be of a technological nature; have an adequate supportive data base; and to be arrived at quickly by using some form of sophisticated, analytic structure. However, in the human services there is the value set that decisions must be arrived at by consensus and compromise, with as much group involvement as is possible. Such openess, while admirable, does serve to considerably slow down the process to the point where its utility as a potential solution becomes devalued. Similarly, the information data base is much more amorphous and less specific than that typically found in private sector situations. In addition, many of the questions and problems which arise in the human services are not readily amenable to sophisticated analysis, since they are much more complex, wider in scope, and have far ranging social and political implications.[21]

In the private sector there may be less encumberance by legal control, court mandates, or "time honored" original objectives, and therefore, there can be more ready adaptated to new changing situations.

> Private sector organizations tend to value technique and technology, whereas human service organizations value process and procedure. Such variation in ideology can be summed up by the often expressed private sector attitude of "I don't care how you do it as long as it gets done" vs the human services attitude of "Do it by the book." Similarly, in the private sector, great credence is placed on the planning process, both internally and in external marketing considerations, while the human services treat planning as a necessary evil--something that has been mandated but has little organizational utility.[22]

As the author will describe later, ourside forces especially from government and large private supporters are forcing a greater congruence to the profit sector primarily in the area of advanced planning

> For instance, if a particular product is too difficult to manufacture and is not making a profit, it can be withdrawn without much hulabaloo. However, just try to cut out one of the more costly, marginally useful welfare provisions... and you will hear a human voice cry so loud that it will have repercussions in the White House. Similarly, if it is more efficient to consolidate one or more operations, private sector organizations can do it. If consolidation is a possibility, then so is expansion. New locations can be opened, new plants built, and new markets conquered. Human service organizations, particularly public ones, have a much more limited scope of involvement. They cannot let market conditions or cost factors determine their product mix, for they are often legally obligated to deliver a wide range of services, regardless of cost and of potential usefulness, or they will be politically hampered by employees and clientele. Likewise, it is often impossible to achieve organizational efficiency through merger, growth, and consolidation, because geographical limits are often predetermined by law or tradition.[23]

Informational input and accessibility may be considerably different for the nonprofit organization which must conduct their business under public scrutiny. However there are two rather distinct views of this situation.

> New emphasis has been placed on access to public information by the enactment of so-called "sunshine laws." Nevertheless, such mandates often come in conflict with the professional's value of client confidentiality. In the private sector, however they are not typically under similar obligation to release to the public what they consider administratively confidential information. Consequently, treatment of information flow to the public is at major variance between the two organizational settings.[24]

> . . .In the post industrial society every organization is politicized including the private firm. A specific change is increase in the public regulation of the so-called "private firm." The regulation of air and water pollution is only one example; automobile safety and airline schedules are others. In an age of communal pressure and political mobilization, even private firms are not dispensed from public scrutiny. The line between public and private has blurred, and today the businessman faces as much public as the public official. Consider the fact that bureaucrats often operate in relative privacy while businessmen squirm under the glare of the public eye.[25]

Many additional, sometimes subtle, stylistic changes will be noted in nonprofit organizations such as different patterns of dress, speech, office decor and the variety of the people themselves. For example, many nonprofit organizations' office furniture and general decor will be considered austere in comparison to the typical profit oriented firm which deals in public contact. Not all this austerity will be a function of ability to pruchase better furnishing, but stem from the board's priorities and values for expenditures.

G. Lack of Trained, Experienced Managers

For many years formalized academic training has flourished for administrative positions in commerce and government. The same has not been true for the nonprofit sector which has only recently tackled the problem of academic training for nonprofit executives.

> When people seek to develop as managers of voluntary organizations and programs, what educational opportunities are available? Traditionally formal training has been limited to workshops and other offerings of short duration provided by non-academic agencies. Many of these have been and continue to be of excellent quality . . . However, staff, budgetary, and other restraints necessarily limit the scope of such training programs. Designed as short courses, they are not intended to substitute for the comprehensive education a college or university can offer. And what do colleges offer? Until recently, very little. National surveys indicate that numerous higher educational institutions offer one or two courses in volunteer program management. A few community colleges offer associate degrees in the field; a handful of liberal arts colleges offer bachelor's degrees; and, apparently three or four institutions offer master's degree programs. The latter include Antioch College at its Baltimore, Maryland campus; the Lindenwood Colleges of St. Charles/St. Louis, Missouri, and Michigan State University.[26]

Overall the relatively low compensation in nonprofit organizations may deter otherwise promising individuals from careers as nonprofit administrators. Many must consider the future payoff versus the required study and personal investment in this field, before they decide on further academic training beyond their initial credentials.

Robert Anthony makes several observations on this subject.

> We need better managers in nonprofit organizations. In order to get them, we need to make the profession of management in nonprofit organizations more attractive to young people who are choosing a career. The principal way of doing this is to increase management salaries. . . . The crucial amount is the salary that the top management earns, for this is the goal which the young person thinks about in career selection. Pay is partly attractive for its own sake, of course, but perhaps more importantly, pay is a signal of the importance that society attaches to a job. The president of a fairly large business can expect to earn $100,000, $200,000 or more a year. The stockholders are glad to authorize such payments because they know that management talent is scarce, and that they benefit when they attract and hold an outstanding manager.
>
> . . The average citizen doesn't appreciate the scarcity of management talent. He tends to think that any salary much higher than his own is a political plum. . . .
>
> The effects of adequate salary policy are not felt for a whole generation unfortunately. Although its real purpose is to attract outstanding people to the profession--an infusion of new blood--the immediate effect of a salary increase, of course, is simply to pay more to the people who are already there.[27]

There is widespread belief that nonprofit organizations should not make use of bonuses or other forms of incentive compensation. These are very frequently used in the profit sector when sales and profits are high or when savings have been realized. While many nonprofit managers may be devoted to their work, and in many cases less materialistic than corporate executives, social managers are also human and therefore need motivation.

Inadequate financial compensation can also produce a relatively high turnover rate among management and service personnel. Nonprofit organizations may provide valuable experience for many entry level workers by offering a wide range of responsibility. Shifting upward in various similar organizations is relatively common. Constant turnover for any organizations is extremely expensive in finances and lost productivity. Many organizations find themselves with a succession of new entry level personnel who need continuous attention.

H. Absence of Objective Measures of Performance

Probably one of the clearest distinctions between profit and nonprofit organizations relates to their inputs and outputs and especially the notion of the place of profit. This section will attempt to focus on both of these key features.

For nonprofit organizations the problem of measurements relates primarily to outputs and not inputs. Inputs with a few exceptions can be measured as direct or indirect cost factors just as in the for profit corporation. A major exception would be the cost measurement of volunteers but this would rarely have an impact on control of costs. (See especially Section J of this chapter). While direct and indirect costs can be fully measured in nonprofit organizations, in most cases they are not. This reflects the inadequacy of the nonprofit organization's mechanisms rather than any inherent measurement problems. There is little if any reason to believe that costs in nonprofits are any less controllable than in profit corporations. In actuality, large chunks of costs in most responsibility centers of profit companies are also uncontrollable. Anthony says:

> ... The objective of a nonprofit organization is something other than earning prfits. Thus, even if the outputs in such an organization could be measured in monetary terms... the difference between outputs and inputs would not be a measure of performance in terms of the real objectives of the organization. It is not the objective of these organizations to widen the spread between outputs and inputs. In general, their objective is to render as much service as is possible with a given amount of resources, or to use as few resources as possible to render a given amount of service. In most situations, the ideal financial performance in a nonprofit organization is a breakeven performance.[28]

Steiner goes on to say that:

> In many ways, it is unfair to compare private sector with human service on the output factor, since it does not take into account political and economic reality. Many politicians conceive the human service delivery mechanism to be an instrument of economic policy. They also perceive this organizational segment to be an employer of the last resort. . . . The logic of such programs, while having noble ends, does pose some major limiting factors for the effective operation of a human service system.[29]

In the profit sector the output benefits of a corporation are designed to accrue directly to the product or service consumer, with secondary economic or social impact for the corporation. In the nonprofit, outputs may be used as an instrument of social and economic benefit.

In terms of accountability, because human service managers cannot relate expenditures to results or outputs, the general public may assume that the program is ineffective. Private sector managers may find it easy to demonstrate success through a simple bookkeeping process.

The type of output in the private sector tends to be fairly uniform with high quality control built in. Product acceptance, market share, etc. are key considerations which push towards greater uniformity of output. It is highly undesirable to produce a product which has high variability since the consumer may be repurchasing the item solely on the basis of past experience and expectations of similar gratification. Nonprofit outputs are usually human services which tend to be highly variable and this drastically limits the use of quality control mechanisms. As a result the nonprofit manager may have no idea of the output impact since this may not be readily seen at the time of service delivery but may be delayed for years.

> Indeed the popular disdain toward the public sector is reflected in choice of terms. For example, we often use the term management when referring to private business, but substitute the term administration when talking of public organizations. In part this reflects the acceptance of the private enterprise ethic in our social labels. In part it reflects the less attractive position of the public service in a country where for the past century industrialization was the most exciting thing happening. Recently some of this has changed.
>
> Perhaps because of the Depression, but certainly dating from that point, the myth of the well managed firm has been challenged. The legend of private efficiency lives in company brochures but is seldom realized in the lives of millions of Americans who fight the daily battle with insurance agencies or auto mechanics or TV repairmen. As early as 1945 the dean of public administration, Paul Appleby, argued that the alleged superiority of business represented a gross over generalization which did not withstand close analysis.[30]

Despite the fact that it is difficult or at times even impossible to come up with meaningful standards and monitoring guides, there have been efforts to establish a more viable base from which to develop social measurement standards. Linowes has done a fine job of further developing this notion in his socio-economic model. For instance he cites the use of such techniques as cost benefit analysis; planning-programming-budgeting-system (PPBS); input-output analysis; statistical sampling; key factor analysis; extrapolation; return on investment analysis; measurement of long versus short term goals; social action audits; and socio-economic audits. A substantial factor of success will be the ability to make the technology transfer from proven business tactics to established human needs. For example this transfer has proven especially effective in some literature on the success of the NASA space program.

In another example, an industrial engineer named Joseph Quick has specialized in reducing indirect labor costs. Quick maintains that 70% of indirect tasks (comprising the labors of half the personnel in the typical manufacturing company and more in the typical nonprofit organization) are both measurable and controllable. Quick's approach, one long used by time measurement experts, is to measure the average time needed to perform various kinds of chores. Using these guidelines as a base, he sets standards that he then proceeds to sell to supervisors and employees.[31]

Probably the most obvious measure of difference between these two sectors of management centers directly around the place and implications of profit. Among several authors, two of the best on this subject are Murray and Anthony.

> ... The notion that profits are the sole or main reason for the existence of private business is itself misleading. First of all, profits are an essential requirement for existence; but the focus on profits as the single objective distorts or minimizes other advantageous business activities such as products, services, employment, and all of the "hidden hand" effects of community and social contribution. A second point is that while profits are a handy measure, benefits and costs do not always lend themselves to a monetary judgment of effectiveness.
>
> On the other hand, to say that profits are never the objective of public sector activities is equally misleading. Government projects are notoriously subject to cost benefit analysis, and efficiency in government is a by-word of bureaucrats. Once stereotypes are discarded similarities emerge.[32]

Anthony details the usefulness of the profit measure as having the following advantages:

> (1) It provides a single criterion that can be used in evaluating proposed courses of action; (2) it permits a quantitative analysis of those proposals in which benefits can be directly compared with costs; (3) it provides a single broad measure of performance; and (4) it permits comparisons of performance to be made among responsibility centers that are performing dissimilar functions.[33]

Single Criterion. In the private sector, profit provides a single overall measure for both the effectiveness and efficiency of the operation. The dominant object is to earn a profit which helps focus on a choice among alternative courses of action. But other objectives besides profit must also be taken into account as well, and many proposals cannot be analyzed in terms of their effect on profits. Differences of opinion among the profit oriented decision makers are more likely to stem from different judgments as to the best means of achieving a profit.

Quantitiative Analysis. The easiest proposal to analyze is the one in which estimated costs can be compared to estimated benefits. When the benefit is something other than revenue, such as a social good, any analysis is more subjective. When the benefit is stated in monetary terms, it can be balanced against other monetary costs. Even in the profit world, all the costs are difficult if not impossible to quantify.

Broad Performance Measure. Profitability can incorporate many separate aspects of performance within it. The key consideration is not all the details of operation, but rather the bottom line.

> This measure is valuable both to the managers themselves and to those who judge their performance. It provides managers with a current, frequent, easily understood signal as to how well they are doing, and it provides others with an objective basis for judging the managers' performance.[34]

Comparison of Unlike Units. Profitability permits comparison of heterogeneous operation performance in a way not possible with any other measure. It provides a way of making valid comparisons among many organizations which share the same objective.

But profit is not a perfect measure and Anthony summarizes seven major limitations:

1. Multiple objectives. Profitability is rarely the sole objective of the enterprise. Survival is first and the operation may have to forego risks if a proposal threatens its very survival. Opportunities which create a bad image or conflict with the ethical standards will overpower profitability.

2. Omission of social costs and benefits. Social responsibility is now very much in the minds of many businesses, so profits may not measure the company's net contribution to society (e.g. questions around environmental protection of this nature, support of charitable causes).

3. Long run implications. If the main function of the company is survival, then long run implications must override short term high profit ability. Reductions or curtailments in research and development, advertising, or training may increase current income but more substantially depress profits for the future.

4. Inadequate basis of comparison. Many judgments must be relative, such as comparing actual performance against expected potential performance. There is no absolute standard of measuring what the profits should have been. Perhaps substantially more was possible but not actually achieved.

5. Latitude in accounting. This may have significant influence on the validity of an organization's data. Even generally accepted accounting principles give wide latitude in measuring a firm's profitability. Consistency of accounting practice is the key for any comparison.

6. Inadequacy of accounting. Profits do not fully measure opportunity cost (current value in an alternative use) but only historical cost (what is

paid to acquire them). Accounting may not then permit measurement in a way that conforms strictly to economic facts.

7. *Inability to measure certain segments.* Profitability can measure the performance of the whole company and/or major operating divisions.

> But no measure of profitability is feasible for many other responsibility centers. Profit is the difference between revenue and expense, and although the expenses of most responsibility centers can be measured without great difficulty, it is not feasible to measure the revenue for many of them. These include the research/development organization; legal personnel, accounting, finance, administration, and other staff departments; and even many marketing or production responsibility centers. These are units in which discretionary costs predominate. In these responsibility centers, profit provides neither a focus for the analysis or proposals not a measure of performance. The technical control problem in these responsibility centers is the same as that in nonprofit organizations.[35]

I. Ambiguity and Multiplicity of Organizational Goals

> In social programs, we cannot fully nor adequately measure the costs and benefits when our sole criterion is dollars or units of output. There is a need for more understanding of what an agency's purposes and goals are--understanding followed by definition, accountability, and public reporting for all to see.[36]

The use of quarterly profitability, return on investment, etc. are quite precise measures in great contrast to many nonprofit organizations which may lack clear, specific, or measurable goals. Stated goals may be highly diverse and ambiguous. One author noted that the goals of most nonprofits:

> ...are ambiguous, quite often not compatible with or supportive of one another...Furthermore, the goal setting process is often highly politicized since external non-members of the organization exert pressure on it...In essence, the entire goal system is very contextual in that a high degree of choice in defining which goals to achieve is exercised by many people throughout the organization at any one point in time...Third sector management systems operate in an environment that virtually precludes the effective use of many of the formal and highly rationalized management tools and procedures.[37]

We live in a crisis oriented society which becomes apprehensive about performance only in emergencies. Usually at these times circumstances require us to then act in a hurry and these rushed decisions are apt to be rash. Many nonprofit organizations have grown through a paste up effort as is often seen in their capital additions. Many plans of others are recopied.

Goal ambiguity in nonprofits leads to a behavioral pattern characterized by conflicting standards of behavior.

> Studies of both private sector and public sector organizations traditionally assume, explicitly or implicitly, well defined and non-ambiguous goals and non-conflicting performance standards among managers. However in third sector organization goals are characteristically ambiguous, resulting in conflicting standards of conduct or organizational members. Processes of decision making in environments of goal ambiguity and conflicting standards are different from those in organizations characterized by goal unanimity and non-conflicting standards...These organizations define their future more in terms of general directions or thrusts...Thus, there is little distinction between means and ends and there can be little effort at rationalizing the process...Goals are often defined <u>during</u> periods of action as a response to the demands of a changing situation, not <u>before</u> the action takes place.[38]

Another key destinction influencing goal ambiguity centers around distinctions between official and operative goals.

> Official goals are the general purposes of the organization as put forth in the charter, annual reports, public statements by key executives, and authoritative announcements by the supporting political bodies. These goals are vague and general and are open ended with regard to two important factors which influence the behaviors of members in the organization. One, they typically do not set priorities among multiple goals, and in the absence of priorities, they have little to say about decisions which must be made among alternative ways of achieving official goals. Two, the official goals are silent about the unofficial goals pursued by groups and individuals with the organization....
>
> Operative goals are a product of the decisions, personnel practices, and alliances of members of the organization as they go about their work, and are generally not found in the formal literature and communication of the organization about its goal orientations....The operative goals are quite often in conflict with the official goals, and this in turn leads to conflicting standards of performance for member behavior. These conflicting standards are most evident at the managerial level.[39]

A partial answer to goal ambiguity between the nonprofit and private sector operation lies in the nature of the task their work force performs.

> A cardinal principle of private sector production is specialization and routinization. Each emplouee is expected to contribute a highly defined piece-of-the-action to the completed product. Job tasks are broken down into the simplest possible component parts. Hence, there is little ambiguity. When there is ambiguity, there is high specificity, resulting in the production of a uniformly completed product that meets high standards of quality control. While attempts at specialization have occured in the social services (as with the case of separation of services), most task situations still remain highly ambiguous. There is lack of both uniformity and quality control in program output when this circumstance occurs.[40]

Linowes in his work has adopted ten rules of socio-economic management which, if applied, would substantially reduce much of the ambiguity and multiplicity of goals.

1. Tie standards and goals to proven human needs.
2. Apply funding by results.
3. Use discretionary funding as incentives.
4. Use multidisciplinary planning.
5. Set up social profitability audits.
6. Establish public visibility.
7. Prune and restructure for dynamic growth.
8. Vary the input mix.
9. Stir up social competition.
10. Fix the responsibility for applying the socio-economic model.[41]

Linowes feels that the only purpose for which a social agency should be created is to meet human needs. He seeks to translate the "profit" of the human service organization not in terms of dollars of income but in terms of human needs met. The refinement and application of his 10 rules seek to put social responsibility on a par with business profitability. A further analysis of his 10 rules shows that they cut across many avenues of comparison between for-profit and nonprofit presented in this paper. When applied in a management consultation process, they can provide the blueprint for significant problem resolution. The steps also present a process easily understood and applied by the typical business executive.

J. The Service-oriented and Labor-intensive Nature of the Nonprofit

With rare exception, nonprofit organizations are producers of services rather than a manufacturer of goods. Their intangible services are produced through a combination of labor from its paid and voluntary staff. Private industry manufacturing, which largely increases productivity by substituting capital for labor, can have significant advantages in employing technological innovations. This also gives manufacturing a distinct control advantage.

Anthony summarizes several important points about the control advantage of a manufacturing company over a service organization:

> *Goods can be stored in inventory, awaiting a customer order. Services cannot be stored; if the facilities and personnel that are available to provide the service today are not used today, the revenue from that capability is lost forever.....*
>
> *Service organizations tend to be labor intensive, requiring relatively little capital per unit of output. It is more difficult to control the work of a labor intensive organization than that of an operation whose work flow is paced or dominated by machinery....*
>
> *It is easy to keep track of the quantity of tangible goods, both during the production process and when the goods are sold, but it is not so easy to measure the quantity of many services....For many services, including most of these furnished by public oriented organizations, the amount rendered by an organizational unit can be measured only in the crudest terms if at all....*
>
> *The quality of tangible goods can be inspected, and in most cases the inspection can be performed before goods are released to the customer. If the goods are defective, there is physical evidence of the nature of the defect. The quality of a service cannot be inspected in advance; at best, it can be inspected during the time that the service is being rendered to the client. Judgments as to the quality or most services are subjective; measuring instruments and objective quality standards do not exist.*
>
> *The literature on control techniques--standard costs, analysis of variances, statistical quality control, production control, inventory control--tends to emphasize production situations rather than service organizations.*[42]

The types of workers attracted to nonprofit organizations probably differ from workers in the profit sector in their specific knowledges, skills, values, and exhibited behaviors. Many assumptions could be made about all these areas. Steiner summarizes many of these characteristics in the following manner:

> One could probably make the prediction that the strength of professional human service managers, because of their education, training, and value sets, lies in the area of individual and group dynamics. Consequently, human service managers tend to heavily emphasize human transactions and their impact on the organization and the individual. Such attitudes, if they do exist, would push human service administrators toward the human relations approach to management. On the other hand, weaknesses in the abilities of human service managers would most likely appear in areas concerned with administrative procedures and with applications of analytic tools to the decision making process. Deficiencies might also arise when dealing with organizational dynamics and change, since this procedure involves interactions between the administrative-analytic processes.
>
> The opposite would probably be true for private sector managers. Because of their education, training, and values, one would expect managers to show strength in the application of analytic tools--operations research, for example--in solving highly technical problems and in the handling of administrative/management procedures. Weaknesses could probably be discerned in the areas of individual and group dynamics. These gaps and differences in knowledge, skills, values, and behaviors are continually being narrowed by the cross fertilization between public-and-private-sector management, in addition to the unsurge in post entry management development.[43]

For many nonprofit organizations, the dominant workers are professionals who often have motivations that are inconsistent with good resource utilization. The same may be true of some profit oriented organizations where professionals are dominant, e.g. law offices, research organizations, etc. Anthony describes several implications of the professional dominance in nonprofit organizations:

> 1. Professionals are motivated by dual standards: (a) those of their organizations, and (b) those of their professional colleagues. The former standards are related to organizational objectives; the latter may be inconsistent with organizational objectives. The rewards for achieving organizational objectives may be less potent than those for achieving professional objectives.

