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On Being a Nonprofit Executive Director

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ON BEING A NONPROFIT EXECUTIVE DIRECTOR

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This is to certify that the dissertation entitled

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Wanderer, your footsteps are
the road, and nothing more;
wanderer, there is no road,
the road is made by walking.
By walking one makes the road,
and upon glancing behind
one sees the path
that never will be trod again.
Wanderer, there is no road --
Only wakes upon the sea.

Antonio Machado, Proverbios y Cantares XXIX

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Abstract

In describing the course of change in a dynamic field such as the nonprofit sector, neo-institutional theorists argue that isomorphic forces such as replication of best practices tend to increase the homogeneity of actors. This interplay of structure and agency creates what is known as the structuration of an institutional field. These theorists have little to say about the people who influence and are influenced by these dynamics. This study explores this personal experience at the micro level of the nonprofit field executive leadership. It focuses on their challenges related to the isomorphic pressures resulting from: (1) socio-economic roles, (2) being businesslike, (3) being altruistic, and (4) relating to the external environment. Interviews with executive directors of nonprofit organizations in the Atlanta area affirmed that nonprofit EDs use several strategies to hold together the tensions among these forces: (1) balancing intuition with data; (2) relying on the experience of others as a learning tool; (3) taking an improvisational approach to problem-solving; (4) being flexible and resourceful in managing subordinates; and (5) regarding fundraising as a necessary evil and a business means to an altruistic end. Their responses tended to be more self expressive than business-oriented, displaying an aversion to using purely business terms to discuss altruistic outcomes. In addition, the study engaged the executive directors in the construction of three theoretical perspectives on the practice nonprofit leadership: (1) the essential themes that characterize the experience of being a nonprofit ED; (2) a micro-level framework for understanding the landscape where nonprofit EDs do their work; and (3) within this framework, the degree to which nonprofit

EDs influence and are influenced by the structuration of the nonprofit field. By enhancing the understanding of leadership provided by EDs, the current study advances emerging theories of nonprofit enterprise and clarifies how nonprofit EDs lead in context. Further, the methodology used to derive these findings can be helpful in learning conversations within the sector and between nonprofit leaders and their counterparts in business, government, and foundations. The electronic version of this dissertation is accessible at the Ohiolink ETD Center at http//:www.ohiolink.edu/etd/.

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Prologue

Each year since 1990, thousands of people representing churches, schools, and service organizations in Atlanta join forces for MegaWalkathon to raise funds for needed community services. To produce this event, a large nonprofit organization called ServiceTeam1000 (ST1000) engages smaller nonprofit organizations, referred to as beneficiaries, in organizing walkers, recruiting volunteers and promoting the event. In exchange, the beneficiaries earn a share of funds raised. Each beneficiary signs a contract that stipulates the terms of participation, including expectations regarding the number of walkers, expected pledges, and the distribution of funds.

In 2003, the executive director (ED) of ST1000 invited beneficiaries to consider creating a partnership that would lead to joint ownership of the MegaWalkathon. As a thirty-year-old nonprofit organization with an annual budget greater than the total of all the budgets of the beneficiaries combined, ST1000 had the cash flow and infrastructure necessary to produce a large-scale event like the MegaWalkathon. At the same time, ST1000's fundraising staff spent the better part of the year preparing for and following through on the event and felt that their time and resources could be used more effectively in fundraising for the broad range of direct services they offered to people in need. By sharing ownership of the MegaWalkathon, ST1000 could reduce its up-front investment by sharing the considerable costs of staging the event with the beneficiaries. The beneficiaries welcomed the prospect of shared ownership because they stood to gain from a higher share of the total income in exchange for helping with upfront costs and providing staff for planning, staging, and following-up after the event.

A local foundation donated funds to engage a consultant to facilitate a series of three meetings to explore prospects for partnership. Through the first two sometimes tempestuous sessions, the beneficiaries and ST1000 senior staff outlined a proposal that would transition the MegaWalkathon to a jointly sponsored event over a period of two to three years. As the discussions continued, a second foundation offered to establish a revolving loan fund to provide short-term financing for the jointly sponsored walkathon as a further incentive to collaborate.

Members of the ST1000 board attended the third meeting to discuss the emerging proposal. After reviewing terms of the partnership, one ST1000 board member was concerned about how ST1000 could recoup the many years of investment it had sunk into the MegaWalkathon. He asked the group to consider how best to offset the financial loss ST1000 would incur by giving up a proven fundraising event. He also suggested that the beneficiaries could purchase ST1000's equity in the Walk, a highly unlikely idea given the disparity between ST1000's budget and the budgets of the beneficiaries. The beneficiaries dismissed his concerns, arguing that the increased revenue from a jointly-owned event would offset any loss ST1000 might incur.

After more discussion, the board delegation reluctantly agreed to review the proposal with the full ST1000 board. Upon this review, the board withdrew the offer to consider joint ownership of the MegaWalkathon and directed staff to organize the event without any changes. While chagrinned by this outcome, the EDs who attended the partnership discussions found their energies quickly absorbed by other pressing concerns. Within two years of this decision, the ED of ST1000 left to work at a for-profit

consulting firm serving the nonprofit sector (personal communications, January 15, 2006; client name and details disguised to preserve confidentiality).

What led the ED of ST1000 to offer such a bold and altruistic initiative? What led the board to withhold support for the ED's leadership for this initiative? Why did they settle for business as usual when every forecast suggested that funds raised could easily double under the partnership scenario? Local foundations had been present and visible in support of the dialogue. Why did they and their influence disappear once the ST1000 board called a halt? And, most striking of all, why did the EDs of all the organizations (ST1000 included) shruggingly refer to this experience as a "family fight?"

Each of these questions has deep roots in the conflict created by a commitment to using business means to deliver altruistic ends, a tension that currently underlies the unique character of the U.S. nonprofit sector. With the exception of the actions by the ST1000 board, the resulting decisions were the culmination of many different decisions in a context of many other decisions made by EDs acting as principal staff leaders of the nonprofit organizations involved. By rejecting the partnership proposal, the board of ST1000 trumped the leadership of its executive, an action that increased the tension within the ED-board relationship and underscored the tenuousness of the ED's role. The following study explores how nonprofit EDs experience their work as they are influenced by and attempt to influence the dynamic nonprofit field.

Chapter I: The Emergence of the Nonprofit Field

The best way to explain the existence of many nonprofit organizations is the obvious one: some people want to do good things.