2. Professionals who are departmental managers, tend to work only part time on management activities. They spend a substantial part of their time doing the same work that their subordinates do....In organizations not dominated by professionals, management tends to be a fulltime job, and managers do not do the same type of work that their subordinates do.

3. Many professionals, by nature, prefer to work independently.... Because the essence of management is getting things done through people, professionals with such a temperament are not naturally suited to the role of managers.

4. In a professional organization, the professional quality of the people is of primary importance and other considerations are secondary. Therefore, managers of professionals spend much of their time recruiting good people and then seeing to it that they are kept happy. The manager has correspondingly less time available for the aspects of the job that relate to efficiency....

5. In a professional organization, promotion is geared to the criteria established by the profession and tends to be a function of time.... These criteria may not place much emphasis on efficiency and effectiveness....In some situations, promotions may be influenced by outside qualifications....

6. Professional education does not usually include education in management and quite naturally stresses the importance of the profession rather than of management. For this and other reasons, professionals tend to look down on managers....

7. Financial incentives tend to be less effective with professional people either because they consider their current compensation to be adequate or because their primary satisfaction comes from their work....

8. Professional status may be legally institutionalized. For example, laws may require that a certain number of physicians be appointed to boards of health.

9. Although the leadership job in an organization unit in a nonprofit organization may require more management skills than professional skills, tradition often requires that the manager of such a unit be a professional.

10. Professionals tend to give inadequate weight to the financial implication of their decisions.[45]

Another contrast in nonprofit organizations is that many operational elements are not directed by any serious demand analysis which could make better use of limited manpower. For example many social service organizations are geared to an 8:00 a.m. to 5:00 p.m. operation whereas the real need for service may be substantially in a different time period. This might especially be true for many emergency needs. Most communities lack an appropriate response mechanism to human service needs after 5:00 p.m. and on weekends. There are notable exceptions to this trend in the St. Louis area. One is the establishment of a 24-hour information and referral service, entitled Call for Help. A second example is the Seventh Police District Crisis Intervention Unit which works with police officers primarily on a late afternoon and evening basis with 24-hour capability. This recognizes that most domestic problems do not occur during traditional working hours.

K. Dependence on Volunteers

A recent major study of technical assistance needs of nonprofit organizations examined the utilization of volunteers.

> Over one-third of the local organizations in the sample rely exclusively on volunteers to carry out their mission, while most others utilize volunteers regularly to supplement or complement services provided by paid personnel. A few use volunteers almost incidently or only for special projects. The majority of the local sample tend to have relatively large numbers of volunteers and these volunteers engage in an enormous variety of activities, from stuffing envelopes to running a credit union for women or providing medical care at a free clinic. Volunteers donate an average of about nine hours per week to the organization, but a few devote as many hours as a full-time paid employee would give to a job.[45]

The major findings of the study showed two major felt needs: money (which shall be discussed later) and more and better motivated volunteers.

> The organizations providing services via volunteers seem to find it extremely difficult to attract and then keep highly skilled or highly motivated volunteers who will devote time to the organization and be committed to the work they perform. The ability to recruit and utilize volunteers effectively requires that an organization's key person, whether she or he be a president, a board member, director, or leader, have certain internal management and supervisory skills, have continuing and good relationships in the community, and possess a basic understanding regarding what motivates volunteers and other staff to perform their tasks effectively.[46]

Volunteers within the nonprofit organization are basically of two separate types: (1) volunteers who serve as trustees or board members and assume managerial responsibilities and (2) volunteers who directly participate in the service or support function of the organization. Several comments on the board volunteer have already been addressed under section C of this chapter.

> Management of this volunteer resource is a problem unique to the nonprofit sector. Volunteers often have different motivations than employees--their ties and commitment to the organization may be more tenuous since their economic livelihood does not depend on it. This limits the range and effectiveness of incentives and sanctions traditionally used by the commercial manager. It also requires unusual leadership abilities on the part of the nonprofit executives.[47]

Despite the fact that there has traditionally been a substantial dependence on volunteers, there has been a great change in trends effecting volunteers. Many excellent resources, such Manser and Gordon's Voluntarism at the Crossroads, have given extensive treatment of these developments. At best only a brief overview can be given here.

There have been at least four major social movements in America which have had profound influence on voluntarism in recent years: (1) the women's movement; (2) the self-help movement; (3) the demystification of the institutional approach; and (4) the citizen participation movement. Each of these four trends have had diverse and far reaching consequences for voluntarism.[48]

Due to the Women's Movement there has been a substantial change in sex roles and economic factors. As a consequence the percentage of women working for income rather than other motivations has risen dramatically. This has affected their attitudes towards many types of voluntary service which might previously have been one of their otherwise limited outlets.

The Self-Help Movement, captializing on social developments of the 1960's moved into the 1970's with a greater reliance on one's own collective activity as opposed to reliance on outside resources.

Many sacrosanct institutions have been demystified. Public opinion polls have shown that the general public does not think as highly of our institutions or professionals. Watergate, scandals, and corruption unearthed have taken their toll in public conficence.

The Citizen Participation movement has been an outgrowth of the American spirit of "joining", evident even from pre-revoluntionary America. Bouyed by initial successes of some groups, the expectation level of many more groups has risen. Action groups for all types of causes have proliferated.

In general, voluntarism has not decreased at all, but has substantially increased. People who volunteer are different in what they volunteer for. And since there are many more options for voluntarism now than in the not so recent past many are taking advantage of the opportunity.

These social changes have lead to major consequences for the nonprofit sector. Established organizations are finding it more difficult to recruit and retain traditional volunteers for traditional roles which have many times been clerical and/or menial. The percentage and size of the traditional volunteer pool, the white middle class female, is shrinking. Many of these former "typical" volunteers are now actively in the paid labor market as a matter of economic necessity. The traditional group is available, but for different types of volunteering, e.g. direct service roles with clients, decision-making and policy-setting roles. Other sectors of the population are becoming more available. One important sector is the corporate executive and employee. There is an increase in the cultivation of volunteer participation by corporate leadership for roles other than fund-raising and trusteeship. A rich literature has developed in recent years to deal with the expanding challenge to work effectively with the changing type of volunteers at work in today's nonprofit organization.

L. The paradox of Performance: The Consequences of Poor Management or Superior Results.

> Nonprofits are partially immune from the risks or rewards of management performance. Most do not operate in a normal marketplace, where consumers voice preferences by their purchases. Instead, third parties ---foundations, government agencies, federated fundraising drives, or non-client private contributors (plus governmental contracts for services and insurance payments)--often generate the bulk of nonprofit revenues. Thus, despite an organization;s ineffectiveness in rendering services to its clientele (a highly dangerous condition for a commercial firm), it is often insulated from the risks of such poor performance unless its revenue sources become aware and concerned about it.[49]

Anthony more fully clarifies this insulation from market forces in the following manner:

> The market dictates the limits within which the management of a profit-oriented company can operate. A company cannot (or at least, should not) make a product that the market does not want, and it cannot dispose of its products unless their selling prices are in line with what the market is willing to pay. A company cannot survive for long if it cannot equal the performance of its competitors. By contrast, many nonprofit organizations can decide what services they should render according to the best judgment of their managements, rather than according to what the market wants. And, in many cases, a nonprofit organization need not worry about competition. These differences have important implications for management control.
>
> A profit oriented company wants more customers. More customers mean more profit. In many nonprofit organizations particularly public-oriented ones, there is often no such relationship between the number of clients and success of the organization. If the amount of its available resources are fixed by appropriations (as in the case of government agencies) or by income from endowment or annual giving (as is the case with many educational, religious, and charitable organizations), additional clients may place a strain on resources. In a profit-oriented organization therefore, the new clien is an opportunity to be vigorously sought after; in many nonprofit organizations, the new client is only a burden, to be accepted with misgivings.[50]

While the nonprofit sector in the past has not been affected significantly by competition, there are indications for potential change here. The author feels that several key factors will de facto increase competition among nonprofit organizations. A newer trend is developing in the purchase of service contracts from state and federally supported programs. When there is a limited amount of appropriated dollars, many qualifying nonprofits will become highly competitive to get some, or a greater share, of the contract awards. With the greater prominence of federated campaigns such as the United Way and the Combined Federal Service Campaign, the allocations process has developed more of a competitive air although much of this may be covert in the formal process. Competition may very well be expressed in terms other than dollars such as an effort to secure more prestigious board members, be the first with a major innovative project, etc.

Competition in the private sector serves as a powerful incentive to use resources wisely.

> *If a firm in a competitive industry permits its costs to get out of control, its product line to become out of fashion, or its quality to decrease, its profits will decline. A nonprofit organization has no such automatic danger signal. Because the importance of what the organization does is not measured by demand in the marketplace, managers of nonprofit organizations tend to be influenced by their personal convictions of what is important.*[51]

For the manager of the nonprofit organization, there is a propensity to expand budget and staff since the measure of their importance is often seen by their peers in light of the amount of control they exercise. Few nonprofit managers are willing to reduce their own importance through cutbacks, or reductions in service or staff.

> *To the experienced businessman, pruning, personnel realignment, divestiture, acquisition, and restructuring to boost performance is an old story. When a for profit enterprise finds its executive hierarchy too old or inadequate, or finds that its capital needs exceed available lines of credit, or that its scope is too limited to take advantage of its opportunities, a common solution is to make the organizational changes necessary to the strengthening of resources and achievement of goals.*[52]

> *The disproportionate share of revenues generated by outside "investor/contributors" as compared to "customer/beneficiaries" makes it unlikely that superior performance will be recognized and rewarded. This limits the incentive for the manager as well, whose prestige, compensation, or advancement may be divorced from purely performance-related considerations.*[53]

The Filer Commission which undertook a major study of private philanthrophy in America during the mid-1970's made the following observation:

> *The incentive for efficiency in profit-oriented firms comes from the fact that the persons who are responsible for directing production are "residual claimants." They receive what is left of income after expenses are paid, so that they receive the gains of efficient innovations and bear the losses of poor ones. While entrepreneurs never succeed in entirely eliminating waste from their organizations, they always have a motive for further efforts, as well as an opportunity to sell their businesses to others who may buy them precisely for the purpose of "turning them around"--making them more efficient. A nonprofit organization on the other hand, has by definition no residual claimant. There is an incentive for efficiency arising from the mutual desire of the members of a voluntary organization to accomplish their purposes better, but the incentive is highly diffuse. The concentrated financial incentive of entrepreneurship is absent.*[54]

Although the nonprofit manager may "march to the beat of a different drum," nonetheless there is a universal need for incentives and evidence that virtually everyone will respond to motivation properly applied. The role of relatively lower compensation in nonprofit organizations has been more thoroughly examined earlier.

M. Operating in a State of Continual Financial Adversity and Uncertainty.

> The nonprofit sector is replete with examples of severely underfunded organizations, operating on the edge of financial survival. Budget deficits, service cutbacks, pay freezes, postponed building plans--these are frequent facts of life for thousands of community-based nonprofits. Ironically, in a sense other nonprofits are overcapitalized, having invested in expensive facilities without adequate current revenues to maintain or operate them efficiently. While one might argue that this shortage of resources should force nonprofits to pay stricter attention to the management control process (since their very survival may depend on it), it more often paralyzes the planning process and may be so serious as to effectively preclude their ability to respond adequately to their financial crisis.[55]

Innumerable articles and books have been written about today's money crunch for nonprofit organizations as well as for the general economy, but it is hard to get a comprehensive perspective on this issue. One of the best summaries on this area comes in Manser and Cass's Voluntarism at the Crossroads.[56] The highlights of their chapter entitled "the Money Crunch" will be summarized.

The cost of doing business for many nonprofits is outrunning income by leaps and bounds. Not only has the cost of everything increased, but certain areas have been much higher. Many nonprofit organizations utilizing direct mail solicitation for fund raising have seen astronomical increases in the cost of paper products, printing, and especially postage. Since we have already seen that nonprofit organizations tend to be labor intensive, the problem is serious for several reasons. Employees of nonprofit organizations who are generally lower paid, have seen substantially higher wages in certain areas as a result of favorable union contracts which have spread throughout the field. There have also been sharp increases in personnel fringe benefits and their costs especially medical and retirement costs. Often such fringe benefits were instituted when their cost had a lessor impact on the organization's resources. Seldom will an employee group opt for a lower level of benefits as a cost containment effort.

It hasn't been possible to pass on increased costs in the form of increased costs or fees to the consumer like the manufacturing organization can do. Fees can be raised and have been, but at certain point raising the fee tends to be counterproductive, since this begins to exclude access for many intended to be reached by the organization. Even with a sliding fee scale, the problem is essentially the same. There are still some nonprofit organizations who operate without set fee schedules at all, but their number is fast fading.

Even the large federated fund-raising campaigns like the United Way Combined Federal Campaign, or Combined Health Appeal Drives have fallen behind inflationary trends. Many member agencies have attempted to find alternative revenue but this must be done only within certain regulations which preclude independent campaigns and encourage governmental contracts. In an effort to stay in the forefront of public interest, much of the increase in each year's goal must go to fund attractive new member agencies brought on as well as the increased operational needs of those already affiliated. Most do not think favorably of cutbacks in their United Way allocation. When a proposed cutback might be in response to decreased efficiency, very often political pressure is used to reverse this proposal rather than admit the inefficiency. Many practices, such as reduction or lack of financial reserves and allocation of last dollars of cost, create an atmosphere of sustained and prolonged dependence on the federated campaign.

Greater financial burdens have been laid on urban areas as more of the population continues its shift from rural areas to the cities. There has been tremendous growth in the number and variety of agencies competing for the charitable dollar. Some feel that the proliferation has come about due to the failure of established organizations to change and adopt to current need.

Effective fundraising techniques of one organization are quickly copied and then overworked by competing organizations. A good example of this is the proliferation of "athons."

There have been numerous ways in which nonprofit organizations have sought to cope with the acute money crisis. Some have resorted to borrowing to meet payrolls and other cash flow needs. This is more true if they have fairly seasonal cash income or little or no cash reserves. Another way has been invasion of capital, which irrevocably diminishes the organization's assets. Many overcapitalized organizations seek to sell off or rent facilities they can no longer afford to operate. Those with some endowment may seek a shift to higher current yield in preference to holding for long term growth. Some organizations seek to curtail costs by reduction in staff but this may also reduce their services which generate visibility for community support. The staff may also have to forego salary increments or accept smaller ones despite inflationary trends of higher living costs. Many organizations seek to resolve staffing problems by increasing the use of volunteers. Some see the magical answer to their problems in receiving public money.

The use of public money in the form of grants or purchase of service agreements is extremely complicated. Manser and Cass raise the following important questions for organizations seeking to obtain public funds:

> We believe some very fundamental issues are raised for voluntary organizations. Can voluntary agencies receive public money and still retain ultimate control over their purposes, policies, budgets, programs, and personnel--all of which are normal attributes of autonomy and independence? In our view, these issues are raised by whatever form public money takes, whether for a demonstration project, purchase of service, subvention for general purposes, or a lump sum for a particular service. There are some salient questions which voluntary agencies must ask:
>
> Will public money adversely affect other forms of support, such as United way, foundation, or church?
>
> Is the proposed program consistent with the organization's basic purpose?

Would the agency wish to offer the program even if no public money were available?

Will the proposed program divert resources, personnel, effort, or space from activities more central to the organization's purpose?

Will a contract or agreement limit the agency's freedom to an unacceptable degree?[57]

The use of public money by voluntary organizations has many potential effects: (1) the extent to which this may restrict the ability of the organization to engage in legislative activity; (2) the organization will have to develop more sophisticated and objective costing procedures and create very refined standards of quantity and quality of service; (3) confidentiality and newer concepts of rights for clients will need greater attention; (4) matching arrangements with local resources including United Ways may put undo concern on short term versus long run impact services; (5) there may be an increase in proprietary agencies especially when large quantities of service are involved (as is now true in nursing care services and durable medical equipment sales); (6) there will be an accelerated development of planning which will be different from that to which many within the voluntary sector are accustomed. Not all of the above effects are negative for nonprofit management but may be very positive.

In closing Manser and Cass present a very balanced view of utilizing public money:

> Our opinion is that voluntary agencies should not hesitate to utilize public money, but should establish careful ground rules in so doing: That the program should be within their existing purposes and objectives; that not over a fixed amount of the organization's gross revenue (for example, between 25 and 40 percent) should be from public funds; and that the contractural relationship should reflect the organization's own policies with respect to confidentiality, provision of service, and monitoring. The main thing is that the voluntary organization enter into the relationship as an equal partner, and not be thrust into a position where its financial needs compel it to become a mere conduit for public money, modifying its purposes to the availability of money, and subjecting itself to the hazards of an always capricious and uncertain flow of public money.[58]

N. *The Mixed Blessing of Tax-exemption*

> *The matter of permissible legislative activity must be set in the broader context of the extent of commitment of a voluntary organization of influencing public policy. What is the agency's view of itself and its mission? Should the organization devote its entire resources and energies to giving service, or should it be concerned both with those it serves and with those conditions within the community inimical to those it serves and which detract from the quality of life of the community? In other words, is it prepared to influence public policy?*[59]

Tax exemption may be both a privilege and a burden for the nonprofit organization. Much attention has been focused on the supposed benefits of tax exemption, e.g. no corporate income tax, elimination of sales tax, reduced postal expense, discounts on many goods and services. From the cost consideration standpoint, these financial benefits may be vital to the organization's survival. The same rules which grant these benefits also impose heavy burdens. First we must understand what the limits are affecting legislative action for nonprofit organizations:

> *The applicable section of the Internal Revenue Service Code, Section 501 (c) (3)...grants tax exemption only to an organization "no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation."...Neither the Regulations nor any judicial decisions have suggested a formula for determining whether an amount of activity is substantial or insubstantial, or for that matter what is meant by "activities."...It is worth noting that the dedication of something less than five percent of the time and effort of an organization to legislative activity "could not be deemed substantial within the meaning of the section."...The situation is unclear and ambiguous, and thus acts as a deterrent to action. Organizations which consult legal counsel more often than not will get a very cautious opinion as to their rights under the Code. Moreover, the ambiguity of the Code invites selective enforcement by the Internal Revenue Service. An organization may be reviewed because its activities came to the personal attention of someone in the Service, an agency may come up for review because of publicity, sought or unsought, or the Service may act because of a complaint from a Congressman or other public official who feels aggrieved by the activities of the Organization.*[60]

Many in the nonprofit sector believe that the information and views have on matters of public policy should also be available to legislators. They have knowledge and experience from decades of concern which is value to our society.

The following activities are not defined or construed by the Code as representing legislative activity:

1. Testimony provided by request of the legislative body, which aims to take advantage of the organization's expertise and knowledge in a given field....

2. The preparation of technical analyses which emphasize probable outcome of proposed legislation, or stress the impact of present laws...

3. Presentation (defined as educational within the Regulations) which may advocate a particular position or viewpoint.[61]

The overall constraints on nonprofits are different from those faced by the private sector manager. Members of the business community can deduct their lobbying expenses. There is not the same constraint on the percentage of the organization's budget which can be used for lobbying activity. The combined lobbying effort of the business world dwarfs the combined nonprofit's lobbying activity.

O. High Degree of Organizational Interdependence

Harlan Cleveland in his book The Future Executive[62] makes the following comment on the "bright future for complexity":

> Executives are people who bring people together in organizations to make something happen. They live and work in the midst of events they help create. And the name of the game is complexity. "I predict a bright future for complexity in the United States of America," said an E.B. White character in a New Yorker story forty-five years ago. ". . . Have you ever considered how complicated things can get, what with one thing always leading to another?"[63]

Given this complexity, it is not uncommon to see all types of organizations--public, nonprofit, and for-profit--becoming more inter-related.

> Expanding government regulations, emerging notions of corporate social responsibility and shrinking philanthropic resources relative to perceived needs--these place a particular premium on the nonprofit manager's ability to effectively develop and conduct the interorganizational dimension of management, i.e. the relationship between his or her group and other entities. Joint fund-raising and program planning, coalition-building, or coordinated policy-making groups are mechanisms usually alien to the competitively-oriented private sector manager. They call for different skills and styles than those used in conducting the purely internal functions of an organization's affairs.[64]

More and more organizations see a combined role for their mutual planning and cooperation. Getting some of the charitable and governmental financial pie is clearly preferable to getting none at all. As complexity is compounded, managers of nonprofit organizations must widen the circle of those consulted in making decisions, including those traditionally regarded as competitors for clients or financial support. To a large extent, this increase in collaborative action has been spawned by economic necessity. But at the same time, it may also be seen as characteristic of nonprofit managers. They will want more say in management and possess more participatory skills.

There is a pronounced willingness to delegate inherent powers of the agency to fulltime administrators whose primary skills will center around interorganizational complexity. Every major new decision involves the creative manage- of multiple authorities--public as well as private.

Another interesting effect of this organizational interdependence is that can promote a relatively easy interchange among agency chief executive positions within the same community or within the same area of operation. The chief executive from one organization may fairly easily change positions to a comparable position with another nonprofit. This may especially be promoted if the nonprofit is part of a regional or national affiliate organization. The vacancy of one key executive position can touch off a long series of changes for other executives. This has been possible because of the familiarity and involvement with many of the same management functions.

> Management in most third sector organizations is becoming what we call "interface" management or "transorganizational" management. . . . Thayer postulates that transorganizational processes will characterize the most important future environment of management. . . . Transorganizational processes, represented perhaps by the NASA example, essentially

> revolve around the ability of diverse organizations to cross artificial boundaries and coalesce around commonly shared problems and goals. The traditonal notion of organization sovereignity will give way to what Harlan Cleveland has referred to as "interlocking webs of authority and power." Interface management will thus be characterized by more horizontal collegial processes, more interactions across organizational boundaries, and more dialectical organizational structures--that is, structures which both change the environment and are in turn themselves changed by the environment.[65]

P. General Conclusions

The above comparisons have shown that nonprofit organizations have different inputs, internal dynamics, and output than their commercial and (to a lesser extent) governmental counterparts. Based on this one cannot confidently say whether or not these characteristics require a <u>totally</u> different approach to management. But what does this comparison do? It certainly shows that there are many commonalities which can serve as a basis for understanding and collaboration. It also shows numerous areas of contrast where a gentle understanding and appreciation can serve as the basis for much constructive growth between the nonprofit and for-profit sectors. Some additional specific comparisons and applications of the preceeding analysis will be made in the concluding chapters of this paper.

FOOTNOTES FOR CHAPTER III

[1]John Danner and James Mitchell, Designing Effective Strategies for Management Capacity-Building in the Local Sector: Part One of A Pilot Project, Washington, D.C.: The Support Center, 1978, p. 16.

[2]*Ibid.*, 26,

[3]*Ibid.*, 26-27.

[4]*Ibid.*, 28.

[5]Paul B. Firstenberg, "Profit-minded Management in the Nonprofit World," Management Review, (July, 1979), 12-13.

[6]Peter F. Drucker, Management: Tasks, Responsibilities, Practices, New York: Harper and Row, 1973, pp. 137-38

[7]Harold Lewis, "Management in the Nonprofit Social Service Organization," Child Welfare LIV (September, 1975), pp. 616-17.

[8]Drucker, 139.

[9]Charles C. Abbott, "Trusteeship in Profit and Nonprofit Organizations," as cited in Danner and Mitchell, p. 19.

[10]Dorothy Balfanz-Teas, Studies and Strategies for Board Development: the Workbook of a Board Trainer of Voluntary, Not-For-Profit Organizations, May, 1978 (unpublished Master's dissertation). p. 73

[11]Robert Anthony and Regina Herzlinger, Management Control in Nonprofit Organizations, Homewood, Illinois: Richard D. Irwin, 1975, pp. 48-49.

[12]*Ibid.*, 50.

[13]Robert N. Anthony, "Can Nonprofit Organizations Be Well Managed?" Vital Speeches XXXVII (May 1, 1971), 444.

[14]Anthony and Herzlinger, 52-3.

[15]*Ibid.*, 56-7.

[16]Danner and Mitchell, 17.

[17]Daniel H. Fenn, Jr., "Executives as Community Volunteers," Harvard Business Review LXXI (March-April, 1971), p. 9.

[18]David F. Linowes, Strategies for Survival, New York: AMACOM, 1973, 22.

[19]Danner and Mitchell, 18.

[20]Linowes, 22.

[21]Richard Steiner, Managing the Human Service Organization: From Survival to Achievement, Beverly Hills, CA: SAGE Publications, 1977, p. 25.

[22]*Ibid.*, 26.

[23]*Ibid.*

[24]*Ibid.*, 26-7.

[25]M. A. Murray, "comparing Public and Private Management: An Exploratory Essay," Public Administration Review XXXV (July-August, 1975), p. 367.

[26]John E. McClusky, "A Professional Education in Voluntary Organization Administration," Voluntary Action Leadership (Winter, 1979),

[27]Anthony, 444-5.

[28]Anthony and Herzlinger, 29.

[29]Steiner, 27.

[30]Murray, 366.

[31] Sanford Rose, "The News About Productivity is Better Than You Think," Fortune LXXXV (February, 1972), 189.

[32]Murray, 365.

[33]Anthony and Herzlinger, 35.

[34]*Ibid.*, 36.

[35]*Ibid.*, 38.

[36]Linowes, 9.

[37]Danner and Mitchell, 19.

[38]Michael McGill and Leland Wooton, "Management in the Third Sector," Public Administration Review XXXV (September-October, 1975), 447-8.

[39]*Ibid.*, 449.

[40]Steiner, 23.

[41]Linowes, 18-22.

[42]Anthony and Herzlinger, 42-3.

[43]Steiner, 22-3.

[44]Anthony and Herzlinger, 46-8.

[45]American Institute for Research, Technical Assistance Needs Assessment and Resource Idenfication of Voluntary Organizations: Executive Summary, April 1977 (Report to ACTION), p. 4.

[46]Ibid., 6.

[47]Danner and Mitchell, 20.

[48]Cf. lecture notes of John McClusky, Ph.D., Director of Voluntary Association Administration Program, Lidenwood College, Winter 1979.

[49]Danner and Mitchell, 20.

[50]Anthony and Herzlinger, 44-45.

[51]Danner and Mitchell, 21.

[52]Linowes, 89.

[53]Danner and Mitchell, 20.

[54]T. Nicholas Tideman, "Employment and Earnings in the Nonprofit Sector," Research Papers: The Commission on Private Philanthropy and Public Needs, Volume II, Part II, U.S. Department of Treasury, 1977, pp. 326-7.

[55]Danner and Mitchell, 21.

[56]Gordon Manser and Rosemary Higgins Cass, Voluntarism at the Crossroads, New York: Family Service Association of America, 1976.

[57]Ibid., 166.

[58]Ibid., 176.

[59]Ibid, 127.

[60]Ibid., 135-7.

[61]Ibid., 145.

[62]Harlan Cleveland, The Future Executive: A Guide for Tomorrow's Managers, New York: Harper and Row, 1972.

[63]Ibid., 7.

[64]Danner and Mitchell, 22.

[65]McGill and Wooton, 453-4.

CHAPTER IV

MANAGEMENT CONSULTATION FOR THE NONPROFIT SECTOR

A. Introduction

A major assumption of this paper is that the volunteer consultant from for-profit business will generally be an individual with little or no formal experience or training in being an outside consultant. The volunteer consultant will have shown competence in their particular field of endeavor for their company. This is not to say tht the individual may not have served as an internal consultant in their own company for solving managerial problems. A general review of consultation as a process, divorced from any specific occasion of client-consultant interaction is necessary as a basis of planning and understanding the role of volunteer consultant. This brief overview will deal with four general areas: (1) the role of consultant seen from two different conceptual models; (2) the general steps or focuses which have been identified in consultant-client relationships that should be equally applicable to all types of helping relationships and positions; (3) an overview of the impact of organizational characteristics on management demands especially as these relate to the stage of development for the nonprofit organization; (4) the impact of functional characteristics on management with a view toward integregation of both the organizational and functional characteristics.

B. The Role of the Consultant

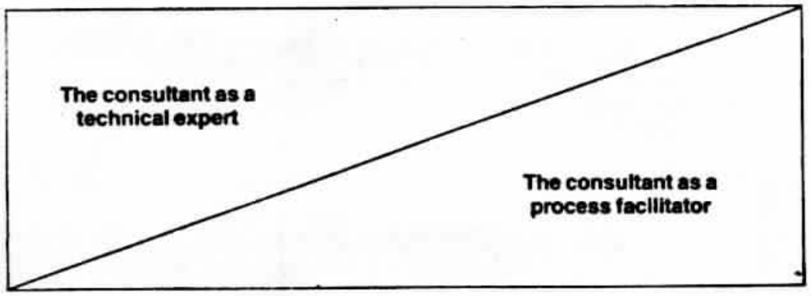
> Consultation is a two-way interaction--a process of seeking, giving, and receiving help. Consulting is aimed at aiding a person, group, organization, or larger system in mobilizing internal and external resources to deal with problem confrontations and change efforts.

> *The values, intentions, and behaviors of consultative interaction differ from those of leadership, supervision, evaluation, therapy, and friendship. However, many persons become consultative when carrying out some functions of the primary roles as administrator, supervisor, counselor, therapist, friend, or patient. The role of a growing number of persons in our society is labeled consultant to describe their helping functions. Many of these consultants function as helpers from the outside.*[1]

When helping other individuals, groups, organizations, etc., consultants behave in a number of roles that they judge to be appropriate to the client's situation and the helper's own style. However there are basic roles which the consultant assumes in going about the helping process. Lippit and Lippit give a brief general review of some of the past literature on the consultant's role. Two specific descriptions or models are most helpful. Lippit and Lippit cite Margulies and Raia[2] who divide consultative roles into "task oriented" and "process oriented roles. Their concept is presented in the figure on the following page which compares task or process orientation for the same seven areas of consultative roles.

(figure on next page)

RANGE OF CONSULTATIVE ROLES



TASK ORIENTATION | **PROCESS ORIENTATION**

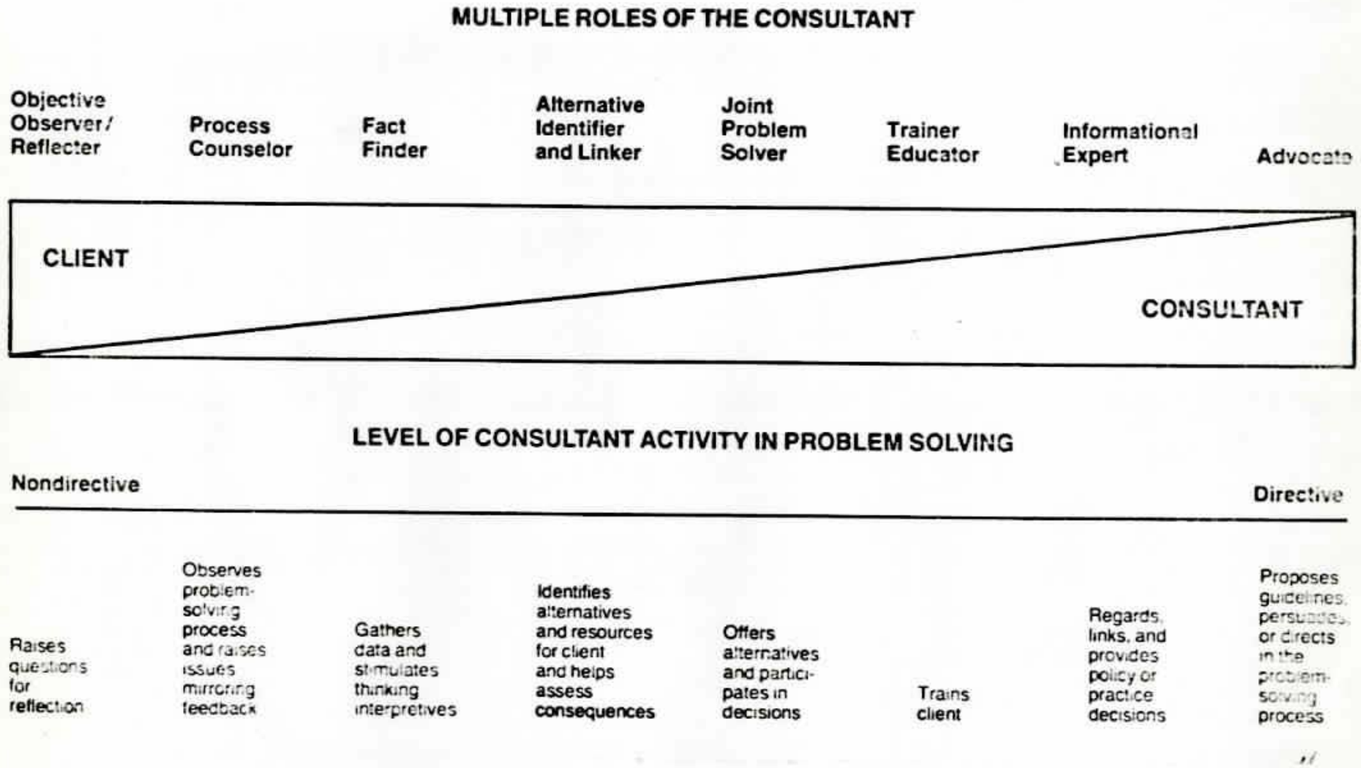
ROLE CHARACTERISTICS

TASK	PROCESS
1. *Problem Verification:* by "expert" evaluation and collection of data.	1. *Problem Verification:* by "problem sensing" and facilitating a clear articulation which includes attitudes and feelings.
2. *Problem Solving:* provides ideas and opinions, designs research for data, and develops solution for the client-system.	2. *Problem Solving:* works on the problem solving capability of the system, improves problem-solving process, and facilitates creativity.
3. *Feedback:* presents research data with "expert" interpretations.	3. *Feedback:* provides meaningful data, facilitates assimilation of data, and allows for client interpretation.
4. *Utilization of Research:* makes specific and concrete recommendations based upon data.	4. *Utilization of Research:* develops client use of data and facilitates action by client based on learning.
5. *Relationship to Client:* is objective, detached, and task oriented. Connection is short-term and problem oriented.	5. *Relationship to Client:* is personal, involved, and process oriented. Connection is long-term and system oriented.
6. *Involvement:* is primarily with the problem to be solved.	6. *Involvement:* is primarily with people and groups in the organization.
7. *Systems Approach:* concern is with implications of the problem for other parts of the organization.	7. *Systems Approach:* concern is for collaborative relationships and exchange of resources among parts of the organization.

The second model of consultative roles is presented by Lippit and Lippit based on their own experience and rerearch. They developed a descriptive model that presents the consultant's role along a directive and nondirective continuum.

> Behavior varies in its degree of directiveness. In the more directive consultant role, the consultant assumes leadership and directs the activity. In the nondirective mode, the consultant provides data, for the client to use or not, as a guide for the client's self-initiated problem solving. These roles are not mutually exclusive but may manifest themselves in many ways at any stage in a particular client situation. We see these roles as spheres of competence rather than as a static con-

tinuum of isolated behavior. . . In the past, the consultant role has been used in a nondirective mode, particularly by those in the clergy or counseling field, or as an expert function by engineers and other technical specialists who are called in by a client to solve a problem. Both of these functions, plus others, are proper and legitimate when done appropriately by a competent internal or external consultant or helping person.[3]



Description of the consultant's role on a directive and nondirective continuum[4]

C. The Phases in Consulting

Several diffenent authors reviewed in the field of consultation enumerate steps or phases for the consulting process. There are variations in the total number of phases and steps delineated. Lippit and Lippit present a good general model for consultation in which they describle six phases of consulting with more specific work focuses under each of them. There may be significant modifications to these phases when applied in a formal management assistance program process. The following is a general summary of their model.[5]

Phase I: CONTACT AND ENTRY

Work Focus 1: Making First Contact. The initial contact for a potential consulting relationship can come from any of the three following sources: (1) the potential client, who is responding to a problem, for a desire to increase their competitive advantage, from a normal operating procedure to seek out and use consultants, or based on the previous experience of the organization; (2) the potential consultant as an individual or as a consultant organization who may seek out new clients with the assumption that they (the consultant) may be helpful; (3) a third party, who perceives a need for help with the client and who may be aware of the skills and resources available through consultation.

Work Focus 2: Helping Identify and Clarify the Need for Change. In this focus, the consultant is involved in either helping the potential client to explain his understanding of the problem or to obtain information about activities within parts of the system that might help isolate and identify the problem. It is especially important to understand what is perceived as the problem. Oftentimes what is presented as the problem is indeed only the tip of the iceberg and indicative of other major areas of more important concern.

Work Focus 3: Exploring the Readiness for Change. It is essential to expore the readiness of the client system to devote the time, energy, and committed involvement of appropriate personnel to the problem-solving process. Likewise, the client has to explore the capability, sensitivity, credibility, and trustworthiness of the potential consultant.

Work Focus 4: Exploring the Potential For Working Together. Here each of the parties explores and tests the potentialities for an effective *working relationship. The typical outside consultant should not fail to consider the conscious or unconscious fears about the difficulties of withdrawing from the working relationship with any previous formal or informal inside consultant, as contrasted to the greater ease of terminating a contract with an outsider. The outsider frequently can more readily clarify the nature of available resources. It is not at all uncommon to have an initial period of testing for compatibility before making mutual commitments for a long-term working relationship.*

These four work focuses in Phase I should produce at least a tentative decision on both the part of the consultant and the client to discontinue the exploration or to move to some kind of agreement about the stated problem, and about the nature, objectives, and conditions of the working relationship.

Phase II: FORMULATING A CONTRACT AND ESTABLISHING A HELPING RELATIONSHIP

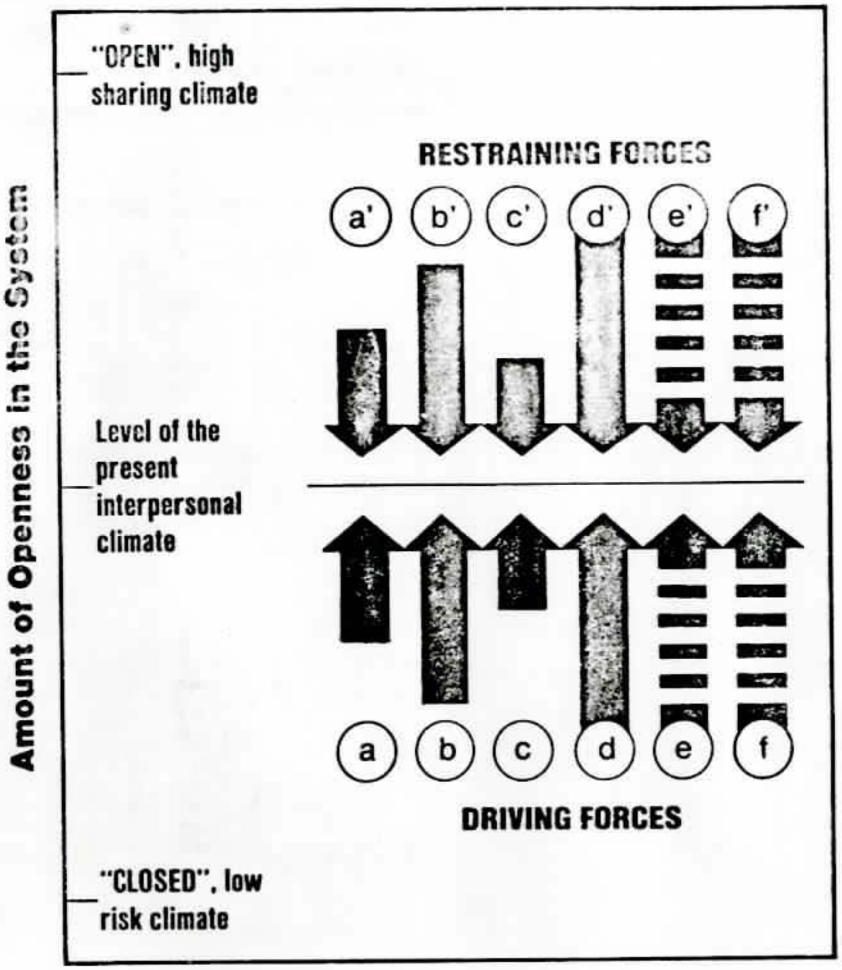
Work Focus 5: What Outcomes Are Desired? It is not enough just to agree that there is a problem or that change is desirable. In clarifying the potential working relationship, it is important to explore what kinds of outcomes might be achieved or would be desirable if the working relationship is successful. At this point, the parties should make a preliminary statement of specific goals and objectives to provide the basis for the mutual understanding necessary to formulate a contract. The outside consultant may be better able to invoke a wider perspective on possible goals and a greater brainstorming approach toward desirable outcomes.

Work Focus 6: Who Should Do What? This might seem like a great oversimplification of the task, however, this is the crux of most consultative relationships. The client needs to know how much time and energy the consultant is willing to put into the helping relationship. Likewise, the consultant has a strong need to clarify who should be involved, what kinds of activity would be feasible, what kind of support could be expected from the top power structure, what kind of financial and time commitments would be made, and how the contract would be terminated.

Work Focus 7: Time Perspective and Accountability. It is important to clarify the projected time period allowed for accomplishing the desired outcomes as well as the evaluation procedures to be used in assessing progress toward the desired outcomes. This time perspective may include agreement about milestones at which the progress of the working relationship will be reviewed and decisions about continuation or termination will be made. It is at this point that a first draft of the contract might very well spell out the key roles, responsibilities, and expectations of all parties included.

Phase III: PROBLEM IDENTIFICATION AND DIAGNOSTIC ANALYSIS

Work Focus 8: Force-Field Diagnosis. Lippit and Lippit rely very heavily on the theoretical formulation of Kurt Lewin's force-field analysis model. The force-field analysis model is used to identify the forces which impede the movement towards projected goals and the forces which facilitate such movement. The following diagram illustrates the principle elements of this model. (See next page.)



The Lewin Force-field Analysis Model[6]

Lippit and Lippit suggest multiple uses of the diagram during the consultation process. This can help clients gain perspective on the numerous blocks and inhibitions, supports, and resources in their operations. In planning this approach, the consultant can identify the potential resources and restraints for moving toward various goals. Still another use, when a specific plan is adopted (see Phase V), is to identify the resources and supports for taking the contemplated action and the kinds of traps to which we should be sensitive in order to insure success. All three uses of the force-field diagnostic procedure are helpful tools in consultation and should be clearly differentiated from each other.

Phase IV: GOAL SETTING AND PLANNING

Work Focus 9: Projecting Goals. Having acquired an understanding of "where we are" and "what our operating problems are," the client should be ready to set meaningful goals. In order to set goals, we must have a clear idea of a preferred and feasible future. Typically this is aided by surveys of what is wanted and needed by those we serve, the pains and problems we are experiencing, predictions of what things are going to be like, and what we would like to see. This means an awareness of major trends in society at large--economic, political, social, etc.--as well as specific trends related to the nature of the individual organization. In most cases, this means starting with one's current goals and a survey of goal priorities.

Work Focus 10: Planning for Action and Involvement: What, Who, and How? When planning the implementation of meaningful goals the key is a sequence of steps toward a goal, often simultaneous steps by different persons or groups. Criteria of when a step has been achieved must be identified, so that there can be clear indications that the group is on the right path or needs to change direction. These also provide a basis for celebration for continuing motivation and group spirit. One of the most critical and neglected phases of planning is an anticipatory rehearsal. It helps answer the question of who should be involved and how to involve them. This sets up new planning sequeences and new goals that are concentrated on involvement strategy.