(Gassler, 1998, p. 173)

Introduction

The charities known as nonprofit organizations are empowered by Section 501(c)3 of the U.S. tax law as a unique response to the challenges of the commons. Instead of creating a European-style welfare state as a social safety net, U.S. policymakers sought a private sector solution by offering incentives for the formation of voluntary associations dedicated to pro-social outcomes (Hall, 1987). The numbers attest to this strategy's rootedness in society. Between 1982 and 2005, private contributions to nonprofit organizations reporting incomes greater than $25,000 increased eightfold, the number of nonprofit employees doubled, and the number of 501(c)3 charitable organizations nearly tripled (Independent Sector, 2005). The sector as a whole is the third-largest sector of the U.S. economy, constituting between 6% and 10% of gross domestic product and nearly 8% of employment (Independent Sector, 2001; Wymer, Knowles, & Gomes, 2006). In 2004, acting as an intermediary, the sector aggregated and distributed $1.1 trillion in total revenues (National Center for Charitable Statistics, n.d.).

Nonprofit organizations that collect more than $25,000 in gross receipts are required to file Form 990 with the Internal Revenue Service (IRS, 2004). In 2005, 299,033 reporting organizations recorded $1.050 billion in revenue and $1.819 billion in

assets. Health services accounted for 59% of this revenue, followed by educational (16%) and human services organizaitons (14%). Organizations in the arts, culture,, humanities, environment, animals, international and foreign affairs, public and social benefit, and religion organizations make up the balance (11%) (National Center for Charitable Statistics, forthcoming). The impact of the nonprofit sector is clearly illustrated by the degree of citizen participation in its activities: in 2005, 29% of Americans over the age of 16 volunteered for nonprofit organizations (National Center for Charitable Statistics, forthcoming) and in 1998, 70% of households contributed an average of $1,075 apiece to nonprofit organizations (Independent Sector, 2001).

Nonprofits and the Non-Distribution Constraint

Nonprofit organizations sustain their work by mobilizing tax-deductible charitable gifts of money, time, and material resources. The use of gifts made to nonprofit organizations is shaped by the *non-distribution constraint*, a legal prohibition on accruing individual profits from nonprofit work (Hansmann, 1987). Because of the lack of direct information about the quality of a product or service one does not personally consume, this constraint assures the donor that the gift will be used for charitable purposes. This broad assurance enables donors and volunteers to express a wide range of motivations through a gift transaction, such as a chance to participate directly or by proxy in activities for the common good, a chance to relive youthful experiences of helping others, or the ability to reify a particular idea or ideology into a service-providing or advocacy organization (Rose-Ackerman, 1996). Executive directors (EDs) and boards of directors are responsible for ensuring that their organizations meet the legal

and ethical standards this constraint imposes. The non-distribution constraint has led nonprofit organizations and their leaders to experience a higher standard of accountability than prevails in other categories of enterprise.

The higher standards imposed by the non-distribution constraint distinguishes nonprofit organizations from other types of business enterprises (Hansmann, 1987), making it possible to look at the aggregate of nonprofit organizations as an *integral field*. In the loosest possible sense, an integral field is as a space surrounded by a perimeter that is distinct but may still overlap with other spaces also surrounded by perimeters. An integral field may be a professional discipline, a single unit such as a company, family, or individual, or an abstract construct such as "civil society." Following is a description of some of the key economic characteristics of the nonprofit field.

Economic Dimensions of the Nonprofit Sector

As private corporations that rely on charitable contributions for income, most bona-fide nonprofit organizations in the United States use business means to achieve altruistic ends. This study characterizes a business as an investment with the expectation of a tangible economic return that primarily benefits oneself. In keeping with the business framework, this study characterizes an altruistic endeavor as an investment with the expectation of a tangible return, possibly non-economic, that primarily benefits others. The investment metaphor is helpful because it suggests the role of the nonprofit as intermediary, collecting and redistributing resources for the common good. The investment metaphor brings with it a clear set of expectations including return-on-investment (ROI), standards of quality, or particular business

reporting practices. By accepting funds, nonprofit organizations accept the conditions attached to such gifts.

Within the investment framework, Jack Quarter, Laurie Mook, and Betty Jane Richmond (2002) offered social accounting as a way to measure the economic impact of nonprofit organizations. Social accounting is “a systematic analysis of the effects of an organization on its communities of interest or stakeholders, with stakeholder input as part of the data that are analyzed for the accounting statement” (p. 2). Quarter et al.,incorporated social performance into an accounting-based paradigm, with formal accounting statements and measures of ROI as proxies for the aggregate community impact achieved by nonprofits, an aggregate they called the *social economy*. To lift up the economic value of social organizations, Quarter et al.,defined the social economy as the social and economic impacts of nonprofits and cooperatives as they produce and market services, employ people, own valuable assets, and generate social value.

Key discriminating characteristics among nonprofit organizations in the social economy are primary funding source and the orientation to a particular audience, as shown in Table 1. These differences lead nonprofit organizations to depend on a variety of revenue sources to serve diverse publics. Each revenue source brings a set of expectations imported into the sector by explicit or implicit contracts that accompany these relationships (Bryce, 2006). Similarly, each orientation has a form of oversight and accountability that influences the nonprofit organization’s capacity to sustain its mission. Quarter et al.,(2002) specify three fundamental groupings for social

organizations within the social economy: public sector nonprofits, market-based social organizations, and civil society organizations.

Figure 1.1

Comparison of Funding Sources and Orientations of Nonprofit Organizations

	Public sector	Market-based	Civil society
Revenue stream	Primarily government Secondarily donors	Revenue from clients	Donors
Audience orientation	Either public-at-large or particular publics in need	Public-at-large	Public

Note. From *What Counts? Social Accounting for Nonprofits and Cooperatives* by J. Quarter, L. Mook, and B. J. Richmond. New York: Prentice-Hall Copyright by Laurie Mook, Jack Quarter and Betty Jane Richmond, 2003.

Public sector nonprofits are organizations with 501(c)3 status that supply public services, depend heavily upon government funding, earn revenue based on contracts for services with government, and raise funds from philanthropic sources. Even though they operate at arm's length from the state, they may be viewed as in partnership with the government or as an extension of it. These organizations are the nexus of the social economy and the public sector. Public sector nonprofits serve constituencies external to the organization rather than a membership. This external orientation subdivides into those which serve the public-at-large (arts organizations, zoos, archives, etc.), those which serve specific client groups (e.g., homeless people), and those which serve people with low income or some specific set of difficulties that require assistance. This last group is typically known as *charities*. Public sector nonprofits are supported by an

elaborate infrastructure including paid and volunteer staff, boards of directors, planning and community councils, volunteer bureaus, and the like.

Market-based associations are nonprofit organizations that compete in the for-profit market for revenue and therefore occupy the nexus between the social economy and the private sector. These are typically cooperatives with share capital (credit unions, food co-ops, etc.), and cooperatives without share capital (e.g., child care centers). They differ from public sector nonprofits in that revenues come primarily from the market as payments for services rather than from government or donors, which results in a strong focus on serving members instead of an external clientele.

Civil society nonprofit organizations most clearly resemble the “pure” nonprofit, with roots in religious or charitable impulses. This category includes nonprofit mutual associations that are oriented towards members who finance the services through fees, such as religious congregations, professional organizations, immigrant and self-help societies, and social service organizations (e.g., YWCA, Rotary, etc.). It also includes volunteer organizations, which are different from market-based and public sector nonprofits in that their focus is external and their intent is primarily charitable. Examples include Habitat for Humanity, Amnesty International, Saint Vincent De Paul Society, certain advocacy groups, and foundations that raise funds for diseases.