Phase V: TAKING ACTION AND CYCLING FEEDBACK

Work Focus 11: Successful Taking of Action. Here the key function of the consultant is the skill development necessary for increasing the prob-

ability that the action taken will be successful rather than abortive. The major motivation for continuing effort will come from frequent experiences of cussessful movement on a defined path that leads somewhere. The consultant must also work with key parts of the client system to coordinate multiple activities and the involvement of individuals and units. The outside consultant probably has greater leverage for introducing skill-development activities and for initiating stop sessions in which to look at progress and to review process issues in order to ensure optimal focus of energy on work and support relationships.

Work Focus 12: Evaluation and Guiding Feedback. The continuing assessment of the consequences of action can save more dollars, hours, and energy than any of the consultant's other efforts. Therefore it is necessary to develop an appropriate mechanism of feedback about progress during the action phases.

Work Focus 13: Revising Action and Mobilizing Additional Resources. Feedback is only helpful if it is utilized rapidly to re-examine goals, to revise action strategies, and perhaps, to activate decisions concerning the mobilization of additional resources and changes of assignments and roles. It is necessary to utilize data to confront blockages and resistances to effective action and to suggest alternative courses of action and the need for external resources. At this point, it may be especially important to look at documentation of data.

Phase VI: CONTRACT COMPLETION: CONTINUITY, SUPPORT, TERMINATION. A great problem with much consultative effort is that the changes achieved may be short-run and may be followed by regressions to old patterns. This is because much consultative design does not include a plan for follow-up support of provisions for gradual termination of the consultant's help and installation of the resources successfully used within the system.

Work Focus 14: Designing for Continuity Supports. This may be the most significant test of competence and quality of the consultant. Sometimes this is a plan for a continuing review of events, including and involving a wide circle of personnel from the client system. This may also involve periodic reviews and/or skill training for the involvement of new personnel or inside change agents.

Work Focus 15: Termination Plans. It is key that every consultative relationship must have some plan for a healthy and mutually satisfying termination. This must be established earily to help many intervention steps throughout the consultation. A professional responsibility and goal for most consultants should be to become progressively unnecessary. Unless a termination plan is established, the otherwise successful involvement of the consultant may be diluted by intervention into other areas of operation which have not had the same degree of scrutiny and commitment as the orginal contract.

D. The Impact of Organizational Characteristics On Nonprofit Management Demands

Earlier in Chapter III, I used a chart of the functional demands on the typical nonprofit organization to show the array of management capability necessary for the effective functioning of a nonprofit organization. At this point, the function chart has an additional meaning. Danner and Mitchell[7] demonstrate that each organization faces a unique mix of management opportunities and problems, and therefore must develop its own individualized procedures and systems to cope with them. Yet, there are some common factors which exert a significant impact on the management demands faced by nonprofit organizations. Among these factors are following: stage of development, size, and complexity, role, field of program activity, revenue base, personnel base, management base, structure, stability, operating style and philosophy.

Danner and Mitchell in their original work presented a narrative description of each of these factors. I would now like to cite their specific definitions of these important factors:

Stage of Development

> Prenatal nonprofits face a distinct set of problems and issues in areas of organization creation, e.g. incorporation and tax-exemption, market research, program planning, operational system design, resource acquisition, and the like.
>
> Infant groups may face the need for actually implementing programs on a limited scale, recruiting initial personnel, developing sound relationships with established entities active in their field of interest, complying with state and federal reporting obligations, and developing management control procedures compatible with a part-time, thin management structure.
>
> Mature groups, on the other hand, often require particular help in improving the sophistication of control systems, developing effective program evaluation procedures, sustaining the commitment of key leaders, or planning for facility and personnel needs in the face of program expansion.
>
> Moribund or elderly organizations experiencing decline may need help in redefining their mission, restructuring their operations, or devising an orderly plan for their own voluntary dissolution.

Size and Complexity

> Some management problems are problems of scale. Organizations with substantial budgets, staff, locations, programs, and the like, face a host of complicated problems in such areas as control, supervision, and coordination which their smaller and simpler counterparts do not.
>
> In a labor-intensive arena like this, a major determinant of management complexity is the sheer number of people involved in the organization's activities--as volunteers, employees, clients, or beneficiaries.
>
> An additional consequence of size is often increased visibility, a factor which may complicate the external dimension of organization management.

Role

> Research organizations may face an array of specific management difficulties unlike those confronted by groups whose primary activity is providing social services to individuals, or engaging in advocacy efforts on behalf of certain constituencies. The techniques appropriate in one setting may work poorly in another.

Field of Program Activity

Groups perfoming similar roles but active in a different field, may have management problems which reflect purely programmatic factors, e.g. sources and channels of funding may be significantly different, as may be the nature of interorganizational relations, customs of operating, even terminology used to describe comparable phenomena.

The actual importance of this factor remains to be shown, despite prevailing common wisdom that suggests that the management problems of cultural groups are fundamentally different from those of health groups, for example.

Revenue Base

Institutions with significant endowment income confront an array of financial planning and reporting issues quite different from a group dependent on the uncertain world of foundation grants or the usage patterns of clients paying fees for services received; or from one seeking to qualify for and administer government contracts.

Personnel Base

Organizations with substantial reliance on volunteers, professionals, unorganized, or part-time personnel will encounter a mix of management issues different from those with largely paid staffs, lay persons, unionized, or full-time help, respectively. Problems of motivation, supervision, scheduling, and record-keeping may vary depending on such personnel factors.

Management Base

Other things being equal, one would expect groups with inexperienced part-time, or few management personnel to experience more sever problems than those with a complete complement of trained, competent, and full-time managers. Obviously, the adequacy of an organization's internal management will affect its need for outside help.

There is a great deal to be said for the observation that well-managed organization differ from their more ineffectual counterparts because of a clear "commitment to manage." Groups which view "management" with indifference, ignorance, confusion, or hostility will present a markedly different array of management improvement issues than groups interested in, and familiar with, management concepts and techniques. . . .

Structure

The formality and intricacy of an organization's structure can influence its management problems. For example, an ad hoc unincorporated group (like a hotline), with no specific decision-making processes or lines of authority and no real ties with other organizations, has different management problems than an incorporated chapter of a national organization, with its own governing board, series of advisory bodies, multiple tiers of managers and program administrators, and a standardized manual of procedures.

Stability

Some organizations function in a fairly stable, predictable environment; while others operate in a setting characterized by turmoil and volitility.

Some organizations experience a gradual growth in their activities, enabling them to adapt procedures and structures more smoothly than groups which experience dramatic and rapid fluctuations upward or downward, upheavels which place enormous pressures on existing management systems and processes. An example of this latter type is the historically small grassroots group which wins a major government contract, representing a substantial increase in its customary budget, and requiring a corresponding increase in the sophistication and accountability expected from its internal operations. Another example is the group whose activities fluctuate widely depending on the time of year, e.g. holiday charity programs, fund-raising marathons, etc.

Operating Style and Philosophy

A less tangible, but nonetheless important, factor is that of the style with which the organization functions.

Some groups pursue a rather traditional centralized or hierarchical approach to their activities, while others are avowedly decentralized or "participative" in the decision-making procedures.

Organizations also differ with respect to the formality which characterizes relationships among their members.

Such stylistic factors shape the ways in which management problems manifest themselves, and the organization's response to them.[8]

E. Combining the Functional and Organizational Management Demands of the Local Nonprofit Organization

Dealing simultaneously with all these factors and organizational characteristics of management demands is both impractical and unnecessary. Danner and Mitchell have reviewed all of these characteristics to collapse them into a manageable form to analyze how nonprofit management demands might vary from organization to organization. They do this by developing a two-dimensional framework which relates the functional areas of management to the composite of organizational characteristics. Examples of specific management demands experienced by different nonprofit organizations with different characteristics are then shown. Since there is virtually an unlimited number of possible combinations of stability, style, etc. Danner and Mitchell concentrated on two sets of combined characteristics: "stage of development" and "size and complexity." These two groups of factors seem to be primary determinants of the types of management demands. They assumed that size, complexity, and developmental stage are usually interrelated. To illustrate their approach, they describe three basic stages of development and seven types of organizations which exemplify them:

PRE-OPERATIONAL STAGE

1. <u>Prenatal Nonprofits</u>--In a practical sense, these are groups in their "pre-organizational" stage of development: the period between the gleam in the founder's eye and the day the organization "opens its doors." The basic concerns at this phase are heavily planning and design-oriented, combined with the various formal steps required to create the organization itself.

2. <u>Infant Nonprofits</u>--Usually, this is the stage immediately following creation of the group, a critical period in its life cycle. The major issues here have to do with becoming operational, implementing programs, acquiring initial support, and establishing basic management systems and procedures for running a going concern.

(Continued on the next page.)

OPERATIONAL STAGE

3. Small, Operational Nonprofits--This includes groups who are past their start-up period, and are carrying on their intended programs and activities on a limited scale. Such organizations may have fewer than 15-20 persons involved in their operations, frequently no full-time or paid manager, and budgets of less than $25,000.

4. Medium, Operational Nonprofits--These are experienced organizations conducting programs and activities involving as many as 75-100 people, usually with full-time, paid management, and budgets up to $100,000-$200,000.

5. Large, Operational Nonprofits--Included here would be groups with several years of operational experience behind them, who have reached a scale of activities involving hundreds of persons, a management team, and annual budgets as high as a million or more dollars.

6. Mega-Institutions--This is a special category composed of the "Fortune 500"-type entities in the nonprofit sector: organizations which have become extraordinarily large and complex, often with operating budgets of tens of millions of dollars, multiple locations and programs, and involving thousands of individuals both as employees and volunteers. The management problems of this group are so different in scale as to be almost different in substance from those faced by most nonprofits, and are not included in the scope of our project.

INACTIVE STAGE

7. Moribund Nonprofits--These are inactive or seriously declining organizations of whatever size who are coping with whether to continue as is, significantly redirect their energies, or go of existence altogether.[9]

Several genralizations can be drawn from Danner and Mitchell's approach as outlined above. They chose these three stages of development (pre-operational, operational, and inactive) because they felt that these stages pose fundamentally different and identifiable considerations. The seven organization groups above are not meant to be comprehensive, but rather to illustrate the likely range of characteristics among nonprofit organizations. They did not place greater emphasis on the remaining organizational characteristics which reflects their following assumptions: (1) that they view Role and Program Field as factors which affects the factual context rather than the basic functional content of the management challenges of nonprofits;

(2) while the factual context within which nonprofits operate may change dramatically, the inherent functional skills required of an effective manager remain rather constant from one circumstance to the next; (3) that the organizations Structure and its Personnel and Financial Base exert a more limited influence on the types of management problems with which nonprofits contend; (4) Although Organizational Style and Philosophy, Stability, and Management Resources and Attitudes are important, there is no convenient available way whereby an outside observer can accurately differentiate among nonprofits according to these features.

The following is a specific definition of all the functional management areas drawn from Chapter III:

> Strategic Planning--determining goals and operating policies.
>
> Program--the planning, supervision, and evaluation of the organization's primary activities in pursuit of its mission.
>
> Financial--the acquisition of funds, and control and disclosure of their utilization.
>
> Personnel--dealing with paid and volunteer individuals throughout the organization.
>
> Logistics--handling the physical facilities, equipment, supplies, and support services necessary to the organization.
>
> Other--miscellaneous functions which support the day-to-day affairs of the organization.
>
> External Relations--developing and maintaining healthy relationships between the organization and other actors in its particular community(ies).[10]

To illustrate the variety of functional management demands encountered by different types of nonprofit organizations, Danner and Mitchell assembled foldout chart on the following page which incorporates all of these factors into a two-dimensional framework discussed at the beginning of this section.

A FUNCTIONAL PROFILE OF MANAGEMENT DEMANDS
FACED BY DIFFERENT TYPES OF NONPROFIT ORGANIZATIONS

ORGANIZATIONAL STAGE	PRE-OPERATIONAL	OPERATIONAL	INACTIVE
DISCUSSION	There are two types of organizations here: the PRENATAL and INFANT nonprofit. The former is actually "pre-organizational," i.e., in the period between the gleam in founder's eye and the day the organization "opens its doors." The basic concerns at this stage are heavily planning and design oriented, combined with the formal steps necessary to actually create the organization itself. The latter type of nonprofit is more concerned with becoming operational, acquiring initial support, implementing programs on a limited basis, and establishing basic management systems and procedures for running a going concern.	This includes both developing and established organizations who are beyond their initial start-up stage. The nature, frequency, and complexity of the management problems faced by this group depend far more on their role, size, and scope of activities. As organizations grow, one would expect their problems to become more complicated, and yet their own capabilities should also be increased. Therefore, their management demands may become more specialized, demanding a greater level of expertise from both internal management leaders and outside helping resources. For example, while most organizations will face financial planning issues, the larger and more diversely-funded groups will encounter them in a more complex way than their smaller counterparts with straightforward revenue sources.	This, in a sense, is the inac or moribund organization facing the question whethe to continue as is, significantly redirect or restruct the organization, or go out of existence altogether. O servation of the nonprofit world suggests that this is a particularly difficult stage in the organization's development, as groups struggle to retain their relevance and importance in changing environments.
Selected Examples of Management Demands in Selected Functional Areas			
STRATEGIC PLANNING - determining organizational goals and operating policies	-scanning the environment in which the organization will operate to identify opportunities for new entity vis-a-vis existing programs and activities (preliminary market research) -identifying, assessing, and selecting short and long term goals and objectives by which the organization's development will be guided -determining an appropriate organizational structure for managing the entity's affairs -agreeing on major policies regarding recruiting of key management personnel, governing body members, and program directors -agreeing on major policies affecting other important aspects of the organization's intended activities	-monitoring organizational progress and activities to refine original goals, objectives, and policies in light of accummulated experience -identifying new opportunities for program expansion or development to keep organization vibrant and effective -devising and carrying out procedures for evaluating organization performance	-reviewing organization's condition objectively and assessing its realistic prospects and alternatives -devising a feasible plan fo organizational restructurin and revitalization -developing a sound plan for ceasing operations, and goi out of business -changing operating policies sufficiently to deal with causes of organization's present state (changing governance structure, replacing existing management, attracting new funding sources, etc
PROGRAM - the planning, supervision, and evaluation of the organization's primary activities in pursuing its particular mission	-conducting preliminary research in area(s) of organizational interest to assess community needs, current trends, identify existing parties active in the field, consider possible role for new group -developing prototype program design, including program activities, objectives, structure, responsibilities, etc. -implementing program(s) on a limited scale, and modifying as necessary on the basis of actual experience -initial program marketing or publicity to acquaint potential clients or constituents with organization's activities	-monitoring trends and developments in fields of program interest -refining administrative procedures in light of scale and complexity of actual operations -conducting periodic program evaluations of actual results -modifying program planning based on evaluation findings -improving marketing and promotion practices to enhance program impact -identifying opportunities for program modification, and alerting organization to key risks affecting program activities	-intensively assessing streng and weaknesses in existing p grams to identify opportunit for improvement or change -determining possible alterna tive programs for organizati to initiate as a means of revitalizing itself
FINANCIAL - the planning and acquisition of financial resources, and the control and disclosure of their utilization	-establishing banking accounts and necessary credit ratings -preparing initial estimates of start-up financial requirements to become operational -projecting cash flow demands during initial stages of development -developing strategy for acquiring start-up funding (selection of sources, types and amounts sought from each -- restricted vs. unrestricted, cash vs. in-kind, etc.; preparation of necessary fundraising solitication materials -- literature, proposals, etc.; assignment of responsibilities, and monitoring of results; modifying plan etc.) -borrowing start-up funds if necessary -designing basic bookkeeping system for keeping track of receipts and expenditures -devising simple payroll and accounts receivable procedures as appropriate to personnel and financial structure -creating appropriate budgeting systems, forms, and procedures (line item vs. responsibility vs. program formats, expenditure control vs. organizational control vs. program evaluation/strategic planning purposes, etc.) -selecting appropriate insurance coverage	-refining original financial control procedures in light of current scale and complexity of organization's activities, e.g., its funding sources, number of employees, range of expenditures, etc. -developing long range financial plans and projections to support strategic planning, including major capital requirements -conducting special analyses of financial operations and condition as needed -developing satisfactory auditing procedures -refining fundraising strategies and activities (experimenting with new techniques, expanding scale of past efforts, stabilizing funding base, etc.) -managing investments and other assets to ensure safe, satisfactory rate of return -refining budgeting system to improve management and monitoring of activities and plans based on actual experience -determining lease vs. purchase policies for major expenditure items	-developing financial projections and estimates *of implications of each major alternative under consideration* -keeping financial books and records current during inactive periods -revamping fund-raising strategies to deal with organization's revised goals -devising methods of reducing organization's fixed and variable costs during period of inactivity or revenue decline
PERSONNEL - dealing with paid and volunteer individuals throughout the organization	**-recruiting members of governing body** **-determining personnel needs during** start-up period -agreeing on basic personnel policies (terms of employment, hours, compensation, etc.) -recruiting necessary volunteers and/or employees to launch organization's activities -procuring and using appropriate personnel forms (applications, withholding taxes, time sheets, etc.)	-building an effective management team to run the organization -replacing retiring, inactive, or ineffective members of the governing body -developing and refining policies on personnel matters (affirmative action, hiring procedures, compensation practices, placement, job titles, transfer and promotion, evaluation, termination, grievance, etc.) -developing dependable procedures for attracting necessary personnel (volunteers and employees) -improving Board/management/program relationships -devising collective bargaining policies and procedures if appropriate -promoting professional development among key personnel	**-maintaining morale in the face of organizational inactivity** or decline -adjusting personnel policies to cope with changes in the operating environment (relying more on volunteers to cut expenses, encouraging split and part-time jobs to maintain current personnel, etc.) -negotiating appropriate chang in key compensation policies to respond to *changed circumstances* -arriving at a fair and practical plan for assisting employees, volunteers, and othe associated with the organization to find suitable opportunities elsewhere
LOGISTICS - acquiring and managing the physical facilities, equipment, supplies, and support services required to carry on the organization's activities	-locating available, affordable space to house the organization -converting space for organization's use -designing and ordering necessary stationery, business cards, etc. -acquiring necessary supplies, equipment, or furniture to begin operations (typewriters, desks, chairs, materials, etc.) -applying for mailing permits if appropriate	-developing adequate inventory control system for consumable supplies -devising maintenance procedures for major equipment and facilities -ensuring appropriate security to protect organizational property -monitoring space utilization -improving purchasing procedures to lower costs (bidding, group buying, etc.)	-modifying organization's logistics needs in line with its current position and future outlook -improving utilization of existing facilities, supplies, and equipment to increase organization's flexibility in considering new courses of action