Quarter et al.,(2002) distinguish social from commercial objectives by noting that capital invested in profit-oriented companies has weak social commitment. Such a distinction is clearly illustrated by Richard Couto and Catherine Guthrie’s (1999) account of the flight of financial and related social capital from Appalachian coal country when

mine owners shifted the primary metric for ROI from productivity to increasing shareholder value. Some for-profit businesses have social investment criteria — for example, Newman's Own Condiments, which invests its profits in nonprofit organizations — further blurring the difference between social and commercial objectives (Quarter et al.,2002). The net result: more competition for nonprofit organizations from the market sector, with added pressure to match returns earned by for-profit businesses.

Social ownership contrasts with private ownership of profit-oriented businesses, which endows owners with the right to buy and sell shares of ownership for personal gain and names shareholders as primary beneficiaries of the profits. With the exception of mutual assistance cooperatives, most forms of nonprofit organizations are without shareholders so that social benefit is expressed through goals other than personal gain. Excess funds are invested in this purpose. The concept of community ownership means the all nonprofit organizations (including mutual assistance cooperatives) are expected to create a social dividend, enhanced through tax exempt donations of time, talent, and treasure by interested parties. The use of these donations is overseen by a board of directors made up of volunteers or people who receive nominal compensation and whose job is to represent the community that owns the enterprise. In contrast to stockholders who own for-profit enterprises, these board members are stewards of social organizations enacting trust arrangements passed down through generations of service to society.

Thus, nonprofit organizations provide services at little or no cost thanks to economic value created by social participation. Voluntary, uncompensated service activities range from strong organizational contribution and identification (such as an adult who serves as leader for a Girl or Boy Scout troop) to nominal membership with a weak link to the organization (such as volunteers who make financial donations or engage in advocacy or special events organized by the nonprofit organization) (Quarter et.al. 2002). As it creates a venue for enhanced civic participation, the nonprofit sector contributes to the pluralism in democratic society, acculturates members with decision-making skills and with knowledge that can be generalized to the political domain, and allows ordinary citizens to engage with each other in constructive activities.

Neo-Institutional Theory and the Nonprofit Field

The economic diversity of the nonprofit sector is demonstrated by its distribution of revenues and assets through a tremendous range of operational activities. Of reporting nonprofits, 16% have budgets of $1,000,000 or more and 42% have annual revenues of less than $99,000. The top tier accounts for 86% of annual revenues and 97% of assets, while the bottom tier accounts for 1% of revenue and less than 1% of assets (National Center for Charitable Statistics, in press).

Numbers alone understate the diversity of the sector. Well-known human service organizations like CARE provide humanitarian resources to fifty-five million people in sixty-six countries; yet the vast majority of human services organizations are more like Toco Hills Community Ministry in Atlanta, GA., a volunteer-driven coalition of seven neighborhood churches that struggles mightily to make a substantive impact on the lives

of the people who come to its pantry for food. In the field of youth development, Girl Scouts of the USA has a membership of 3,700,000 girls and adults, while Angela's House (Angela's House, n.d.) near Atlanta, GA is a residential rescue program serving 12 teenaged former prostitutes, a modestly scaled operation that is a more typical setting for delivering services to children at risk. Or compare the gigantic complex of 19 museums and nine research centers that constitute the Smithsonian Institution to the outdoor cultural heritage center with a three person staff that is the Museum of the Foxfire Foundation, operating in the mountains of North Georgia.

Such dramatic differences in scope and impact raise significant questions about the costs incurred with the proliferation of smaller organizations and the implications of the concentration of resources in larger organizations. As the nonprofit field develops, funders have raised questions about whether the benefits of scope and diversity are greater than the costs created by duplication of effort, complexity of oversight, and value of increased efficiency and productivity. Ironically, these very questions contain a businesslike bias towards efficiency (e.g., attempts to reduce duplication of effort by reducing the number of organizations) that could preclude an accurate assessment of the value created by diversity of types of nonprofits.

The framework provided by neo-institutional theory can be helpful in framing and answering questions of scale. At the outset, institutional theory was conceptualized as a way to describe the emergence of an organizational field resulting from the activities of a diverse set of organizations (DiMaggio & Powell, 1983). The theory predicted that as an organizational field matured, bureaucratic routines would lead to increased

homogenization of these organizations and of new entrants as well. Building on these ideas, neo-institutional theorists argued that such changes at once stimulate and result from *isomorphism*. Isomorphism is an empirical form of knowledge creation that seeks to build on successful experience by identifying, analyzing, and promoting what have come to be known as "best practices." DiMaggio and Powell defined the three most common isomorphic forces as: "1) coercive isomorphism that stems from political influence and the problem of legitimacy; 2) mimetic isomorphism resulting from the search for standard responses to uncertainty; and 3) normative isomorphism, associated with professionalization" (p. 150). These pressures trigger imitation, a mimetic process of homogenization that influences the formation of the field.

The evidence of isomorphic forces at work is progress towards standardization and homogenization facilitated by:

> An increase in the extent of interaction among organizations in the field; the emergence of sharply defined inter-organizational structures of domination and patterns of coalition; an increase in the information load with which organizations in the field must contend; and the development of mutual awareness among participants in a set of organizations that are involved in a common enterprise (DiMaggio, 1982, as cited in DiMaggio & Powell, 1983, p. 148).

Writing separately, Giddens (1984) called this progress *structuration*, observing that structuration progresses as isomorphic pressures reach critical levels, ultimately reducing the diversity among actors in the emerging field.

At the field level, isomorphic forces are intensified by: dependence upon a single (or several similar) source of support for vital resources; the extent to which organizations in the field transact with agencies of the state; fewer visible organizational models; the extent to which technologies are uncertain or goals are ambiguous; a

greater extent of licensure, certification, or other barriers to entry in the field; and a greater extent of structuration (DiMaggio & Powell, 1983). At the organizational level isomorphic forces are intensified by: dependence of one organization on another; centralization of the organization's resource supply; uncertainty of the relationship between means and ends; ambiguity of organizational goals; reliance on academic credentials in choosing managerial and staff personnel; and participation of organizational managers in trade and professional associations.

Deepening this two-level model into a more holistic construct, Frumkin (1996) hypothesized linear relationships among three levels: the micro (intra-organizational), meso (intra-organizational) and macro (field) levels of activity, as shown in Table One (p. 44). Using this framework, Frumkin explored the institutionalization of the field of foundation philanthropy. After the Tax Reform Act of 1969, a multiplicity of private foundations gradually re-formed and emerged as a field known as institutional philanthropy. This transformation was facilitated by the proliferation of professionals, such as attorneys, accountants and staff members trained in the new requirements, which, in turn, were influenced management and governance practices at the meso level. At the micro level, new knowledge and experience led to new beliefs, which in turn, influenced work place practices; these were manifested by micro level changes in organizational strategy, policy and staffing practices. At the meso level, the Council on Philanthropy, the national association of foundations, supported these changes by creating standards and promulgating operating principles, creating normative pressures for change at the meso level, for the field as a whole. Finally, technology and the notion

of best practices as models led to increased interaction and partnership among actors, further fostering homogeneity at the macro level (Frumkin, 1996, pp. 47-50).

Working forward from the passage of the law in 1969, Frumkin (1996) hypothesized a linear progression across the three levels: the micro (intra-organizational), meso (inter-organizational), and macro (field) levels of activity, as shown in Figure 1. This narrative arc focused entirely on the interaction of structures, with a beginning (the passage of the law), a middle (the adoption of practices and beliefs engendered by the law) and an end (institutionalized philanthropy in compliance with the law). The historical perspective facilitates the imposition of a progressive narrative arc that describes the effects on institutions. The unidirectional arrows suggest near universal micro-level compliance with meso and macro forces, a helpful construct for abstracting a general trend from a welter of activity.

Because personal experiences were outside the scope of Frumkin's study, it is not clear whether leaders of individual entities perceived the narrative arc to be a nonlinear and progressive development. This raises the question of whether, at the micro level, the structuration of a given field may be more mutinous than compliant, more recursive than unidirectional, and more cyclical than linear. Although in the aggregate organizations become more homogeneous, at the micro level, in the hurly-burly of every day decision-making, leaders may continue to embrace non-standard approaches to their work. In contrast to neo-institutional theory's explanation of the progress of structuration, the personal experience at the micro level may be messier.

This is especially true for people who work within a sector that specializes in handling society's messes, the U.S. nonprofit sector.

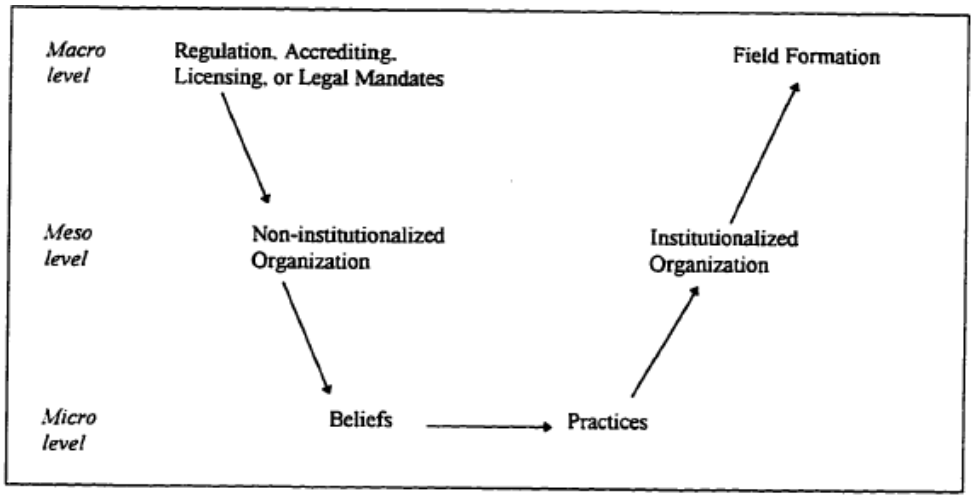


Figure 1-1. Micro, meso, and macro levels in neo-institutional theory

Note. From Conflict and the Construction of an Organizational Field: The Transformation of American Philanthropic Foundations (p. 44). P. Frumkin, Copyright 1996. Unpublished dissertation. Reprinted with permission from the author.

Acknowledging that such gaps exist between the predictions of neo-institutional theory and practice, this study examines the on-the-ground experience of the most senior staff leaders of nonprofit organizations, herein referred to as executive directors (EDs). This study explores how EDs influence and are influenced by the isomorphic pressures at play in the nonprofit field. By digging beneath disembodied theory, this study invites the reader to touch and feel the practice of individual leadership enacted by what Maynard G. Krebs of the Dobie Gillis Show (1959-1963) called "real human beings."

Chapter I has interpreted the attributes of the contemporary U.S. nonprofit sector using neo-institutional theory as a framework for understanding the macro-level forces

affecting nonprofit organizations. Chapter II describes the operations of the typical nonprofit organization and summarizes major forces for change currently affecting them. Chapter III presents an overview of the leadership challenges the nonprofit executive must meet in this context of change. Chapter IV describes a field theoretical model of the contents of the previous chapters and a methodology for engaging subjects in semi-structured conversational interviews about their experiences as leaders in this context. Chapter V reports on the experiences shared by the EDs during the semi-structured conversational interviews. Chapter VI reports on respondent comments in about the field theoretical model. Chapter VII interprets the findings of this research in light of the field theoretical model and explores the implications of this theory for executive leadership in the nonprofit sector.

By enhancing the understanding of leadership provided by EDs, the current study advances emerging theories of nonprofit enterprise and leadership and clarifies how nonprofit EDs understand their work independent of the work of the nonprofit organization they lead. Further, the methodology used to derive these findings can be helpful in learning conversations within the sector and between nonprofit leaders and their counterparts in business, government, and foundations.

Chapter II: Meso-Level Characteristics of Nonprofit Organizations

Introduction

Neo-institutional theory predicts that isomorphic effects occur when learning aggregated at the macro and meso levels of a field influences the behaviors and beliefs at the micro level. Evidence of such influence emerges in the form of an increasingly stable understanding of typical behaviors and activities in the field. This understanding may be in the form of best practices, standards of quality, theories of change, visionary leadership, or lessons learned from failure. The source of the understanding matters less than the capacity to articulate and distribute its content through meso-level constructs such as professional and trade associations, policy and governance requirements, or scholarship. In this way, the meso level is an important channel for communication between the various levels. Chapter II reviews what the literature says about the meso-level understanding of the structures and functions of a typical nonprofit organization.

Nonprofit Orientations and Rationales

Peter Frumkin (2002) modeled the orientations and rationales that typify nonprofit organizations in a four-square matrix (see Table 2) that balances instrumental orientations of demand and supply and expressive rationales of instrumentality and expressiveness. Instrumentality refers to the capacity to produce outcomes. Expressiveness refers to the capacity to enact internal states of being such as feelings, convictions, beliefs and values. Demand orientation assumes that nonprofit organizations exist to meet important and urgent social needs, acting as gap-filling

entities that historically arise when public needs are strong and there is no government solution. Dealing with demand, nonprofits feature philanthropic activities, service delivery, and other consumer-focused activities. The supply orientation assumes that the sector is driven by "the resources that flow into it— resources and ideas that come from social entrepreneurs, donors, and volunteers" (Frumkin, 2002, pp. 20-21). The instrumental rationale for a nonprofit organization's work depends on its value as a channel for enacting a community's response to important tasks and needs, as measured in concrete outcomes. The expressive rationale is the nonprofit's capacity to allow individuals (in contrast to communities) to express and enact their values through volunteer and paid employment, advocacy, and charitable gifts, known in the nonprofit world as gifts of time, talent, and treasure. The supply and demand orientations and the expressive and instrumental rationales may be complementary or they may be in tension.