	etc. -implementing program(s) on a limited scale, and modifying as necessary on the basis of actual experience -initial program marketing or publicity to acquaint potential clients or constituents with organization's activities	to enhance program impact -identifying opportunities for program modification, and alerting organization to key risks affecting program activities	
FINANCIAL - the planning and acquisition of financial resources, and the control and disclosure of their utilization	-establishing banking accounts and necessary credit ratings -preparing initial estimates of start-up financial requirements to become operational -projecting cash flow demands during initial stages of development -developing strategy for acquiring start-up funding (selection of sources, types and amounts sought from each -- restricted vs. unrestricted, cash vs. in-kind, etc.; preparation of necessary fundraising solitication materials -- literature, proposals, etc.; assignment of responsibilities, and monitoring of results; modifying plan etc.) -borrowing start-up funds if necessary -designing basic bookkeeping system for keeping track of receipts and expenditures -devising simple payroll and accounts receivable procedures as appropriate to personnel and financial structure -creating appropriate budgeting systems, forms, and procedures (line item vs. responsibility vs. program formats, expenditure control vs. organizational control vs. program evaluation/strategic planning purposes, etc.) -selecting appropriate insurance coverage	-refining original financial control procedures in light of current scale and complexity of organization's activities, e.g., its funding sources, number of employees, range of expenditures, etc. -developing long range financial plans and projections to support strategic planing, including major capital requirements -conducting special analyses of financial operations and condition as needed -developing satisfactory auditing procedures -refining fundraising strategies and activities (experimenting with new techniques, expanding scale of past efforts, stabilizing funding base, etc.) -managing investments and other assets to ensure safe, satisfactory rate of return -refining budgeting system to improve management and monitoring of activities and plans based on actual experience -determining lease vs. purchase policies for major expenditure items	-developing financial proj tions and estimates of im cations of each major alt native under consideratio -keeping financial books a records current during in- active periods -revamping fund-raising st tegies to deal with organi zation's revised goals -devising methods of reduc organization's fixed and v able costs during period c inactivity or revenue decl
PERSONNEL **- dealing with paid and volunteer individuals throughout the organization**	**-recruiting members of governing body** **-determining personnel needs during start-up period** -agreeing on basic personnel policies (terms of employment, hours, compensation, etc.) -recruiting necessary volunteers and/or employees to launch organization's activities -procuring and using appropriate personnel forms (applications, withholding taxes, time sheets, etc.)	-building an effective management team to run the organization -replacing retiring, inactive, or ineffective members of the governing body -developing and refining policies on personnel matters (affirmative action, hiring procedures, compensation practices, placement, job titles, transfer and promotion, evaluation, termination, grievance, etc.) -developing dependable procedures for attracting necessary personnel (volunteers and employees) -improving Board/management/program relationships -devising collective bargaining policies and procedures if appropriate -promoting professional development among key personnel	**-maintaining morale in the f of organizational inactivi or decline** -adjusting personnel polici to cope with changes in th operating environment (rel ing more on volunteers to cut expenses, encouraging split and part-time jobs t maintain current personnel etc.) -negotiating appropriate ch in key compensation polici to respond to changed circu stances -arriving at a fair and prac tical plan for assisting em ployees, volunteers, and ot associated with the organiz tion to find suitable oppor tunities elsewhere
LOGISTICS - acquiring and managing the physical facilities, equipment, supplies, and support services required to carry on the organization's activities	-locating available, affordable space to house the organization -converting space for organization's use -designing and ordering necessary stationery, business cards, etc. -acquiring necessary supplies, equipment, or furniture to begin operations (typewriters, desks, chairs, materials, etc.) -applying for mailing permits if appropriate	-developing adequate inventory control system for consumable supplies -devising maintenance procedures for major equipment and facilities -ensuring appropriate security to protect organizational property -monitoring space utilization -improving purchasing procedures to lower costs (bidding, group buying, etc.)	-modifying organization's logistics needs in line wit its current position and future outlook -improving utilization of existing facilities, suppli and equipment to increase c ganization's flexibility i considering new courses of action
OTHER - miscellaneous functions which support the day-to-day affairs of the organization	-establishing workable system for recording, gathering, and reporting relevant information on organization's activities to key management personnel -creating an efficient filing and records-management procedure for important information (personnel, purchasing, legal transactions, regulatory reports, etc.) -establishing basic procedures for daily office management	-upgrading management information systems consistent with complexity of organization's activities and availability of resources -reassessing and refining previous office management and record-keeping policies and procedures in light of subsequent operating demands -increasing specialized knowledge of key support personnel	-revising office management, record-keeping, and other internal administrative systems as appropriate give organization's response to its current situation
LEGAL - dealing with the legal and regulatory system affecting the organization	-deciding upon appropriate legal form and structure of organization given its intended activities and objectives (unincorporated vs. incorporated); size and composition of governing body, etc. -determining if tax-exemption should be sought and, if so, under what classification under state and federal laws -preparing creation documents (Articles, Bylaws, agreements, etc.) -applying for tax-exempt status and following through to final ruling by appropriate state and federal officials -acquiring any required licenses, permits, etc. required to begin operations -organizing and convening of governing body (election of officers, specification of terms, responsibilities, etc.)	-advising on particular transactions, e.g., loans, contracts, leases, etc. -interpreting governmental regulatory and legislative developments affecting the organization -ensuring compliance with appropriate procedural and substantive requirements imposed by virtue of the group's exempt status or legal form (how decisions are made, what activities are entered into, which forms are filed, etc.) -preparing and reviewing forms used in day-to-day activities (purchase orders, hiring agreements, disclaimers, pledges, etc.) -representing organization's interests in various legal and regulatory forums (litigation, testimony, etc.) -using legal action as part of group's primary program emphasis (public interest litigation, lobbying, etc.) -trouble-shooting (dealing with unforeseen crises like strikes, threatened cut-off of funding, etc.) -advising on major policy issues affecting organizational structure (merger, acquisition, etc.)	-identifying and deciding an alternative methods for ter minating or restructuring organization (transfer of assets, voluntary dissoluti procedures, amendment of original instruments of creation, etc.) -implementing selected alte native in compliance with legal requirements
EXTERNAL RELATIONS -developing and maintaining healthy relationships between the organization and other actors in its particular community(ies) and fields of activity	-identifying and establishing contacts with other principle actors involved in organization's field of activity -developing effective procedures and materials for acquainting the organization's community(ies) with its presence and programs, and for keeping the organization informed about community perceptions and concerns affecting those programs or plans -identifying and following through on opportunities for collaboration with other organizations in areas of mutual benefit	-expanding contacts with other actors of importance to the organization's ongoing activities -building stable relationships with key outside entities on whom the organization depends for support or whose actions it seeks to influence -improving the image of the organization within its operating areas	-establishing new contacts w potential "joint venturers" who may enable the organiza tion to change its course b entering new fields, tappin new funding sources, or improving its traditional program activities -developing effective appeal for renewed commitment by past outside supporters of the organization -identifying likely "benefi- ciaries" (other organizatio or individuals) to whom the entity's resources and expe ence might be helpful, and facilitating the transfer o those tangible and intangib assets

FOOTNOTES FOR CHAPTER IV

[1]Ronald Lippitt and Gordon Lippitt, The Consulting Process in Action, LaJolla, CA: Univeristy Associates, Inc., 1976, p. 1.

[2]N. Marguiles and A. Raia, Organization Development: Values, Processes and Technology, New York: McGraw-Hill, Inc., 1972

[3]Lippit and Lippit, 30.

[4]Ibid., 31.

[5]Ibid, 8-26.

[6]Adapted from M.S. Spier, "Kurt Lewin's 'Force Field Analysis,'" in J. E. Jones and J. W. Pfeiffer (Eds.), The 1973 Annual Handbook for Group Facilitators, La Jolla, CA: University Associates, 1973.

[7]John Danner and James Mitchell, Designing Effective Strategies for Management Capacity-Building in the Local Nonprofit Sector: Part One of a Pilot Project, Washington, D.C.: The Support Center, 1978,

[8]Ibid., 31-33.

[9]Ibid., 34-5.

[10]Ibid., 37.

[11]Ibid., 38.

CHAPTER V

THE PRACTICAL APPLICATION OF MANAGEMENT ASSISTANCE FOR NONPROFITS

A. Introduction

All through the process of this paper the author has sought to develop discrete building blocks of knowledge about the major elements of management assistance efforts, viz., getting one's bearings on the bewildering nature of nonprofit organizations, comparing the similarities and differences between management in the nonprofit and for-profit sectors, and exploring the elements of management consultation. There has been a conscious effort toward application of these discrete elements in a final practical structure. The purpose of this final chapter is to briefly outline how these elements are utilized in the actual practice of management consultation for nonprofit organizations.

As alluded to earlier, management consultation efforts for the nonprofit sector appear to have three major thrusts: 1) outside proprietary consultants in various specializations such as fund-raising, accounting, organization development; 2) other nonprofit groups which have been formed specifically to provide management assistance; and 3) United Way organizations, both locally and nationally, which are developing management assistance programs. Since this paper is dealing primarily with management efforts which directly involve volunteers, I will not focus on the contributions of proprietary organizations. Many giants in this field such as Booz-Allen and Hamilton or McKinsey & Company have made substantial improvements in nonprofit management.

The format of this final chapter will be as follows: 1) to briefly discuss the development of management support organizations in general; 2) to look in depth at one such organization, the Volunteer Urban Consulting Group of New York City, which has articulated its operating philosophy and procedures;

3) to examine the substantial role played by the United Way in fostering management assistance for member and non-member agencies, with special focus on the role of the Greater New York Fund/United Way and the United Way of America national office; and 4) to present some of the author's own thoughts on the application of these operating principles and procedures.

B. The General Development of Management Support Organizations

Management support organizations have initially developed in the last ten years to provide direct one-to-one management assistance to the staff and board of nonprofit organizations. Management support organizations, or MSO's as they are referred to in the literature, are usually involved in aggressive marketing of their services which are often underwritten by foundations, corporations, or large individual donations specifically for this purpose. Either no fees are charged or the fee is adjusted to the nonprofit's ability to pay. Services offered by MSO's range from basic technical services, such as bookkeeping, public relations, fund raising, board development, and human relations training, to more complicated services such as long term planning, resource development, and public policy analysis.

Jonathan Cook, Managing Director of The Support Center of Washington, D.C., made the following report on the state of the MSO "art":

> MSO's are a "cottage industry": They operate in isolation from each other; their management concepts and resources are relatively basic and unsophisticated; they have little technology and few systems; their management concepts and resources are largely self-developed; they depend upon one or two key individuals and/or funders for their survival; their management perspectives are based on untested cliches passed around the dogmatic and unscientific sub-culture of the nonprofit sector. Perceived success or failure in the field is not based on the quality or cost of the assistance given to clients. Rather, the most commonly employed indicator of success is the amount of money raised and spent. Other less significant commonly applied indications of success are appearance of offices, credentials of staff, personal contacts of staff, and perceptions of clients about the services provided. These indicators (especially

client perceptions) probably do correlated somewhat with effectiveness or potential effectiveness, but the correlation is not great for most of these indicators at present. The measure of a "good" MSO has not yet been established.[1]

Cook enumerates the variants of the following basic models of MSO's:

1. Volunteer-matched (when the stated needs of the client organization and the skills claimed by the volunteer are taken at face value, and the two are "matched."

2. Volunteer-managed (when staff do intake, diagnosis, contracting and supervision of the work, and perhaps to screen and review the work of the volunteers.

3. Single service (where the provider organization delivers assistance in one management area such as fund-raising, accounting, or public relations).

4. Multiple Service, Single Type of Client (where the clients are all of one type, e.g. arts organizations).

5. Comprehensive (where multiple assistance in multiple management areas are offered to multiple types of clients).

The five models are listed roughly in the order of their complexity. That is, a "volunteer matched" program is easier to do than is a comprehensive MSO. As for the cost of these programs, they vary greatly. On the average, the volunteer programs have been more expensive in terms of the cost of an hour of service or of a result produced, but this depends on many factors, and in particular, on the specific type of management assistance being offered.[2]

There is a high mortality rate among organizations which aim to provide management support services. Many of them which began in the last ten years, have gone out of business altogether, and others have changed their programs and now do something else. The reasons for leaving the field have been of these three types: inability to obtain adequate initial funding, loss of funding resources, and loss of key person(s). Apparently no organization left the field due to dissatisfaction with the services they were providing (despite the suspicion with which some would regard their services). On the other hand, some organizations have merged. In fact, Cook's own organization, The Support Center, was formed from three separate MSO's.

C. The Operation of a Management Support Organization, the Volunteer Urban Consulting Group of New York

The Volunteer Urban Consulting Group, hereafter referred to by their initials, VUCG, stands out as one of the oldest and best respected of the management support organizations. It is singled out here in some detail, because it has clearly outlined many of the features of its operating philosophy and procedures in its Guide to Operations.[3] VUCG was founded at a time of political upheaval and campus unrest in 1969, as a vehicle for enlisting experienced executives to assist small minority-owned businesses. Two major steps in this were the initial funding of $50,000 raised through the Harvard Business School Club of Greater New York, and later the award of a $250,000 contract by the Office of Minority Business Enterprise of the U.S. Department of Commerce to serve as a business resource center for New York City.

Up until 1973, VUCG's energies were channeled exclusively into assisting minority business.

> In that year, it branched out and began a management consulting program for nonprofits, with the support of the Fund of the City of New York, the Greater New York Fund and the New York Community Trust....Over 200 nonprofit clients have received more than 10,000 hours of consulting time from about 475 corporate volunteers in the areas of finance, internal operations, insurance, organizational structure, marketing and management. . . . To date, VUCG has provided its services for free; only recently has it begun to test an "ability to pay" fee system. "We're watching this test of a fee system very, very carefully," says Executive Director Mahoney. "We work in a market where our clients have budgets from $500 to over $8½ million. Clearly, some can afford us and some just can't. Our cost is caluculated on our estimate of the time VUCG full-time staff will spend on a project. Volunteers give of their time and cost our clients nothing."[4]

VUCG cites as one the the key reasons for their success that they have clearly defined goals:

> Our main function . . . is to define the problems a client faces and manage the consulting project. We restrict ourselves to handling projects that can be completed using the skills of the business sector.

> *Translation: Financial operations and management are the main areas in which VUCG aids its nonprofit clients; it steers clear of program-related problems or fund-raising aid.*[5]

The Guide to Operations of VUCG contains many of the operational and practical features which have been refined in their consulting relationship. The following is a general summary of the key elements from this guide which apply to consultation for nonprofit organizations. It may be helpful to refer back to Chapter IV C, which presented Lippitt and Lippitt's phases of consultation, for a direct comparision of the modifications from the general process.

VUCG serves as a liason between nonprofit organizations which have specific business problems and business people interested in using their knowledge and skills on a volunteer basis to assist them. The major elements of VUCG's program are: 1) to maintain a well-screened, up-to-date, volunteer resource bank; 2) to locate and screen prospective clients to determine whether they can be assisted by VUCG services; 3) to oversee project management critical to the success of the management consulting process. VUCG combines the talents of a small, highly professional staff with hundreds of business volunteers. While the full-time staff gives continuity and professional management, VUCG's broad volunteer base provides an exceptional talent bank of expertise. VUCG volunteers bring background and technical competence from a variety of New York's major corporations and businesses. They come from three major sources: business school alumni clubs and professional associations; individual corporations and firms; VUCG friends and "word of mouth." Individual firms are of two types: the volunteer company approach or those mobilized for special projects. In the former, companies have agreed to be called on an as-needed basis to recruit volunteers with specific skills (perhaps three or four teams from the same corporation), and in the latter VUCG researches the corporate community to identify where available resources should be. Such requests for volunteer assistance have been well received by the corporate community. Most business professionals are anxious to assist and often are surprised and flattered to learn that "a source outside their firm" wants and needs their expertise. For volunteers who are internally recruited by the corporation or firm, agreeing to assist a VUCG client offers a unique new way to be recognized and "work with" members of senior management. Furthermore, many business people have a genuine desire to "do something" for their community, but have not known where to direct their efforts.

When VUCG began its nonprofit consulting program, careful thought was given to developing an effective system for identifying prospective clients. A referral system was designed to maximize VUCG's strength, and at the same time, utilize knowledge and skills of individuals who know the local nonprofit community. This system operates on several levels: 1) corporate or private foundations with retainer relationships; 2) other foundations and public funding sources; and 3) clients recommended by friends. In the first two levels, the main difference lies in the willingness of the referring organization to sponsor the cost of VUCG's services for the nonprofit client. As VUCG's program has grown, nonprofit groups increasingly call directly for assistance.

Client selection and project management are managed by the VUCG staff who provide professional skills in management consulting and a familiarity with the operations of the voluntary and government sectors. All groups requesting assistance undergo careful analysis before they become clients. Several criteria must be met:

1) Is the group serious about its request which must be put in writing?

2) Is the problem which is articulated the "real problem" and one of high priority? Obviously, the answer to the question may be difficult to determine in the early stages of the project. Often what is articulated is only a symptom of a more serious problem. Sometimes a request is received for help in an area which seems to be a low/medium priority. At the beginning of every assignment, VUCG attempts to assess the management problems facing the agency so it can begin to address the most critical ones.

3) Do VUCG staff and volunteers possess the knowledge to find a solution to the problem?

4) Do VUCG staff and volunteers have enough time to solve the problem which may be under some type of deadline? Volunteers are asked to devote an average of two hours a week to their assignment with a ratio of two hours volunteer consultant time for each hour of VUCG staff time.

5) Will the client allocate enough of his or her own time to the project? VUCG make every effort to explain the resources the client must allocate if the problem is to be solved.

6) Is the client the person who has the power to implement project recommendations, should they be acceptable? VUCG believes that the Executive Director and the Board should be involved in the ongoing work of the project to avoid any unnecessary confusion in the implementation period.

VUCG divides the Project management into the following seven phases:

1) Selecting a volunteer team. Staffing a project generally begins with a review of the volunteer skills in the talent bank considering not only the skills but also the personalies and compatibilities of volunteers and clients.

Much of this information is derived from anecdotal comments made regarding the client and/or consultant during the initial evaluation process. For the consultants, who have previously served as volunteers, this may also be based on their past performance with other clients. A team approach is used on consultation and is effective because of the following factors:

a) Volunteers enjoy and learn from exchanging information and discussing management problems with one another on a "give and take" basis.

b) When two or three business volunteers work together as a team, "peer pressure" will encourage team members to fulfill their commitments to the assignment.

c) Because volunteers are employed full time, a team effort insures that one member will always be available if another is tied up or out of town.

d) Not all volunteers work out so team staffing guarantees continuity and completion of assignments.

2) Briefing volunteers is done because most VUCG volunteers are unfamiliar with the nonprofit community. This briefing is relatively informal over a luncheon at the VUCG offices with talks by VUCG staff on past consultations and approaches, along with imput from other past volunteers. This overall process also involves specific briefing on the specific type of problem and background of the presenting organization, once a definite assignment has been made.

3) Introducing volunteers to the client and writing the initial work plan. During this meeting, problems areas are examined and the elements of a work plan are developed. This lists the objectives of the project, strategies, individual responsibilities, and target deadlines. The plan takes the project from its inception through its conclusions. Later, the plan is refined and presented to the client for approval.

4) Engagement Management. After a work plan is accepted, the VUCG staff assumes a managerial role by maintaining regular contact and taking responsibility for modifying work plans as new information becomes available. A rather extensive description of these roles and responsibilities for various actors in the consultation process is contained in Appendix C of this paper.

5) Managing the implementation of project recommendations. The most important aspect of VUCG's work is ensuring that the project recommendations that are accepted, are implemented. There are several reasons for this: 1) with scarce resources VUCG only accepts clients with an intent on problem resolution; 2) philanthropic dollars supporting VUCG are best used when projects are successfully completed; and 3) volunteers lose their willingness to be assigned to a new client if they aren't able to see project recommendations through to completion.

6) Terminating the Project. When an assignment has been successfully concluded, VUCG staff writes letters to all participants to officially "end" the project. Termination letters to clients became necessary because many nonprofit groups felt that once VUCG was involved with their organizations, they were involved forever.

7) Evaluation. At the end of each assignment, questionaires evaluating the project are sent to volunteers and clients. Volunteers are asked if they were properly briefed, helped adequately by VUCG staff during the project, and if the results of the project were meaningful. Clients are questioned about staff and volunteer skills, project management and the workability of recommendations. The questionaires are compared for trends, common strengths and weaknesses, and areas where one staff member can assist another.

In addition to its excellent Guide to Operations, VUCG made available to the author a copy of a qualitative study[6] of VUCG's consulting services. The study was conducted by two of VUCG's own volunteers and staff. I would like to make some extended presentation of their findings from client and volunteer feedback because they deal with the reality of practice which is sometimes removed from the theory of how "it ought to work." While the comments relate directly to VUCG, they could have application to most MSO programs assisting nonprofit organizations.

Nonprofit Client Feedback: (first on the plus side, then the minus side)

1. VUCG is not bureaucratic--no major presentations, proposals, investigations, etc. are required prior to VUCG undertaking a consulting project. This is in sharp contrast ot clients' past experience with other organizations offering support ot nonprofit groups.

2. VUCG establishes a good, informal rapport with clients--they make a great effort to focus in on each particular client and his/her specific problem(s); they seem to "care."

3. VUCG works fast--a clear funciton of #1 and #2 above, and a clear advantage of VUCG vis-a-vis other volunteer consulting groups.

4. VUCG identifies, focuses and prioritizes the client's basic problem(s)--giving the client a clear grasp and understanding of what his/her needs really are, and in what order these needs must be addressed. (Good volunteers are seen as being particularily helpful in this phase of a project).

5. VUCG is interested in teaching and training--rather than "just consulting" or "just doing", VUCG wants to arm each client with sufficient skills so that he/she will be able to handle future problems as they may arise.

6. VUCG offers a wide range of consulting expertise--they can handle all types of problems (accounting, office management, legal services, marketing, etc.), obviating the need to contact more than one consulting group: one-stop shopping if you will.

7. VUCG staff acts as coordinator of volunteer efforts--sets up timetable, sees that the "match" is good, stays on top of newly-emerging problems, coordinates volunteer teams.

8. _VUCG's activities take place away from the client's office_--a particular benefit in those situations where a client's staff shows signs of being suspicious of "outsiders interfering."

9. _VUCG stiffens spines_--in other words, buttressed by all of the above, some nonprofit clients can become more secure in dealing with their boards, their funding sources, etc.

Nonprofit client feedback on the _minus_ side:

1. _Volunteer "overkill"_--for many nonprofit clients, the high level of volunteer expertise can be intimidating, if not undesirable.

...First, the high-level volunteer often comes in with a cannon to do a fly-swatter's job--that is he/she introduces too big a plan for what is, in most cases, a small client organization and/or a relatively small problem.

...Second, the volunteer's skills may be too specialized--i.e. he/she can expertly overhaul the accounting system but pleads the "fifth" if asked about a personnel matter. Further, the highly specialized volunteer has on occasion "fallen in love" with the _task_ at hand and forgotten that he/she is supposed to be working with and helping an _organization_.

...Third, the fact that volunteers often come from giant corporations _per force_ seems to make them somewhat ritualistic and/or inflexible in approach, and somewhat short on an understanding of the _gemutlich_ style and functioning of many small nonprofit groups. Nonprofit clients want the benefit of big-business expertise, but they, quite understandably, are not ready for their organization to be turned upside down and remodeled along the lines of a giant corporation.

...Fourth, some [illegible] find that it is hard to have a give-and-take relationship with a high-powered volunteer in that they are "not comfortable challenging a vice-president."

2. _Poor volunteer orientation_--leads to a lack of understanding of many clients' _raison d'etre_ and mental set--even their vocabulary. While nonprofit clients want to be helped, by and large, they want to be known and loved for what they are. They want to survive but they don't seem to want to make any dramatic changes in the basic philosophy or character.... Along these lines, lack of volunteer orientation can lead to client/staff resentment of the "hot shot" outside expert who doesn't understand them.

3. _The timing problem_--can be a consequence of two things: 1) the time it takes for VUCG to find a volunteer with the appropriate expertise for a given client's problem, and 2) the fact that volunteers are just that--volunteers--and they are not always available to respond instantly when a client calls (this may be further exacerbated by the fact that volunteers are often from the ranks of "busy" top management).

Another aspect of the timing problem worth mentioning is that speed seems to be less of a problem hwere a specific product is required of a volunteer (e.g. a procedure manual, a brochure design, a general ledger outline, etc.) and more of a problem when the assignment is basically a consulting project (e.g. data retrieval systems, overall personnel management, landlord negotiations, etc.). This most likely occurs because, in the former instance, volunteers can fit the project into their own schedule, while, in the latter case, the volunteer must meet and/or work closely with the client at mutually agreeable times.