Frumkin (2002) portrays his understanding of nonprofit organizations as a four-square matrix that array specific activities within various orientations and rationales (Table 2). The configuration of this matrix suggests that value is created by the interaction of the demand and supply orientations with the instrumental and expressive rationales. Thus, the nonprofit's capacity to meet demand is determined by its capacity to obtain the needed supply of resources. The orientation toward supply and of funding and volunteers suggests that investors may be a source of isomorphic pressures as they press to maximize return on their charitable investments based on their criteria. Other numerous studies (Adeyemi-Bello, 2001; Bell, Meyers, & Wolfred, 2006; Burns,

1978; Couto & Guthrie, 1999; Couto, 2002; Dart, 2004; Emanuele & Simmons, 2002; Gassler, 1998; Gutierrez-Zamano, 2004; Hansmann, 1980; Harris, 2001; Hirschman, 1984; Peters & Wolfred, 2001; Rose-Ackerman, 1996; Salamon, 2002; Teegarden, 2004; Wallis & Dollery, 2005; Young. 2002; Young & Salamon, 2002) suggest that motivations for investment in nonprofit work are far more complex than simple demand and supply and worthy of additional research. Noting, but not answering questions about demand and supply orientations, this study uses Frumkin's basic construct as a framework for the operating reality of the nonprofit organization.

Figure 2-1

Depiction of Nonprofit Orientations and Rationales

	Demand-side orientation	Supply-side orientation
Instrumental rationale	Service delivery Provides needed services; responds to government and market failure.	Social entrepreneurship Provides a vehicle for entrepreneurship; creates social enterprises that combine commercial and charitable goals.
Expressive rationale	Civic and political engagement Mobilizes citizens for political engagement, advocates for cause, and builds social capital within communities.	Values and faith Allows volunteers, staff, and donors to express values, commitments, and faith through work.

Note. From On Being Nonprofit (p. 25) by P. Frumkin, 2002, Cambridge, MA: Harvard University Press. Copyright 2002 by Peter Frumkin.

Being Businesslike in a Nonprofit Organization

"We've got to run this thing like a business," is the corporate-executive-who-is-also-a-board-member's typical response to economic challenges facing the nonprofit that he serves. In addition to reflecting the fierce economic pressures on the nonprofit sector, the observation illustrates some of the limitations inherent in the term nonprofit organization. Every nonprofit *is* a business, specifically a corporation legally constituted by paragraph 501(c)3 of the U.S. Internal Revenue Service code. Nonprofit organizations employ people who, as individuals as well as representatives of the organization, contribute to the economy with purchases of goods and services from other businesses. If a nonprofit spends more than it takes in, it goes out of business. In addition, many nonprofits engage in activities where money-making is a primary goal, rather than a subsidiary to the charitable purpose, known as the *mission*. Examples include selling Girl Scout cookies, museum gift shops, and merchandise branded with the name and insignia of university football teams and alumni associations. As a result, the businesses of fundraising and merchandising are well-documented and supported by a wide range of for-profit, nonprofit, and academic resources.

Indeed, much of the mission-focused work of the nonprofit enterprise depends on its being a business, defined by Dart (2004-a) as "sustained activity … designed to earn money" (p. 293). Indicators of being businesslike tend to be clearly articulated, tangible, and measurable in economic terms. Despite numerous reflections on the unintended consequences of articulating altruistic intent in purely economic terms (Couto, 2002; Dart, 2004-a; Harris, 2001; Titmuss, 1998; Young, 2002), pressure to frame the

nonprofit story as a purely business narrative is strong. In a grounded theory study, Dart (2004-b) identified four working definitions of *being businesslike in nonprofit setting*: (1) Businesslike goals: program areas frame goals primarily in revenue generation, profit, or financial surplus terms; (2) Businesslike service delivery: models for increasing volume, reducing customer wait time, improving productivity and efficiency, etc. in which the organization, structure, and feel is similar to those commonly perceived as being part of a business or business planning; (3) Businesslike management: techniques for controlling the organization's agenda, focused efforts at results, active construction and reconstruction of the organizational mandate, and efforts to leverage maximal results from available resources; (4) Businesslike rhetoric: description and references to structures, services, and activities as business that may be complicated by jargon and use of images derived from business literature that are unrelated to the work at hand. Dart found that the application of businesslike dimensions to nonprofit activities could shift the altruistic mission and focus of the organization, and could create significant increases in capacity to do specific types of work (including altruistic efforts). In other words, being businesslike is an effort to increase the supply of resources and instrumental capacity.

Frumkin (2002) described the business aspects of nonprofit organizations as consisting of four distinct functions [see Table 2-1]. Through *service delivery*, nonprofit organizations combine demand-side orientation and instrumental rationale to secure contractual commitments to deliver services with public and private funding sources. These are usually acquired through some type of competitive process in which

business-oriented criteria such as unit costs, quality, and productivity are paramount concerns.

In the function of *social entrepreneurship*, nonprofit organizations combine supply-side orientation with instrumental rationale as they primarily work with philanthropic sources to acquire resources conditioned by a combination of business criteria and innovative approaches to attain common goals. When focused on *civic and political engagement*, nonprofit organizations combine demand-side orientation with expressive rationale as they work with local, state, and federal officials (elected and appointed) and policy-makers to secure supportive legislation and policies that either create access or remove barriers to service for the clientele.

By staying true to *values and faith*, nonprofit organizations combine supply-side orientation and expressive rationale to create a venue for mission-focused action by stakeholders, including volunteers and staff, a process which keep costs low and ensure quality despite low costs.

This study adds *governance* as a fifth function to Frumkin's model (See Table 2-2). *Governance* is the ownership framework that separates the nonprofit organization from other economic actors as entities that exist to serve community needs. In the context of the present study, governance includes operational activities essential to the well being of the nonprofit organization being governed. As enacted by volunteer board members, governance tasks typically include playing a leading, proactive role in strategic planning and setting performance priorities for programs and functions; monitoring operational performance against clearly defined performance priorities;

ensuring that image and relationships with stakeholders are positive and contribute to success; through budget oversight and fundraising, making sure that the organization possesses the financial and other resources necessary to realize its vision and carry out its mission fully; and hiring, managing, and, if necessary, firing the chief executive officer, based on expectations defined in a consistent performance management process (Brinckerhoff, 1994; Carver, n.d.; Eadie, 2001).