4. Carrying out the assignment--may also present difficulties as most nonprofit organizations do not have the benefit of large staffs. Their personnel often do not have the time to complete tasks necessary for the resolution of their problems and volunteers are often expected to take on more than a consulting role. This can be sharply at odds with the volunteer's perception of his/her role.[7]

Volunteer Feedback

On the plus side--

1. Volunteers are highly motivated--they have a sincere desire for participation in the area of public service. VUCG affords an excellent opportunity to fulfill this goal. In addition, some volunteers derive personal benefits: consulting experience, an enhanced resume, some ego gratification. Whatever the motivation, volunteers benefit from their experiences.

2, Volunteers are capable--they appear qualified to work with clients in their areas of expertise. As will be discussed later, in some cases their capabilities may be more than is required; however, the experience they bring to projects seems well matched with client needs.

3. Volunteers want to do more--for the most part, volunteers derive much satisfaction from working on VUCG projects. While individual assignments may cause frustration, the overall assessment of their experiences is quite positive. Volunteers look forward to being recontacted for further assignments.

4. Volunteers are sensitive--change does not come easily and volunteers recognize the need to approach and work with clients in a diplomatic manner. They feel an obligation to sell themselves and their ideas if an effective solution is to eventuate. They are sensitive to signals to "back-off" or "soft-pedal" some recommendations but will do whatever possible to see that all vital steps are initiated.

5. Volunteers are tenacious--they seem more than willing to be involved in projects which span months, and do not seem deterred by projects which require a good deal of their time, providing that clients live up to their part of the bargain along the way.

6. The volunteer experience is rewarding--volunteers derive much satisfaction in the knowledge that they are able to successfully impact on improving the operations of a nonprofit organization or minority business.

7. VUCG control and coordination--in all but the most clear-cut projects, volunteers want and appreciate current staff efforts with respect to project coordination. This is seen as an essential element in keeping projects on schedule, in seeing that clients live up to their responsibilities, and in helping volunteers stay on target. Providing a timetable keeps the project moving, and allows everyone the opportunity to schedule their time appropriately. In multi-volunteer efforts, this coordination is vital. When absent, volunteer efforts have been impeded, resulting in frustration on the part of both volunteers and clients. Volunteers working on the same project would have difficulty in coordinating their efforts without VUCG assistance.

8. VUCG support--since the volunteer is acting as a consultant, he/she may, at times, have difficulty in gaining client agreeement and understanding. The VUCG staff plays an important role in arbitrating differences and in bringing about resolutions. There is strong appreciation on the part of volunteers for such cooperation.

On the minus side--

1. Conflict in the orientation of corporate business and nonprofit organizations--solutions appropriate for a large or medium-sized business are often overwhelming to a nonprofit organization. Some big business procedures may be too sophisticated or more time consuming than desired. There is a consensus of opinion that volunteers are inclined to attack problems to a finer degree than anticipated by nonprofit clients.

This dicnotomy may have as much to do with volunteer attitudes as with philosophical differences in business orientation. Volunteers recognize that their criteria for a job well done may go beyond client needs, and they sense the need to draw a line between their own personal expectations and an appropriate client resolution. Nevertheless, conflicts in orientation are present.

2. Projects are often amoebic--they seem to grow as volunteers become more involved, causing volunteers to question the screening process, and the role they must play in the volunteer effort. While some volunteers understand VUCG's policy of assigning one project at a time, they can be hampered in their work by hidden problems which emerge.

3. Volunteers are not support staff--with the exception of projects where volunteers are contacted to carry out a specific function beyond client capabilities, volunteers expect the clients to do the actual work required for the project. Since this is, at times, at odds with clients' desires or expectations; it may be a function of clients not clearly understanding the volunteer role, or perhaps an unspoken wish for the burden of work to be lifted off their shoulders.

4, Lack of client follow-through--many volunteer projects involve client preparation. Whether due to a lack of interest or time, volunteers are resentful of what appears to be a lack of client commitment. They sense that some projects may not be of top priority to clients and that, in many cases, the results of a project do not have a direct bearing on the operation of the organization.

5. Lack of board agreement--often projects will hit stumbling blocks or be terminated because VUCG recommendations are inconsistent with the approved direction of a nonprofit organization. This may be due to a lack of board involvement in defining project objectives or nonagreement on the nature of the solution to be effected. Volunteers would appreciate interaction with board members to avoid such problems.

6. Terminated projects are frustrating--projects may terminate due to a lack of client interest, because the direction the project is taking is too cumbersome, or because the suggestions are inconsistent with a desired method of operation. Volunteers resent the time and energy expended when they sense that up-front conversations might have avoided unnecessary work on their part. However, they do realize that many clients terminate only after they realize how much is involved in the project, which usually occurs after a porject has been initiated.

7. Volunteers may not be well suited to some clients--while volunteers are quite capable in their area of expertise, it may prove profitable to offer small nonprofit organizations advice from nonprofit consultants or from volunteers with a small business orientation. Suggestions from these volunteers may be more readily adaptable.8

The Volunteer Urban Consulting Group is to be commended for initiating the above cited study and for honestly sharing its results. The content shared is certainly applicable to almost any management assistance program effort. It is easy to correlate the specific comments made in the study with previous background on common complaints lodged against nonprofit organization, trends and generalizations affecting nonprofit management, simularities and differences in management attitudes and structural concerns between nonprofit and for-profit, and specific elements of the consulting role modified in typical MSO's. All of these key elements have been given extensive consideration in earlier chapters of this paper.

D. Management Assistance Programs As Seen From the Perspective of United Way.

In March 1979, the United Way of America produced an excellent resource guide entitled the Management Assistance Program.[9] The first model of Management Assistance Programs (generally referred to as MAP), was initiated by the Greater New York Fund/United Fund in response to an expressed need by member agencies for help in development and improvement of agency management. For this reason, a general summary of the New York program will be given, as well as additional modification made in the model developed by the United Way of America for other member organizations.

Greater New York Fund/United Way.[10]

The New York MAP was initiated in 1971 based on a feasibility study of the program with several United Way agencies on a voluntary basis with several companies offering their assistance. Their program objectives were two-fold: 1) to assist agencies in improving their management practices by providing research, training, and consultation; and 2) to assist agencies in their management development by considering and providing management assistance grants or loans based on the specific needs of an agency. There were several principles underlying the program objectives: 1) MAP is designed to strengthen the agency's management core, i.e., the central administration for all agency operations; 2) MAP is predicated on the agency's requesting such assistance to protect the agency's autonomy which is reflected in their sensitivity to discuss or review their particular management problems with outside sources; 3) management assistance should be separated from the regular allocations process of the United Way; 4) MAP can assist both member and non-member agencies to enhance United Ways's role in the community as a central resource in facilitating the delivery of service; and 5) the United Way can serve as a catalyst to bring together appropriate community resources (volunteer potential with management expertise in recruiting companies and individuals to assist in management assistance).

The New York MAP is divided into three parts: research, training, and consultation. Topics for management research are identified through year round contact between United Way staff and member agencies to provide executives with reference material which they can utilize in further developing the management of their agencies. Training programs are focused on management subjects geared for agency executives, senior management personnel, and board members when appropriate. Consultation is designed to assist specific agency management problems. Several exhibits are attached to the Appendix which give an overview of some of the specific examples of operation by the New York United Way for all three areas. An additional set of material is also presented on efforts by the United Way program in St. Louis specifically in the area of training. The local MAP effort in St. Louis, in cooperation with the Service Agency Council, (a steering committee of 20 agency directors from United Way member and non-member agencies) cooperated in developing and reviewing an extensive training program and priority of training needs.

United Way of America

The Management Assistance Program produced by the United Way of America represents a substantial refinement of the operational practices of the Greater New York Fund/United Way. This refinement, building on the efforts of additional United Way organizations, goes into more detail (suitable for replication in local areas regarding the potential benefits of MAP; operational principles, which especially includes the addition of confidentiality; as well as a number of ways to organize, promote, and operate a MAP.)

Of special interest to this study is the attention focused in the national guide on the elements of orientation for volunteers who are involved as consultants in a local MAP:

> Explanation of MAP, including support services provided by the United Way;
>
> Explanation of the role of a management consultant;
>
> Explanation of the responsibilities of MAP volunteers . . . .
>
> A general description of the environment in which human service organizations operate;
>
> All specific background information concerning the volunteer's specific agency background.[11]

The national guide also develops a number of other significant areas applicable to MAP such as management seminars and training, as well as extensions into management research, management grants and loans, as well as university management training programs.

In August 1979, the Services Outreach Division of the United Way of America (which produced the Management Assistance Program guide) conducted a survey of United Way organizations on the status of local MAP implementation. There were 57 responses to their four page questionaire which indicated some type of local implementation. Fifteen of these responses indicated that they were presently organizing a local MAP since the publication of the national guide. (An initial analysis of the survey results in early Fall 1979 was different from the current update as of the time of my study in the Spring of 1980.) With five additional responses from the first survey results (52 responses up to 57) there were seven more programs in the planning stage in the Spring of 1980 than in the previous Fall. Twenty-nine programs were in operation with the earliest operation commencing in fiscal year 1975-76. This did *not appear to fully consider the commencement of the New York program. Of the total, only nine had listed themselves in full operation in August 1979. Fully two-thirds of all the MAP's began operation within the last calendar year. From personal contact with several individual MAP's nationally the author is aware that many had begun independent planning efforts well in advance of the publication of the United Way of America's guide. However, it is the author's contention that this national guide and the demonstrated interest of the United Way of America represents a significant factor in the future of development of the total Management Support Organization movement nationally. This will be developed somewhat later.*

A very interesting feature of the overall United Way studywas MAP's position in their local United Way's organizational structure. Approximately two-thirds of those responding to the survey affirmatively indicated that they had been placed within an existing local division, most commonly with Allocations or Agency Relations. This may present a tragic flaw in the development of MAP as a useful tool for the United Way <u>member</u> agency, which might consider requesting assistance. Despite substantial efforts to ensure confidentiality of management data on problems from presenting United Way member agencies, it would be naive not to surmize that this close connection would nonetheless be perceived as perhaps "too close for comfort" by the executive director and/or Board of Directors of the presenting agency. It is not unusual, then, that several MAP's in operation project that most of their potential clients would be <u>non-member</u> agencies.

The study also provided data on several other areas on information on MAP development on the local United Way level. In most cases, a professional level person had been assigned direct responsibility for MAP, although two-thirds then indicated that a volunteer MAP committee chairperson had not yet been appointed in the Fall of 1979. Because most MAP's were still in the early stages of development locally, most had not as yet actively promoted the assistance program. Most, however, intended to, or were presently conducting MAP seminars for "generic" problem areas of management. The source for any consultants utilized, came primarily from the United Way staff, followed closely by university personnel, and then from for-profit companies. Most of local programs had not visited another MAP to learn about actual operation. Surprisingly, most did not desire additional "outside" assistance. Allocations of funds for the local MAP's range from a minimum level of $200 to $155,000, with most of this amount coming from the United Way although there were some foundation funds as well. Funding reports appeared to be incomplete and therefore not fully representative of the total United Way investment. Since many MAP's were in the early development phases, no doubt the financial investment will climb in the future. The United Way of America is also planning to strengthen this national program effort with future training sessions and the development of additional support material. This author sees the future role of United Way as very significant for the development of the management assistance thrust.

E. General Thoughts and Conclusions On Management Assistance Programs

There comes a point in every extended study, after the author has gathered material from many sources and woven it into a unique product, that he is called upon to give his own thoughts and impressions. The purpose of this final section is to provide an opportunity for the author to share some of his own brief reflections on the content of this paper and its meaning. By no means has this study answered all the pressing questions or uncovered all the facts. Hopefully it has raised many additional questions in the minds of the reader. Sometimes after completing a chapter or section, the thought was raised of how to further dissect, analyse, or clarify it later. Many times this was incorporated into the text through the selection of the data or in its very presentation. At best, this final section of the study can highlight a few important features.

First and foremost, it is important to state that the entire area of management assistance programs, their underlying theory and their actual application strategies, has proven to be a most intriguing study. Certainly this has been frought with all types of imperfections and difficulties in trying to develop a solid knowledge base, yet at the same time, it offered tremendous opportunities for knowledge building and creativity.

No single, unrelated, noncomprehensive management support organization appears to have the potential for a significant impact on the overall quality of nonprofit management as a whole. There is increasing evidence, however, that there is growing collaboration among independent MSO For example, the 1979 National Conference for Management Support Organizations devoted an entire chapter of its proceedings to the subject of collaboration. Also in the last year the United Way of America has fostered the development of management assistance among local communities. The study conducted by Danner and Mitchell has served as a solid foundation for articulating funding strategies for various types of MSO's. Their study also emphasized how the purpose of this final section is to provide an opportunity for the author to share some of his own brief reflections on the content of this paper and its meaning. By no means has this study answered all the pressing questions or uncovered all the facts. Hopefully it has raised many additional questions in the minds of the reader. Sometimes after completing a chapter or section, the thought was raised of how to further dissect, analyse, or clarify it later. Many times this was incorporated into the text through the selection of the data or in its very presentation. At best, this final section of the study can highlight a few important features.

First and foremost, it is important to state that the entire area of management assistance programs, their underlying theory and their actual application strategies, has proven to be a most intriguing study. Certainly this has been frought with all types of imperfections and difficulties in trying to develop a solid knowledge base, yet at the same time, it offered tremendous opportunities for knowledge building and creativity.

No single, unrelated, noncomprehensive management support organization appears to have the potential for a significant impact on the overall quality of nonprofit management as a whole. There is increasing evidence, however, that there is growing collaboration among independent MSO For example, the 1979 National Conference for Management Support Organizations devoted an entire chapter of its proceedings to the subject of collaboration. Also in the last year the United Way of America has fostered the development of management assistance among local communities. The study conducted by Danner and Mitchell has served as a solid foundation for articulating funding strategies for various types of MSO's. Their study also emphasized how the how the current or potential funders of MSO's could use leverage to increase collaboration among providers. Mutiple, collaborative sponsorships for MSO projects appear to have great viability, and indeed may hold the key to their survival.

Although there may be great variations in the extent to which MSO's will be either staff intensive or volunteer intensive, it is without question that the volunteer will play a key role in the development and implementation of a viable future effort. This does not rule out the substantial impact from proprietary management consultants nor the impact from nonprofit MSO's who choose to operate without volunteers or with a limited use for volunteers. The key to successful volunteer development, to my mind, will be to facilitate the technological transfer from the volunteer's experience in for-profit enterprise into the nonprofit sector. This means orientation for not only the voluntary consultant, but also for the nonprofit client--executive, staff, and board. This orientation must not only include specific facts about management, but also more subtle information about expectation levels, pitfalls, and opportunities. Even if a MSO such as the VUCG, which enjoys an excellent national reputation, deals only with "business" issues of nonprofit organizations, the orientation of volunteers and clients remains a high priority. The Fitzgibbons and Kane study on VUCG bears this out in several comments quoted earlier in this chapter. It would be a mistake to see that all of this orientation only be directed toward the potential volunteer consultant. Many of the "generic" problem solving seminars being developed by MSO's, especially those sponsored through the United Way programs, ought to include training on how to prepare for consultation and how to achieve the most from the process. The training for nonprofit managers also ought to deal with the common stereotypes held by nonprofit organizations about for-profit enterprise, its current practices, etc. The misinformation about the facts of management are not limited to the businessman's misunderstanding of the nature of nonprofit management.

Danner and Mitchell, whose work has been the primary reference for this entire study, make the following analysis and assessment of management consulting for the nonprofit sector:

> This approach offers the capability of tailoring management advice to the particular circumstances of individual orgainizations and managers, as opposed to more general education, training, and self-instruction programs. It is frequently the best answer in situations reguiring short-term, specialized attention, but occuring too infrequently to warrant hiring new personnel full-time or training existing nonprofit managers. Management consulting can also be valuable in terms of giving the organization's leadership an independent, unbiased assessment of its condition and alternatives, without fear of the internal consequences of suggesting controversial actions.[12]

Mach of Danner and Mitchell's negative view of management consulting centers on their concern about its low cost-effectiveness, the fluctuation in quality among management consultants, the unavailability of certain types of consulting resources to serve the needs of small community nonprofit organizations, and the inaccessibility to management expertise found in other nonconsulting organizations. Many of these negative features about management consulting can be overcome by the MSO which utilizes well-oriented volunteer consultants. The direct cost of consulting is usually the expense of the MSO for matching and/or staffing the client-volunteer effort. Quality remains a problem, but a solvable one, as was seen from the Fitzgibbon and Kane study of VUCG. The linking function of the community-based MSO can form the network for both needs and resources.

> There is a common perception that consulting services are expensive. . . . There is an important other side to the question of consulting costs. Frequently, they are less expensive than the alternative. Indeed, from the point of view of user organizations, consulting services should only be used when they are <u>less</u> expensive than doing the work internally in the client organization. This generally occurs when the work or information which is needed is: 1) nonrecurring, 2) specialized or technical, or 3) being learned for the first time. In these circumstances, which occur frequently in every organization, the most cost-effective choice is often to seek help. Often, the obtaining of that help is critical to the survival or effectiveness of the nonprofit organization using the service. Given the amount of philanthropic resources being invested in nonprofits which cannot reasonably be expected to be well managed without outside technical assistance, the development and promulgation of the most cost-effective consulting mechanisms are essential ingredients in any fully developed system for making the nonprofit sector work.[13]

For the MSO which uses volunteer consultants, there can be thorny questions of allegiance to either the client or to the volunteer. While the "right" answer tilts toward the client organization, it may not be as simple as that. The volunteers and/or their firms may be vitally important to the survival or at least the success of the MSO. Many corporations and firms which supply volunteers may be financial contributors (actual or potential) to the MSO. The problem is more complex for the United Way based MSO which may have to deal with a whole set of thorny issues on the use of volunteers from strong financial corporate supporters of the United Way.

Many middle management executives, probably the most available source of management assistance volunteers, are the potential chief executive officers of the future. Developing strong philanthropic ties based on a positive consulting experience for these volunteers can have long range consequences.

It may be more difficult to avoid using a volunteer from a strong corporate supporter if the MSO determines, either in advance or after an actual consulting experience, that this individual will simply not function well working with nonprofit organizations. This may be due to an inability to make the necessary technology transfer. There may also be more subtle personality or attitudinal factors.

Perhaps the middle management executive has been volunteered by senior management of the firm but the individual really has no interest in functioning. The corollary is already apparent in the loaned executive program whereby the firms "volunteer" some of their personnel for fund raising purposes. Although management consulting may present a closer match to the middle manager's own experience and inclination than fund raising duties, simply the time commitment away from other pressing duties may cause a negative attitude. This author has no definitive solution other than emphasizing a thorough orientation for the volunteers and a process whereby both the volunteer and the MSO they would try to assist can avoid a direct confrontation on the issue.

Since MSO's working with the nonprofit sector also depend on outside funds for their own support from corporations, foundations, individuals, and perhaps United Way allocations, there can be a de facto competition with some of their own actual or potential clients for the same funding dollars. In many respects, the advent of the United Way into formal management assistance programs adds a new dimension which has not been adequately treated in the MSO literature. United Ways certainly see a great attractiveness to funding MSO extensions since this will engender positive response from management oriented corporate leaders. However, since many United Ways have developed a policy of providing the start-up funds for a program with only short term funding until the program can be self-sustaining, seemingly some United Way launched MSO's may find themselves competing with the United Way for corporate funding support. However, here I believe that there will be less competition than meets the eye. The United Way could always justifiably take credit for initial and/or continued support of the MSO. In my opinion corporate funders are likely to view their own separate support of good MSO's as different than their support of United Way, much in the same way that they view their support of non-United Way charitable endeavors. Very few corporate givers totally restrict their giving exclusively to the United Way but follow a myriad of criteria for supporting non-United Way projects. Since many local corporations and foundations are rather parochial in their furding focus, this author could envision that their direct support of a locally based MSO might not detract at all from their United Way support. Indeed it may in fact increase funding potential from the corporation and provide an appropriate channel for foundation funds which appear to be more limited for United Way program endeavors.

I have already alluded to what I consider a tragic flaw in United Way MSO's, i.e. their organizational placement within or too close to the allocations process. Unless this question is dealt with directly, there is grave concern that member organizations, especially the larger ones, might not come to a MAP for assistance despite a great need to do so. Perhaps an effective way to deal with this problem is to have the United Way initiate the MAP or help it through its start-up period, and to then launch it idependently as soon as possible thereafter. The development of an adequate fee structure, even for those fully or substantially funded by United Way dollars, would be one of the first major supports for this eventual independence. Despite all efforts to face this problem, however, it may still be a classic Catch-22 situation.

Efforts to develop and expand training programs for nonprofit management through MSO's can lead to complications. These programs can result in no more than a string of unrelated "one shot" experiences conducted under the same auspices. Since many agency managers already possess a bachelor's degree or even a graduate degree, they may feel the necessity to direct the training experiences towards a recognizable academic goal. The provision of academic credit for management experience, previous MSO seminar attendance, etc, will become key issues along with the kind of teaching methods and procedures geared toward the adult learner who is employed fulltime. Since many of these seminar sequences will have the same direction from the MSO and a recurring audience, I would predict that they would get beyond the "how-to" stage and begin to look for more of a theoretical basis for information on management in the nonprofit sector. Since this would enhance carryover to other work settings, the trend would blend more easily into a frankly academic orientation. Trial efforts to link MSO management seminars to academic credit have already taken place at Lindenwood College in St. Louis and at Columbia University in New York City.

It was envisioned by this author that several of the individual chapters or subsections of this paper might be seen as free standing units focusing on discreet information areas. Each of these units could serve as a knowledge building block for application into other area, e.g. utilization of the trends and generalizations material might be made a part of a new board member orientation manual, etc. However, the author has maintained throughout the development of this paper that his unique contribution to the literature would be to direct this divergent material into a focus for MSO's utilizing volunteer consultants.