Figure 2-2

Depiction of Nonprofit Operations with Added Function of Governance

	Demand-side orientation	Supply-side orientation
Instrumental rationale	Service delivery	Social entrepreneurship
Expressive rationale	Civic and political engagement	Values and faith

Governance

Expresses community ownership of the nonprofit

Relationships with External Entities

Table 2-2 portrays the internal operations of the nonprofit organization with minimal attention to its external environment. In reality, the economic viability of a nonprofit organization depends on two-way transactions with external fields. Bryce (2006-a) described the business of nonprofits as a pervasive set of “social capital

assets … that are endowed with intangible, cognitive, or sociological social capital, serving in a principal-agent relationship with the public as principal, and performing this function in the public policy process" (pp. 312-313). In this role, nonprofit organizations as diverse as political parties, professional and trade organizations, congregations, accrediting bodies, community groups, consortia, and federations of every stripe deliver direct services and compete to influence the disposition of a common pool of resources. In concert with policies set by the board of directors, the nonprofit ED executes written and verbal contracts that legally and ethically bind the organization to the terms of the transaction (Bryce, 2006-b).

Emery and Trist (1965) used the term *causal texture* to illustrate the import–export type exchanges that occur between an evolving field and its evolving environment. They identified such exchanges as the process by which "any living entity survives by importing into itself certain types of material from its environment, transforming these in accordance with its own system characteristics, and exporting other types back into the environment" (pp. 21-22). To illustrate, the authors wrote,

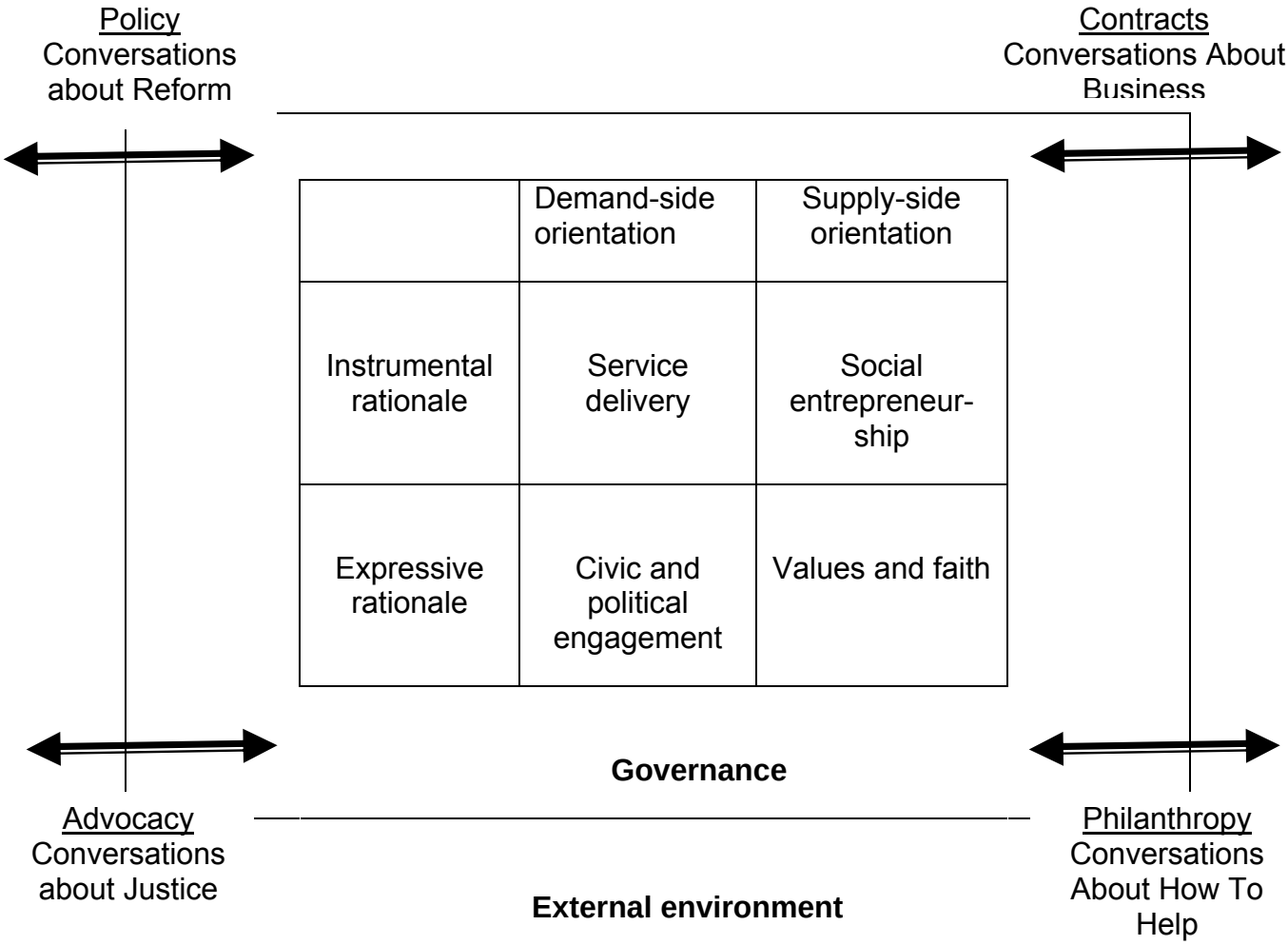
> We may connect the actions of a javelin thrower in sighting and throwing his weapon; but we cannot describe in the same concepts the course of the javelin as this is affected by variables lawfully linked by meteorological and other systems" (p. 22).

In much the same way, when nonprofit organizations engage in business transactions with the external environment, they encounter factors beyond their control such as community needs, alternative solutions (competitive or collaborative), the funding climate, and general public attitude toward the cause being served. Any or all of these factors can influence the nonprofit's efforts to advance its mission.

Building on Frumkin's (2002) depiction of internal operations and Bryce's (2006) notion of exchanges with the external environment, nonprofit organizations can expect to engage in four basic types of exchanges, illustrated in Figure 2. The present study characterizes these exchanges as "conversations" in order to reinforce the two-way nature of the transactions: (1) *Contracts:* conversations about delivery of services and goods that bridge *service delivery* and *social entrepreneurship*; (2) *Philanthropy*: conversations about how to help clients and community that bridge *social entrepreneurship* and *values and faith*; (3) *Advocacy*: conversations about justice that bridge *civic and political engagement* and *values and faith*; and (4) *Policy:* conversations about reform that bridge *civic and political engagement* and *service delivery*.

Figure 2-3

Nonprofit's Exchanges with the External Environment



Frumkin (2002) discussed altruism as a supply-side phenomenon, in which the supply of time, treasure, and talent are aggregated and distributed through a business orientation he called *social entrepreneurship*. By positioning altruism as a business function, Frumkin's analysis suggests that nonprofit organizations facilitate transactions that allow people to express altruistic motives through charitable gifts, volunteerism, and employment. While this observation has face validity, its emphasis on philanthropic transactions understates how altruism informs all aspects of nonprofit work. For example, a nonprofit organization serving people who are addicted to drugs and/or alcohol hired former clients as drug counselors even though they are high-risk employees. Another nonprofit dedicated to democratic education has written cooperative forms of governance and decision-making into its governance model. This includes institutionalizing board and staff as equal participants. Therefore, it is important to understand the specific expression of altruism in the nonprofit enterprise.