Direct utilization of this paper in its present form may be quite limited outside academic circles. Nonetheless, I felt the particular study was worthwhile because it allowed me to pursue a topic which will have far-reaching consequences in the future. Since the paper was constructed in somewhat discrete chapters, it is hoped that separate sections might be of value in certain areas of nonprofit management. Since the paper will also be shared with many individuals active in the MSO movement at the national level (some of whom are listed in the acknowledgement's section of the paper), it would be my hope that this paper couldserve as a springboard for further investigation and study for others just as Danner and Mitchell's materials did for me. At the beginning of Chapter II of this paper, Danner and Mitchell's quotation compared the efforts at knowledge building in nonprofit management to pioneering. Perhaps efforts like this paper and others to follow represent the second and succeeding generations to their pioneering efforts.

In closing, I would like to set a perspective for the future using author Dale McConkey:

> The next major breakthrough in management will not occur in the corporate boardroom, nor will it have a business orientation. It won't even occur in the world of business. The breakthrough will, and must, take place in the so-called nonprofit sector. We are presently seeing the beginnings of this breakthrough. The full impact of the breakthrough will become evident when there is general acceptance--one that is translated into practice--of the fact that a manager is a manager and that the demands upon him are the same, regardless of the product, service, or purpose of his organization. The pressure for accepting this fact is mounting most dramatically. It's been a long time coming!

Historically, we have been sadly negligent and often outright reluctant in emphasizeing managerial effectiveness in the nonprofit sector. Effectiveness has been looked upon as being required almost exclusively of private-sector managers required to grub for the almightly buck. The purpose of many nonprofit organizations has been viewed as so laudable and high as to be above any consideration of effectiveness. As a natural consequence, persons with little or no management training have been hired, appointed or promoted into positions requiring them to manage physical capital, and human resources of a magnitude that would stagger even the better-trained and more competent managers in the private sector.

Management of nonprofit organizations has no landed right to be ineffective, to ignore managerial productivity, to ignore the "profit" motive, or to fail to evaluate new or revised approaches to management. Nor should the managers of these organizations be immune from strict accountability to those they serve, those upon whom they depend for their funds and support.

Nonprofit organizations, too, must earn a "profit" by operating with as much efficiency and effectiveness as possible to achieve the right priorities. While the nature of their profits may bear different labels, the profit motive must be present it they are to avoid economically and socially wasteful practices that raise major questions bout their reason for being.[14]

FOOTNOTES TO CHAPTER V

[1] Jon Cook, "Starting A Management Support Organization," The Bottom Line: Improved Management of Nonprofit Organizations, Proceedings of the 1979 National Conference of Management Support Organizations, Dallas: Human Systems, Inc. and the University of Texas at Dallas, 1979, pp. III-a 1-2.

[2] Ibid., p. III-a 2.

[3] Volunteer Urban Consulting Group, A Guide to Operations, New York: Volunteer Urban Consulting Group, 1977 (mimeographed).

[4] Karin Abarbanel, "For the Business World, VUCG Has A Better Idea," Foundation News IXX (September-October, 1978), p. 19.

[5] Ibid., 21.

[6] Jane Fitzgibbon and Lee Kane, Study of Services Provided by the Volunteer Urban Consulting Group to Nonprofit Organizations and Minority Persons, A Report for Volunteer Urban Consulting Group, Inc., February, 1978.

[7] Ibid., 5-7.

[8] Ibid., 13-17.

[9] Services Outreach Division, Management Assistance Program, Alexandria, VA: United Way of America, 1979.

[10] Cf. Joseph Weber, Greater New York Fund/United Way Management Program, undated.

[11] Services Outreach Division, 12.

[12] John Danner and James Mitchell, Toward An Investment Strategy for Local Nonprofit Management Improvement: Strategic Options, Program Ideas, and Implementation Tactics, Washington, D.C.: The Support Center, 1978, p. 44.

[13] The Support Center, Resources and Strategies for Improving the Management of Nonprofit Organizations: Final Report, Washington, D.C.: The Support Center, 1979, p. 65.

[14] Dale D. McConkey, MBO for Nonprofit Organizations, New York: AMACON, 1975, pp. 1-2.

B I B L I O G R A P H Y

Abarbanel, Karin. "For the Business World, VUCG Has A Better Idea." Foundation News IXX (September-October, 1978), 17-20.

________. "The Support Center." Foundation News IXX (May-June, 1978), 21-39.

Amara, Roy. "The Future of Voluntarism." Vital Speeches XIII (April 15, 1979), 405-408.

American Institute for Research. Technical Assistance Needs Assessment and Resource Identification of Voluntary Organizations: Executive Summary. Cambridge, MA.: American Institute for Research in the Behavioral Sciences, 1977.

Anthony, Robert N. "Can Nonprofit Organizations Be Well Managed?" Vital Speeches XXXVII (May 1, 1971), 442-445.

Anthony, Robert N. and Herzlinger, Regina E. Management Control in Nonprofit Organizations. Homewood, Illinois: Richard D. Irwin, Inc., 1975.

Bennis, Warren G.; Benne, Kenneth, D.; Chin, Robert; and Corey, Kenneth. The Planning of Change. New York: Holt, Rinehart and Winston, 1976.

Blake, Robert R. and Mouton, Jane Srygley. Consultation. Reading, MA: Addison-Wesley, 1976.

Blanchard, Joseph H. "Private Action: Who Killed the Volunteer?" Vital Speeches XXXVII (February 1, 1972), 238-241.

Borst, Diane and Montana, Patrick J. eds. Managing Nonprofit Organizations. New York: AMACON, 1977.

The Bottom Line: Improved Management of Nonprofit Organizations, Proceedings of the 1979 National Conference of Management Support Organizations. Dallas: Human Systems, Inc. and the University of Texas at Dallas, 1979.

Brockmann, Warren. "The Corporate Image: An Expression of Changing Responsibilities." Jacob Weisamand, Ed. The Social Responsibilities of Corporate Management. Hemstead, N.Y.: Hofstra University, 1966, 9-25.

Cleveland, Harlan. The Future Executive: A Guide for Tomorrow's Managers. New York: Harper and Row, 1972.

Community Chest and Council of the Cincinnati Area. Year One Report Management Assistance Program, 1978 (unpublished).

Cook, Jon. "Starting A Management Support Organization." The Bottom Line: Improved Management of Nonprofit Organizations, Proceedings of the 1979 National Conference of Management Support Organizations. Dallas: Human Systems, Inc. and the University of Texas at Dallas, 1979, pp. III-a 1-5.

Danner, John and Mitchell, James. Designing Effective Strategies for Management Capacity-Building in the Local Nonprofit Sector: Part One of A Pilot Project. Washington, D.C.: The Support Center, 1978.

________. Toward An Investment Strategy for Local Nonprofit Management Improvement: Strategic Options, Program Ideas, and Implementation Tactics. Washington, D.C.: The Support Center, 1978.

Drucker, Peter F. Management: Tasks, Responsibilities, Practices. New York: Harper and Row, 1973.

Dyer, William. Insight to Impact: Strategies for Interpersonal and Organizational Change. Provo, Utah: Brigham Young University Press, 1976.

________. The Sensitive Manipulator: The Change Agent Who Builds With Others. Provo, Utah: Brigham Young University Press, 1972.

Fenn, Dan H. "Executives As Community Leaders." Harvard Business Review IL (March-April, 1971), 4-9ff.

Firstenberg, Paul B. "Profit-minded Management in the Nonprofit World." Management Review (July, 1979), 8-13.

Fitzgibbon, Jane R. and Kane, Lee. Study of Services Provided by the Volunteer Urban Consulting Group to Nonprofit Organizations and Minority Persons. A Report for Volunteer Urban Consulting Group, Inc., February, 1978.

Goodstein, Leonard D. Consulting with Human Service Systems. Reading, MA: Addison-Wesley, 1978.

Hardy, James M. Corporate Planning for Nonprofit Organizations. New York: Association Press, 1972.

________. "Development of Human Resources in the Future." Perspective I (September, 1975).

________. "Managing Nonprofit Organizations: Some Implications for the Future." The Bottom Line: Improved Management of Nonprofit Organizations, Proceedings of the 1979 National Conference of Management Support Organizations. Dallas: Human Systems, Inc. and the University of Texas at Dallas, 1979.

Hunt, Alfred. The Management Consultant. New York: Ronald Press, Co.. 1977.

Jordon, Vernon E. "Voluntarism in America." Vital Speeches XXXXIII (May 15, 1977), 493-95.

Kotler, Philip and Murray, Michael. "Third Sector Management--The Role of Marketing." Public Administration Review XXXVI (September-October, 1975), 467-72.

Kubr, M. Management Consulting: A Guide to the Profession. Geneva: International Labor Office, 1976.

Landsberg, Hans. H. "The U.S. Resource Outlook: Quantity and Quality." Daedalus XCVI (Fall, 1967), 1034-57.

Lassey, William R. and Fernandez, Richard. Leadership and Social Change. La Jolla, CA: University Associates, 1976.

Lawrence, William. "Corporate Responsibility Toward the Local Community." Jacob Weisamand, Ed. The Social Responsibility of Corporate Management. Hempstead, N.Y.: Hofstra University, 1966, pp. 171-85.

Levitt, Theodore. The Third Sector: New Tactics for a Responsive Society. New York: AMACON, 1973.

Levy, Reynold and Nielsen, Waldemar A. "An Agenda for the Future." Research Papers: The Commission on Private Philanthropy and Public Needs. Volume II, Part II, U.S. Department of Treasury, 1977.

Lewis, Harold. "Management in the Nonprofit Social Service Organization." Child Welfare LIV (September, 1975), 615-23.

Linowes, David F. Strategies for Survival. New York: AMACON, 1973.

Lippitt, Gordon L. Organization Renewal. Englewood Cliffs, N.J.: Prentice-Hall, 1969.

________. "Criteria for Selecting, Evaluating, and Developing Consultants." Training and Development Journal XXVI (1972), 12-17.

Lippitt, Gordon L. and This, L. "ITORP: Implementing the Organization Renewal Process." Training and Develop ment Journal XXIV (1970), 10-15.

Lippitt, Ronald. "Dimensions of the Consultant's Job." Journal of Social Issues XV (1959), 5-12.

________. "On Finding, Using, and Being a Consultant." Social Science Education Consortium Newsletter II (November, 1971)

Lippitt, Ronald and Lippitt, Gordon. The Consulting Process in Action. La Jolla, CA: University Associates, Inc., 1976.

Lippitt, Ronald; Watson, Jeanne; and Westley, Bruce. The Dynamics of Planned Change: A Comparative Study of Principles and Techniques. New York: Harcourt, Brace, and World, Inc., 1958.

Lunberg, Craig C. "Organization Change in the Third Sector." Public Administration Review XXXVI (September-October, 1975), 472-77.

McConkey, Dale D. MBO for Nonprofit Organizations. New York: AMACON, 1975.

McGill, Michael E. and Wooton, Leland. "Management in the Third Sector." Public Administration Review XXXV (September-October, 1975), 443-45.

Management Assistance Program of the United Way of Greater St. Louis. (unpublished, 1979).

Manser, Gordon and Cass, Rosemary Higgins. Voluntarism at the Crossroads. New York: Family Service Association of America, 1976.

Menzel, Robert K. "A Taxonomy of Change Agent Skills." Journal of European Training IV (1975), p. 283-95.

Mittenthal, Richard A. and Mahoney, Brooke W. "Getting Management Help to the Nonprofit Sector." Harvard Business Review LV (September-October, 1977), 95-103.

Murray, Michael A. "Comparing Public and Private Management: An Exploratory Essay." Public Administration Review XXXV (July-August, 1975), 364-71.

Natemeyer, Walter E. Classics of Organizational Behavior. Oak Park, Illinois: Moore Publishing Company, Inc., 1978.

Naylor, Harriet H. Leadership for Volunteering. Dryden, N.Y.: Dryden Associates, 1976.

New York Community Trust. Technical Assistance in New York City: A Preliminary Examination of the Nonprofit Technical Assistance Process. November, 1976.

Nielsen, Waldemar A. "Crisis of the Nonprofits." Change XII (January, 1980) 22-29.

O'Connell, Brian. Effective Leadership in Voluntary Organizations. New York: Association Press, 1976.

Plambeck, Donald L. "Developing Community Leadership Through Experiential Learning." Address to the Association of Voluntary Action Scholars, San Antonio, Texas, Fall 1979.

Rainey, Hal G.; Backoff, Robert W.; and Levin, Charles H. "Comparing Public and Private Organizations." Public Administration Review XXXVI (March-April, 1976), 233-44.

Raymond, Thomas J. C. and Greyser, Stephan. "The Business of Managing the Arts." Harvard Business Review LVI (July-August, 1978), 123-32.

Rogers, Ronald. "11 Steps to Seclecting An Outside Counseling Firm." Public Relations Journal XXXV (March, 1979), 9.

Schein, E. A. Process Consultation: Its Role in Organization Development. Reading, MA: Addison-Wesley, 1969.

Schindler-Rainman, Eva and Lippitt, Ronald. The Volunteer Community. Fairfax, Virginia: NTL Learning Resources Corporation, 1975.

Selby, Cecily Cannon. "Better Performance from 'Nonprofits.'" Harvard Business Review LVI (September-October, 1978), 92-98.

Services Outreach Division, Management Assistance Program. Alexandria, VA: United Way of America, 1979.

Shafritz, Jay M. and Whitbeck, Philip H. Classics of Organizational Theory. Oak Park, Illinois: Moore Publishing Company, 1978.

Steele, Fred. "Consultants and Detectives." Journal of Applied Behavioral Science, V (No. 2, 1969),

Steiner, Richard. Managing the Human Service Organization: From Survival to Achievement. Beverly Hills, CA: SAGE Publications, 1977.

Stenzel, Anne K. and Feeney, Helen M. Volunteer Training and Development: A Manual. New York: The seabury Press, 1976.

The Support Center. National Directory of Nonprofit Management Support and Management Information Organizations. Washington, D.C.: The Support Center, 1975.

________. Resources and Strategies for Improving the Management of Nonprofit Organizations: Final Report. Washington, D.C.: The Support Center, 1979.

Swartz, Donald and Lippitt, Gordon. "Evaluating the Consulting Process." Journal of European Training IV (1975), 309-27.

United Way of Greater St. Louis Technical Assistance Committee Information Package (mimeographed).

Volunteer Urban Consulting Group. A Guide to Operations. New York: Volunteer Urban Consulting Group, 1977 (mimeographed).

________. Management Assistance and Business Enterprise Development. New New York: Volunteer Urban Consulting Group (undated).

________. Management Assistance for Nonprofit Organizations. New York: Volunteer Urban Consulting Group, (undated).

Weber, Joseph. Boards of Directors: A Study of Current Practices in Board Management and Board Operations in Voluntary Hospital, Health and Welfare Organizations. Dobbs Ferry, New York: Oceana Publications, 1974.

________. Greater New York Fund/United Way Management Assistance Program Undated.

Weinberger, Caspar. "The Federal Perspective on Third Sector Management." Public Administration Review XXXVI (September-October, 1975), 456-58.

Weisbrod, Burton A. The Voluntary Nonprofit Sector: An Economic Analysis. Lexington, MA: Lexington Books, 1977.

Wollman, Nathaniel. "The New Economics of Resources." Daedulus, XCVI (Fall, 1967), 1099-1114.

Young, Robert. "Volunteer/Staff Rapport Sing A Healthy Nonprofit." Fund Raising Management X (January, 1980), 18-24.

Rose, Sanford. "The News About Productivity Is Better Than You Think." Fortune LXXXV (February, 1972), pp. 98-100ff.

WAYS OF CLASSIFYING NONPROFITS *

1. Primary Role - the central mission of the organization

"Front Line" Organizations

membership benefits - examples might include fraternal organizations, sports clubs, consumer cooperatives, recreational or leisure groups like gardening clubs, bridge clubs, recreational vehicle owner groups, etc. who exist largely to serve the interests of their members or participants.

representation and advocacy - this includes groups like trade unions, chambers of commerce, environmental action coalitions, civil rights organizations, political parties, campaign committees, etc.

service delivery to individuals - this is perhaps the largest single category, and needs to be broken down further to minimize confusion:

- human services - including health, education, welfare, housing, rehabilitation, nutrition, and other such groups, e.g., hospitals, colleges, schools, clinics, halfway houses, self-help groups like Alcoholics Anonymous, suicide prevention groups, rape counseling programs, etc.

- cultural - including arts groups such as dance, opera, symphony, literary, or other comparable entities; historical and architectural preservation societies; museums, zoos, public media groups.

- spiritual - examples include churches, meditation centers, religious groups, etc.

"Behind the Lines" Organizations

research and information - this category consists of organizations engaged in analysis of particular public issues, collection of data, or publication of information, e.g., public interest research groups, The Conference Board, learned journals, certain academic or professional societies, Foundation Center, etc.

direct resource providers - this includes nonoperating independent, family and corporate foundations who provide grants directly to applicant organizations.

indirect resource providers - examples include the federated fundraising organizations like United Way, United Catholic Appeal, Jewish Welfare Federation, United Negro College Fund, etc; brokers of volunteer services such as Volunteer Bureaus, Retired Executives Programs, Voluntary Action Centers, etc.; other intermediary sources of financial support, e.g. community foundations; clearinghouses. . . .

management helpers - this encompasses providers of various services and materials who helf usually "front-line" nonprofits cope with particular management and administrative problems or opportunitie, e.g., "manageemtn support organizations," or the National Information Center on Volunteerism.

*John Danner and James Mitchell, Designing Effecttive Strategies For Management Capacity-Building in the Local Nonprofit Sector: Part One of A Pilot Project, Washington, D.C.: The Support Center, 1978, pp9-12.

2. *Primary Field of Program Activity - This is the field or substantive area which the organization has identified as its primary mission and in which it carries out its major programs or activities. Examples:*

Issue Orientation

human rights/international affairs
management improvement
economics (as employees, employers, consumers, professionals, etc.
social/recreational (hobbies, athletics, etc.)
political/legal/regulatory (political reform, watchdog.
religious (spiritual or moral development and guidance)
human services (education, health, etc.)
culture (arts, crafts, ethnic heritage, etc.)
economic development
environment
other (a category as amorphous and comprehensive as the interests and concerns which lead people to join together for common purposes)

Constituency Orientation

age-related (infants, youth, elderly, etc.)
ethnic (Asian, Czechslovakian, African, etc.)
religious (Jewish, Catholic, Scientology, etc.)
women
physical condition (handicapped, blind, etc.)
economic circumstances (poor, "near poor," common employment, etc.
gay
maritial status (single, divorced, widowed, etc.)
other

3. *Primary Beneficiary Group - The individuals or organizations who are the intended or actual major recipients of the organization's benefits:*

INDIVIDUALS

members and participants

"eligibles" - direct recipients of nonprofit services which are contingent on the recipient having certain characteristics or satisfying certain standards, e.g. residence in a particular neighborhood, motherhood, low-income status, etc.

constituents - a defined and limited group who benefit from the activities of the nonprofit without being actual members, participants, or clients.

general public - nonprofit activities the benefits of which are available to any person.

ORG'NS

nonprofit

commercial

government

APPENDIX B: CRITICAL INTERVENTION QUESTIONS IN CONSULTATIVE PHASES

In Chapter IV: Management Consultation for the Nonprofit Sector, we discussed the Phases in Consultation drawn from Lippit and Lippitt. They have also developed a helpful "Inventory of Decisions" in each phase of consultation. This can serve as a check list of critical decisions that consultants face in each consultative phase..

PHASE 1: INITIAL CONTACT AND ENTRY

Critical Intervention Questions:

1. How can I legitimize for clients their sharing of pain, problems, and sense of failure without stimulating their defensiveness?

2. How can I ask probing questions and not mobilize feelings of irritation and hostility toward me?

3. How can I listen to and encourage the unloading of problems without appearing to accept the projections of blame and the attributions of causation of the exposed problems?

4. How can I demonstrate expertness and establish my credibility as a potential source of help without creating dependency and an expectation that I will solve the problem?

5. How can I explain readiness to work on change without appearing to assume (before diagnosis) that a lot of change is going to be needed?

6. How can I bring up and explore questions of compatibility without sounding too clinical, doubtful, or demanding?

7. How can my relevant experience and training be communicated without sounding like a sales pitch?

8. How can I be reassuring without being interpreted as saying the problem is minor or can be easily and quickly solved?

PHASE 2: FORMULATING A CONTRACT, ESTABLISHING A WORKING RELATIONSHIP

Critical Intervention Questions

1. How can I explore potential traps and misunderstanding with clients without appearing negative or disturbing?

2. How can I strike a balance between making clients' responsibilities and commitments seem too heavy (at this early stage) and letting them make false assumptions about the amount of work that will be expected by the consultant?

3. How can I find some ways to test compatibility and skills of collaboration without entering into some irreversible commitments?

4. How can I be clear about the level of my commitment of time and energy without appearing to sell myself of have inflexible standards?

5. How can I clarify some limititations of my resources without creating loss of confidence in me?

6. How can I realistically communicate my available time and energy without discouraging the client?

7. How can I work for involvement of appropriate parts of the system without antagonizing the ingroup?

8. How can I stretch the necessary time perspective of the contract without appearing to promote more work for myself?

9. How can I write the commitment about the participation of top management without creating defensiveness and gameplaying?

10. How can we define outcomes and accountability to be derived without creating traps and limitations?

11. How can financial terms be definite and yet flexible in response to changes in conditions, e.g. new critical problems discovered, basic conflicts to be handled?

12. How can division of labor be defined without too much rigidity and without scaring people?

PHASE 3: PROBLEM IDENTIFICATION AND DIAGNOSIS

Critical Intervention Questions

1. How can I get people to open up and question their assumptions about the causes of their problems?

2. How can I get them to accept the need for objective fact finding to supplement their own data assumptions?

3. How can I introduce perspective about the time that is needed without discouraging them?

4. How can I obtain their appropriate understanding and commitment of the time and energy that will be required of them?

5. How can I involve them enough in the diagnostic data-collection process for them to feel ownership of the data and accept its validity?

6. How can I arrange for the appropriate parts of the client system to review the data and draw implications for action?

7. How can I focus on data about need and readiness for change, rather then simply working on causes of the pain or the problem?