Definitions of altruism range on a continuum between acting without self-interest to acting in the interest of others. In every case, there is a gift. In the nonprofit world, altruistic gifts go beyond financial donations to include unconditional, unpredictable works of the heart—a helping hand, a feeling of love or loss, an intuition, an impulse -- expressive investments undertaken with the expectation of return to that primarily benefits another (not oneself). Such investments bring with them deeply held accountabilities — a sense that one answers to a higher standard for the responsibilities one has acquired out of altruistic intent. Hirschman (1984) argued that altruistic gifts generate self-interested return by increasing the donor's capacity to give, just as loving

increases one's capacity to love. This distinction is helpful in conceptualizing the difference between a charitable gift and an outright investment, and heightens the contrast between businesslike focus on instrumental transactions and unconditional gifts of service that do not take into account the business standards of nonprofit operations.

In the nonprofit context, expressions of altruism are influenced by the business setting. For example, when S.P. Oliner and P. Oliner (1988) positioned altruism as one possible manifestation of individual resistance to malignant social forces and dominating structures that otherwise would rule one's life, they were speaking from experience as survivors of the Nazi holocaust. Citing roots in the Latin word *alter*, meaning *other*, Oliner and Oliner suggest that altruism is wide range of behaviors have four things in common: "(1) directed towards helping another; (2) involves high risk or sacrifice for the actor; (3) is accompanied by no external reward; and (4) is voluntary" (p. 6).

In contrast to the resisters who rescued Jews from Nazi terror, significantly less risk is involved in making altruistic gifts to nonprofit organizations for most residents of the US[i] today. The prospect of external rewards such as networking with important people, professional advancement, and recognition from the community further dilutes the selflessness of altruistic expression in the context of today's nonprofit organization. Clearly there is a large gap between the typical altruistic commitment to nonprofit organizations and life threatening acts of heroism and political resistance embodied in the Oliners' (1988) study. At the same time, the impulse to express support for and serve those who are less fortunate does involve some element of political and personal

risk, particularly when the need represents an unpopular cause or might jeopardize one's health or personal wellbeing.

Business Orientation + Expressive Rationale

Frumkin (2002) and Bryce (2007) attempted to subsume the expressive aspects of nonprofit operations into a business construct, as if giving voice and building social capital were transactions like contracting to deliver services or devising innovative ideas for blending social and commercial interests. Indeed, any number of actors within and outside civil society can claim a business orientation and expressive rationale. For example, when the author presented some of the ideas in the current study to a newspaper reporter, the reporter claimed that a for-profit newspaper was an example of an organization that combined expressiveness of the journalistic ethic with a business mandate to increase profitability.

Ultimately, the only distinguishing characteristic of nonprofit organizations is the adoption of altruism as a categorical imperative of their business operations (Gassler, 1998). Therefore, to clarify the role of the nonprofit sector, the current study reframes Frumkin's (2002) notion of nonprofit orientations as *business means* and the nonprofit rationales as *altruistic ends*. Further, the present study assumes that these attributes are inextricably braided together to create a synthesis that is distinct from other forms of private enterprise in the United States, namely an *altruistic business enterprise.* The altruistic business enterprise (ABE) is a term of art introduced in this study by the author to reinforce the blend of business means and altruistic ends that characterizes the intention underlying the work of bona-fide nonprofit organizations.

Forces for Change in the Nonprofit Sector

The meso-level nonprofit sector is subject to significant isomorphic pressures for change arising from economic realities attached to the supply and demand orientation. W.K. Kellogg Foundation (2003) characterized financial challenges facing nonprofits in a report whose title, *Blurred Boundaries and Muddied Motives: A World of Shifting Social Responsibilities*, is an apt summary of a funder's eye view of the nonprofit sector. Consistent with the principles of coercive isomorphism at play in the institutionalization of private foundations (Frumkin, 1996), the white paper observed that "experimentation in blended sector responsibility" (p. 7) is being driven by two trends: (a) the increased pressure to demonstrate sustainability at the same time as the devolution of under-funded government responsibility for social services requires nonprofit organizations to raise funds to subsidize their work, and (b) new kinds of leaders who look to multiple bottom lines, such as the areas of profit, social good, and environmental sustainability. The carrot in this argument is access to funding. So is the stick.

Resulting from this pressure are a number of new resources: (a) hybrid organizational forms, combining cross-sectoral structures and intent; (b) models for resource development, funding, and investment that use business protocols, entrepreneurial energy, and advanced technology to secure investments and ensure productivity; (c) multi-sector partnerships to address issues that have an impact on all three sectors (i.e., government, business, and nonprofit organizations); and (d) support systems to provide education and ongoing support for nonprofit organization staffs and volunteer leadership seeking to engage in emerging blended-sector work. However, as

models proliferate, so do the challenges of finding resources to invest in learning about how to operate nonprofit ventures of this type.

Reflecting on these pressures, Young and Salamon (2002) observed that U.S. "nonprofit organizations have not been immune from … a widespread marketization of social and economic life" (p. 446) and that the consequences of the pressures for commercialization are unclear. These pressures include: (a) limited growth of charitable giving combined with cutbacks in government support that have created a fiscal squeeze; (b) social and demographic changes, as the increasing number of poor and disadvantaged persons needing help have increased demand for the kinds of services typically provided by nonprofit organizations; (c) increased demand for services which attracts for-profit competition to traditional nonprofit work; (d) increased competition among nonprofit organizations due to growing demand, the breakdown of traditions of nonprofit collaboration through intermediaries, and increased information available to donors; (e) increased participation in corporate partnerships and cause-related marketing ventures that incorporate the nonprofit organization into overall corporate strategies; and (f) a general increase in demands for accountability, compounded by a shift in public attitude to one which expects more client accountability for responding to social problems.

Young and Salamon (2002) conclude,

> To remain relevant in this climate, nonprofits have to put more emphasis on demonstrating results in order to justify and protect the benefits they enjoy" (pp. 424-429) … How do nonprofit organizations respond to such pressures and opportunities? The growing market involvement of nonprofit organizations is a complex and multifaceted phenomenon, with various strands interwoven into a rich tapestry. Nevertheless, a new picture of a 'social sector' is slowly coming into

> focus—a self-propelled, social problem-solving sector, loosened from its original moorings in charity or its role as a passive agent of government and much more tightly connected to the market system, while still tied, however tenuously, to the pursuit of public benefit. The picture remains blurred and filled with cross currents, but the emerging pattern seems clear enough to describe in general terms. (Young & Salamon, 2002, pp. 423-446).