PHASE 4: GOAL SETTING AND PLANNING

Critical Intervention Questions

1. How can I create a psychological readiness in people to think into the future and freely imagine alternative futures?

2. How can I free them enough from inhibiting assumptions about adjusting, predicting, and feasibility to project a desired future based on their values?

3. How can I prevent them from choosing goals before they have tested alternatives for probable consequences?

4. How can I confront the tendency to involve too few members of the system in goal setting and planning?

5. How can I press for concreteness and measurability in goal statements without evoking a negative reaction?

6. How can I stimulate interest in step-by-step goal planning in place of a preoccupation only with big, long-term perspectives?

7. How can I support planning for evaluation as part of planning for implementation?

8. How can I help with reality testing of plans?

9. How can I help clients to explore the possible side effects and traps that are part of planning?

10. How can I push for personnel commitments of time, effort, and accpetance of deadlines without creating resistance and flight?

11. How can I stimulate clients to consider the need for and use of resources beyond themselves?

12. How can I plan for may withdrawal and the development of internal resources to replace my functions?

PHASE 5: CONVERTING PLANS INTO ACTION

Critical Intervention Questions

1. How can I present to clients the necessity and value of action rehearsal so that it will be accepted?

2. How can I present and demonstrate the value of skill-training?

3. How can I demonstrate and communicate the details of effective involvement, briefing techniques, and preparation for all implementation actions as replacements for the assumptions that good intentions and acceptance of goals are adequate?

4. How can I confront the weakness of an authoritative strategy with a process based on voluntary involvement?

5. How can I deal with the dependency of clients who want me to use my expertness to produce the action?

6. How can I introduce procedures for obtaining feedback on each action step and for using the data?

7. How can I support the use of other resources as an evidence of strength rather than weakness?

8. How can I introduce and support celebration of milestones of progress?

9. How can I help those who are taking action to understand the idea and the use of support systems and to use each other for support, reinforcement, and debriefing?

10. How can I support the commitment to document the action and the consequences?

PHASE 6: CONTRACT COMPLETION: CONTINUITY AND SUPPORT

Critical Intervention Questions

1. How can I deal objectively with my own conflicting inclinations to see "all the help the clients still need" and also to move on to do "new and exciting things"?

2. How can I involve the cleint in setting goals that increase self-direction and internal support?

3. How can I make appropriate commitments for periodic support as needed?

4. How can I confront and support the need for specific deadlines on progress checkpoints, the need for renewal, and other items?

5. How can we find ways to provide support from a distance.

6. How can I support continuing plans for documentation and evaluation?

7. How can I support plans for continuing internal personnel development and internal change-agent functions?

8. How can I ehlp to clarify the client's understanding of ongoing and potential needs for external help and appropriate procedures to get it?

APPENDIX C: Volunteer Urban Consulting Group Duties and Responsibilities of Clients, Volunteers and Staff.

DUTIES AND RESPONSIBILITIES OF CLIENTS OF THE VOLUNTEER URBAN CONSULTING GROUP

1. Provide necessary information to the staff and volunteers of the Volunteer Urban Consulting Group.

2. Participate with the staff and volunteers in the development of a work plan.

3. Agree to the work plan after it is developed.

4. Communicate with volunteers directly as appropriate.

5. Make himself/herself and his/her staff available to the staff and volunteers of the Volunteer Urban Consulting Group during the course of the project.

6. Inform the Volunteer Urban Consulting Group and/or volunteers of any problems that arise during the project.

7. Notify Volunteer Urban Consulting Group staff when a project is not proceeding according to the work plan or when other volunteer skills are needed.

8. Work with Volunteer Urban Consulting Group staff and volunteers to determine which recommendations can be implemented.

DUTIES AND RESPONSIBILITIES OF VOLUNTEER URBAN CONSULTING GROUP VOLUNTEERS

1. Work with the VUCG staff to develop and/or revise a comprehensive work plan for the project. This work plan will include a breakdown of client, volunteer and VUCG staff responsibilities as well as a timetable for completion of the project.

2. Assist in qualifying and prioritizing all management related problems to be dealt with during the assignment and provide guidance on additional problems which are not specified in the initial work plan and are deemed critical in nature.

3. Adhere to the agreed upon work plan and timetable.

4. Assume the bulk of the responsibility for maintaining communication with the client and other volunteers. This includes relating to the client on a personal basis, scheduling meetings when needed with the client and other volunteers, asking the client for additional information when needed, etc.

5. Maintain contact with VUCG staff on a frequent and regular basis. These contacts should focus on discussing the progress of the project, informing VUCG when problems arise or the project is not proceeding as planned; informing VUCG when another volunteer skill is needed or when the volunteer(s) wishes to add another member to the team; informing the VUCG staff when it is felt that a project has been successfully completed or should be terminated because it is no longer productive.

6. Remain available to assist in the implementation phase of the project.

DUTIES AND RESPONSIBILITIES OF THE STAFF OF THE VOLUNTEER URBAN CONSULTING GROUP

1. Accept client referrals and make the initial determination as to whether the proposed project is suitable for the resources of the Volunteer Urban Consulting Group. At times, this is to be done with the help of volunteers.

2. Make the initial determination as to the skills required in a particular project.

3. Obtain volunteers with the required skills, i. e. locating and qualifying.

4. Brief and inform volunteers as to the workings and operating philosophy of the organization to be assisted.

5. Provide volunteers with whatever information is available on the client and his or her business or field.

6. Ensure that volunteers and clients are properly introduced to each other and to other relevant parties on an as needed basis.

7. Work with volunteers and clients to develop a work plan.

8. Ensure that communication between clients, volunteers, and VUCG is maintained.

9. Ensure that progress memos are written when necessary.

10. Monitor performance of projects, ensure they are proceeding properly and take corrective action on a timely basis when necessary.

11. Do whatever necessary to facilitate volunteer participation with the client.

12. Inform volunteers whenever problems arise and agree on proper course of action.

13. Establish and maintain contacts and relationships with individuals and organizations in business, government, etc. who are important to fulfilling the goals of the consulting projects.

14. Determine with volunteers when a project has been successfully completed or should be terminated.

15. Send appropriate communication to volunteers, client and all concerned parties at the end of a project.

APPENDIX D. Research, Training, and Consultation Exhibits of the Greater New York/United Way Management Assistance Program

EXHIBITS

MANAGEMENT ASSISTANCE PROGRAM

Greater New York Fund/United Way

Exhibit A - Research

1. Executive Compensation - Summer, 1971

   Designed to serve as a guide to agencies on executive compensation for the purpose of comparing and up-grading executive salaries in agencies and to assist agency boards in their recruitment efforts when filling executive vacancies.

   190 member agencies served as a sample.

2. Personnel Practices - Spring, 1972

   Designed to serve as a guide to agency executives in the planning and development of a wide variety of personnel benefit programs and personnel practices.

   196 member agencies served as a sample.

3. Measuring the Effectiveness of Agency Services - Summer, 1972

   Designed to provide information on United Way activities that include measuring the effectiveness of agency services apart from the process of budgeting and allocating funds to agencies. The study includes operational definitions for the terms, effectiveness and efficiency. General Electric Company assisted with the study which culminated in a session at the National United Way conference in Washington.

   237 local United Ways served as a sample.

*4. Agency Boards of Directors - Fall, 1974

   Designed as a reference publication to provide a means for executives and board leaders to compare their current board management practices with those of other organizations; to provide an objective source of information which could lead to the development of guidelines for agencies in the area of board management; and, to provide information which could serve as a basis for training programs for executives and board leaders. The survey resulted in responses to a questionnaire from 296 agency executives and board presidents, and 1700 board members regarding their specific board experiences.

5. Personnel Benefits and Liability Insurance Study - Summer, 1978

Designed to provide executives with a guideline that will enable them to compare existing benefits and liability insurance packages with agencies of similar budget size. The study will also be used to determine the feasibility of administrating joint benefit packages for member agencies.

*6. Impact of Government Funding on Voluntary Agencies, Fall, 1978

Based on the increase in government funding of voluntary agencies, the study is designed to determine the impact that government funding has on the management of voluntary organizations. Issues include procedures for obtaining government funding; daily problems in managing government programs; and cost implications of managing government programs. The publication will provide a comprehensive guideline for agency executives on issues to be considered prior to and during the execution of governmental programs.

7. Compensation Survey of Professional Personnel - Winter, 1978

Designed to provide executives with a guideline that will enable them to compare their existing salary ranges with other agencies of similar size and assist in determining salaries for staff. The sample will cover approximately 250 agencies.

* financed jointly by the United Way and foundation grants.

Exhibit B - Training

1. Soliciting Foundations - Spring, 1971 - Foundation Executives

Designed to assist agency executives in understanding the philosophy of foundation giving, the appropriate method in preparing grant requests, and the significance of the Tax Reform Act.

110 participants represented 78 agencies.

2. Fiscal Planning and Budgeting - Fall, 1971 - Arthur Andersen & Co.

   Designed to assist executives of agencies in developing appropriate methods for budget planning and control.

   133 participants represented 87 agencies.

3. Benefit Administration - Spring, 1972 - Continental Can Co. and others

   Designed to utilize the results of the personnel practices and benefit study by focusing on particular problems of benefits administration.

   118 participants represented 106 agencies.

4. Board Training - Fall, 1975, Fall, 1976, Fall, 1977 - United Way Staff

   Designed to utilize the results of the Board of Directors research by focusing on specific areas of Board Management including the role and responsibilities of members, preparation for board meetings, committee development and symptoms of problems.

   An average of 113 participants represented 94 agencies.

5. Accounting and Financial Reporting - Summer, 1976 - Price Waterhouse & Company

   Designed to clarify the new A. I. C. P. A. regulations for not-for-profit organizations and assist agencies in implementing them.

   187 participants represented 127 agencies.

6. Public Relations - Fall, 1976 - Staff and P. R. S. A.

   Designed to assist agencies in improving their effectiveness in dealing with the press, foundations and contributors. Co-sponsored by the Public Relations Society of America, New York City Chapter.

   160 participants represented 160 agencies.

7. Marketing your Agency for improved Visibility - Fall, 1977 - Columbia University Marketing Department and others

Designed to focus on specific areas of marketing, public reporting, annual dinners, and direct mail fundraising. Co-sponsored by the New York City Chapter of P. R. S. A.

117 participants represented 92 agencies.

8. Institute for Not-For-Profit Management - Spring, 1977, Fall, 1977, Spring, 1978

This advanced management course for executive directors of not-for-profit agencies is being co-sponsored by The Greater New York Fund/United Way and Columbia University's Graduate School of Social Work, Health Sciences and Business Administration. The course consists of fifteen (15) weeks. Three (3) of these are residential weeks at the Columbia Conference center and the other twelve (12) weeks consist of classes all day on Friday. The curriculum emphasizes strategic planning, accounting and finance, personnel, marketing, and service development. Approximately twenty-five executives participate during each semester. The total cost is $3,000 per participant. Scholarship aid is provided by local corporations, foundations, and United Way.

Exhibit C - Agency Consultations

Agency Consultations by Service Category 11/73 through 2/78

Child and Family Services	45
Recreation Group Work	14
Community Services	19
Health Services	18
Neighborhood Houses	26
Employment and Training	1
Mental Health Services	2
Services to the Aged	1
Total	126

Agency Consultations by Management Category 11/73 through 2/78

*General Administration	63
Personnel	25
Finance and Accounting	18
Communications	21
Total	127

*Includes Board Operations; Physical Plant; Legal Services, Computer Systems and reviews of Organizational structure (Management Audit)

Consulting Corporations Providing Management Assistance
March 1, 1976 through February 28, 1977

1. A.J. Contracting and Company, Inc.
2. A.T. & T. - Long Lines
3. Arthur Andersen & Company
4. Avon Products, Inc.
5. Bache & Company, Inc.
6. Bankers Trust Company
7. Blythe, Eastman & Dillon
8. Booz, Allen and Hamilton
9. Chemical Bank
10. Colin Construction
11. Continental Can
12. Cross & Brown
13. Doubleday & Company
14. Equitable Life Assurance Society of the United States, Inc.
15. Ernst & Ernst
16. Exxon Corporation
17. Food Company
18. General Electric Company
19. Greyhound Bus Line
20. International Business Machines Corp.
21. J.C. Penney Company, Inc.
22. Joe Sacco, Inc.
23. Lever Brothers Company, Inc.
24. Lionel Edie & Company
25. Manufacturers Hanover Trust Company
26. Mayor s Office of Volunteerism

27. McGraw-Hill, Inc.
28. Mobil Oil Corporation
29. Morgan Guaranty Trust Company of New York
30. Port Authority of New York & New Jersey
31. Price Waterhouse and Company
32. Public Relations Society of America
33. Robert W. Tauber, Inc.
34. Roslyn Willett Associates
35. Taggart Associates
36. W. R. Grace and Company

<u>Areas of Management Assistance Requests</u>
<u>March 1, 1976 through February 28, 1977</u>

1. Management Information System Analysis
2. Reporting & Data Collection Systems Analysis
3. Public Relations
4. Analysis of Salary Guide
5. Brochure Design
6. Fundraising
7. Office Systems and Procedures
8. Health & Pension Plan
9. Internal Reporting System
10. Accounting & Controls
11. Personnel Manual
12. Space Study
13. Long-range Planning
14. Analysis of Financial Department
15. Filing
16. Training Program for Staff
17. Complete Management Audit
18. Agency Operational Manual
19. Insurance Review
20. Standardized Fiscal Procedures in Bookkeeping
21. Statistical Analysis of Program Activities
22. Personnel Management System
23. Real Estate
24. Food Purchasing & Control
25. Internal Control & Billing
26. Fiscal Management
27. Board Management
28. Architect
29. Program Review, Program Planning
30. Research Techniques

31. Insurance and Annuity Plans
32. Purchasing
33. Finance & Control
34. Design & Production
35. Analysis of use of Computers
36. Establishment of a Thrift Shop
37. Communications
38. Development of Transportation Program
39. Real Estate Law
40. General Administration
41. Construction

Examples of Management Grants

1. $20,000 grant - Northside Center for Child Development

Objective - Improved Management Operations

This Harlem based agency provides educational and therapeutic services to children who are unable to be maintained in the public school system. The grant was used to implement recommendations that were made by Port Authority volunteers who conducted a management audit through the agency consultation program. Recommendations included strengthening in specific areas of general administration; finance and control; and, long-term planning and organization.

2. $30,000 grant - Jewish Board of Guardians and Jewish Family Services

Objective - Merger

The first organization provided a vast number of services to individuals ranging from infancy to old age. The second organization provided a vast number of services to families. After a long study, the agencies agreed that merging would improve the effectiveness and efficiency of providing services to families and individuals and also reduce expenses in the long run. Funds were used to pay for partial expenses incurred by the merger which were legal fees; integration of fiscal and program operations; relocation of facilities; staff reorganization and orientation; and, interpretation to the community. The balance of the merger expenses were paid by the two agencies and one other outside funding source.

3. $6,000 grant - United Neighborhood Houses

Objective - Improve Fiscal Control and Management

This agency serves as an umbrella organization for thirty-six settlement houses in New York City. The funds were used to implement recommendations made by Lever Brothers volunteers who conducted a feasibility study for computerizing fiscal operations through the agency consultation program. Funds were used to cover implementation costs for one year after which time the agency will pick up all expenses through their operating budget.

4. $38,000 grant - Institute for Human Development

Objective - Executive and Board Development

This agency serves as an umbrella organization for seventy two small, community based grassroots organizations. Funds will be used to conduct a training program in conjunction with Fordham University, Graduate School of Social Services. The training will be for board members and key staff. Funds will pay for two semesters; each with a capacity of 25 participants. The curriculum will include: board development, fiscal management, program and proposal development, legal services, personnel management, community relations and communications.

5. $13,750 grant and $8,750 loan - Young Womens Christian Association of New York

Objective - Improve Management Systems

Five thousand dollars of the grant was used to pay for consultation services from Arthur Andersen and Company. This resulted in a diagnostic study to determine the overall management problems of the agency. The remaining funds ($8,750 grant and $8,750 loan) were used to implement Phase II consisting of developing a systems plan with a potential of saving the agency $31,000 over the next five years, with an $11,000 annual saving from that point on.

6. $11, 000 grant and $11, 000 loan - Henry Street Settlement

Objective - Resolve Specific Management Problems

Funds were used to implement recommendations made by Exxon volunteers through the agency consultation component. In-depth analysis were made in the areas of computerization; organizational structure; manual procedures, telephone service, and food service. Once implemented, the recommendations would incur an annual savings of $20, 000.

APPENDIX E: Management Assistance Center, United Way of Greater St. Louis

MARKET ANALYSIS

STATISTICAL RANKING OF SPECIFIC ITEMS FOR TRAINING & EDUCATION

Board of Directors

1. Board Responsibilities
2. Board Decision Making Process
3. Recruiting Board Members
4. Committees
5. Board Agenda Identification
6. Actual Management Decisions
7. Board Procedures, Structures, By Laws
7. Board Liability
8. Board Negotiation Skills
9. Record Keeping
10. Conflict of Interest
11. Board/Director Relations

Legal Requirements

1. Liability and Insurance
2. Contracts
3. Fringe Benefits
4. Tax Exempt Status
5. By Laws
6. Licensing
7. Incorporation
8. Charter
9. Other Codes

Planning and Budgeting

1. Long Range Planning
2. Program Evaluation
3. Program Planning and Budgeting
4. Budget Forecasting
5. Goals and Objectives
6. Annual Plan
7. Demographies and Planning
7. Contingency Planning
8. Budget Revisions

Accounting and Finance

1. Accounting for Non-Profits
2. How to Spot Financial Trouble
3. Useful Financial Reports
4. Role of Finance Committees
5. Fiscal Controls
6. Forecasting
7. Audits
8. Personnel
9. Bookkeeping
9. Data Processing
10. Financial Analysis
11. Cash Management
12. Investments
13. Documentation for Financial Transactions

Resources

1. Proposal/Grant Writing
2. Contributions and Solicitations
3. Federal, State, and Local Funds
3. Endowments and Foundations
4. Working with a Grantor
5. Capital Fund Drives
6. Financial Planning
7. Pre-Grant Analysis
8. Contracts & Other Third Party Payments
9. Fee Policy
10. Administration of Fee Policy.

Public Relations

1. Agency Public Relations
2. Public Relations Target Group Analysis
3. Brochures
4. Program Marketing
5. Managing a Public Relations Crisis
6. Media
7. Public Relations
7. Audio-Visual Aids
8. Allocations Panel Presentations

Personnel Policy and Concerns

1. Time Management
2. Employee Evaluations
3. Wage, Salary, and Benefit Administration
4. Staff Productivity
5. New Employees
6. Personnel Policy and Procedures
7. Staffing Analysis
8. Personnel Policy Manual
9. Professional Liability Insurance
10. Hiring
10. Terminations
11. Evaluation of an Agency Director
12. Recruiting
13. Employee Grievances
14. Personnel Policy Revisions
15. Compensation of an Agency Director
16. EEOC
16. Forms of Compensations
17. Record Keeping
18. Unionization
19. Fair Labor Standards Act
20. Expense Reimbursement
21. Recruiting an Agency Director
21. Retirements and Layoffs
22. OSHA

General Management

1. Supervisory Skills Development
2. Staff Development
3. Employee Motivation
3. Management by Objectives
4. Management by Results
5. Management Training for Middle Managers
6. Organizational Structures
7. Management Training for Board Members
8. Management Training for Line Staff
9. Staffing Patterns

Other

1. Filing Systems and Methods
2. Office Managements
3. Computer Usage and Small Agencies
4. Working with Volunteers
5. Management Information Systems -computer based-
6. Management Information Systems -manual-
7. Building, Fire & Health Codes
8. Security
9. Working with a Contractor
10. Mergers and Closings

TO: Mr. Robert Ebers, Chairman
Management Development Sub-Committee
United Way of Greater St. Louis
915 Olive Street/Box 14507
St. Louis, MO 63178

SUBJECT: Enrollment Application for 1979-80 Management Development Series

☐ Please enroll me in the entire Management Development Series, for Certification. This entitles me to participate in all Core (C) and Elective (E) sessions.

☐ I wish to enroll only in Core (C) or Elective (E) sessions indicated below:

☐ October 10, 1979: Developing Adaptive Leadership Styles.(C)

☐ October 11, 1979: Time and Priorities Management (E)

☐ November 7 & 8, 1979: Board Agenda & Roles Identification (C)

☐ December 5 & 6, 1979: Managerial Negotiation Skills (C)

☐ January 9 & 10, 1980: Situation & Organizational Analysis (C)

☐ January 30, 1980: Public Relations (E)

☐ February 6 & 7, 1980: Goal Setting: Management for Results (C).

☐ February 20, 1980: Fee Philosophy, Policies & Administration (E)

☐ February 21, 1980: Assessment of Fund Raising Capabilities (E)

☐ March 5, 1980: Organizing & Delegating for Results (C)

☐ March 19 & 20, 1980: Personnel Administration Inventory (C)

☐ March 21, 1980: Interviewing Skills (E)

☐ April 22, 1980: Not-for-profit Accounting for the Uninitiated (E)

☐ April 23 & 24, 1980: Effective Utilization of the Accounting System (C)

☐ May 7, 8, & 9(a.m.), 1980: Planning & Budgeting Seminar (C)

☐ June 4, 1980: Evaluation - the Beginning of Planning (C)

All Core (C) sessions are required for Certification.

By applying for membership in the 1979-80 Management Development Series, for particular sessions or complete program, I am agreeing to fulfill course requirements as described in course brochure, assignments for particular sessions, and program evaluations as required to assist in future program development.

Applicant's Position in Agency ____________________

Degrees held: (please give type of degree, date, and school) ____________________

____

____________________ (Applicant's Signature) ____________________ (Executive Director's Endorsement)

Agency ____________________ Telephone Number ____________________