The tortured syntax of the foregoing quotation reinforces the difficulty of describing how nonprofit sector perceives and responds to change. The picture is blurry and slow to emerge, and, as the present author's equally tortured syntax affirms: The very diversity of the sector and its strength and resourcefulness in providing one-of-a-kind solutions to non-standard problems for frequently non-compliant clients flies in the face of the for-profit requirement for a standardized set of contributions to an inflexible bottom line.

Indeed, framing these pressures as new is a disservice to a sector that has long been adept at forming partnerships across boundaries. As the nation's first nonprofit organization, Harvard University began as a professional training resource for younger sons of wealthy families. In preparing students for careers outside the family business, Harvard was then and continues to be a key constructor of knowledge about all sectors of the business economy. Long before the current spate of devolution and government cost shifting, charitable orphanages operated by fundamentalist Christians were training young children in the skills of bootstrapping in a free market and major foundations were ushering grassroots leaders into a world of privilege, with a net result in both cases of cushioning capitalist enterprise against the shocks of political unrest (Hall, 1987).

Thus, while charitable impulses led to its formation, the nonprofit sector is also an integral part of the free-market system, and, in some ways, exists within the sufferance of that system. With this in mind, one could argue that the blurring of boundaries and

pressures for change are testimony to the success of the nonprofit sector in its role as safety valve and salve for social problems that, were it not for nonprofits, could lead to political unrest.

There are a number of discernable new entries into the nonprofit portfolio of business practices. Particularly salient to this discussion is an increasing reliance on earned income. In 1997, 38% of nonprofit revenue was from fees for services and goods, 31% from government contracts and grants, and 20% from charitable giving (Independent Sector, 2001). In 2004, fees for services and goods represented 71%, 9% from government and 13% from private giving (National Center for Charitable Statistics, in press). Due to challenges in analyzing government funding, the most useful comparison shows a total of 69% from fees and government contracts and grants combined in 1997, compared to 80% in 2004. This dramatic shift to market-focused funding is likely to have a significant impact on the orientation of nonprofit organizations, pressing traditional charities to become more sensitive to market competition. This trend will likely be exacerbated as government policy moves away from direct grants to voucher-based programs that facilitate consumer choice, requiring nonprofit organizations to bear the cost of competing for the clients that once came to them through referrals by state and private resources.

Nonprofit organizations are also experimenting with the creation and operation of *social purpose enterprises* that advance the nonprofit mission through commercial ventures (Young & Salamon, 2002). These include traditional sheltered workshops, open-market enterprises, franchise models, and program-based enterprises (sometimes

called replication) that grow out of an organization's social service programs. In addition, for-profit corporations and businesses seeking to benefit from association with a good cause are engaging nonprofit organizations in *nonprofit – business collaborations*. Examples include corporate partnerships with public schools, investments by corporate foundations, and corporate commitments to provide volunteers and resources. While the potential benefits to business of this arrangement are clear, the benefits for nonprofit organizations appear to center on increased efficiency in mobilizing resources needed to sustain the enterprise, such as access to volunteers, increased visibility, fundraising opportunities, and the like (Young & Salamon, 2002).

These activities influence the micro-level nonprofit culture as organizations internalize the practices of market enterprises. As noted by Young and Salamon (2002): "Management practices, organizational values, and the very language that nonprofits use have been changing dramatically, signaling that nonprofits are becoming very different kinds of organizations than they were in the past and that their market involvement is likely to continue unabated into the indefinite future" (p. 437). Resulting increases in entrepreneurship, calls for accountability and transparency, attention to donor choice in fundraising appeals, and changes in structure and management practices have led the authors to observe that "increasingly, this is clearly not the traditional nonprofit sector" (p. 439).

Summary

This chapter has demonstrated that, at the meso level, nonprofit organizations are altruistic business enterprises that use business means to achieve altruistic ends. Nonprofit organizations deliver a set of clearly differentiated activities and exercise the capacity to conduct resource-generating exchanges with the external environment. What does this mean at the micro level? Do the people who lead individual nonprofit organizations readily comply with pressures for change? Or is their experience more one of resistance as they strive to retain a culture of diversity instead of standardization? Chapter III presents what the literature says about the nonprofit ED at the micro level and describes potential opportunities for the ED to be influenced by and to influence the forces for change described in this chapter.

Chapter III: Executive Directors of Nonprofit Organizations

Introduction

The mechanisms of isomorphic change described in Chapter I point out the contrast between the predictable, more or less linear path of progress that is the macro level hallmark of business means, and the less predictable, more recursive paths that characterize the micro level pursuit of altruistic ends. The impact of macro-level forces on nonprofit EDs is illustrated by the prospect of reductions in government investment in programs of interest to nonprofit organizations. In a recap of the 2006 federal appropriations, the Aspen Institute Nonprofit Sector Research Fund (Abramson and Salamon, 2005) reported a $4.6 billion reduction (3%) over the previous year in funding for programs of interest to nonprofit organizations. This included a $2.4 billion cut in funding for social welfare programs; a $2.2 billion cut in education programs; a $1 billion cut in health services programs; and a combined reduction of $100 million for arts and culture and the environment. The budget called for funding increases in two areas of interest to nonprofits: international aid and income assistance. In every case, the U.S. Congress reduced the amount proposed. In addition, the expanding federal deficit and increasing costs of military engagements will continue to compete for government funds, further dimming future prospects for income to the sector.

To compensate for these shifts in government funding, the real growth rate of private giving has to be twice or triple the average rate of increase in recent years, assuming the need stays the same. The demand for private donations will increase as

demand for services is intensified by impending reductions in services once provided by the federal government (Abramson and Salamon, 2005). As a result, nonprofit executives must invest additional time and resources in fundraising and find ways to extend existing resources through advocacy, partnerships, volunteerism, and internal restructuring of staff and programs. These increased demands for resources to support service delivery reduce resources available for activities related to values and faith and civic and political engagement, not to mention strategic planning, professional development, and organizational learning. For the immediate future, the typical executive will be operating under almost continuous financial stress, increasing the risk of error and burnout as what began as a labor of love may well become a nightmare. Or, possibly, funding shifts may inspire visionary leaders to devise innovations in service delivery, collaboration, or new pathways to volunteer engagement that offset shortages in financial resources.

While neo-institutional theorists look at the effect of isomorphic forces on the structuration of institutional fields, they have little to say about the people who influence and are influenced by these changes. This chapter explores the micro level of the nonprofit field through the lens of executive leadership. This chapter begins with a summary of what the literature says about the role and accountability of the ED, sometimes known as chief executive officer (CEO) or president. After describing the role within the organization, the chapter will examine the challenges that arise from executing this role amid isomorphic pressures arising from the structuration of the nonprofit field.

Nonprofit Executive Directors: A Snapshot

Relatively little scholarly research examines the roles, responsibilities, and developmental strategies of nonprofit EDs as independent variables. Instead, studies tend to conflate the effectiveness of nonprofit EDs with the effectiveness of the nonprofit organizations they lead. Herman and Renz (1999) emphasized the complex interrelationships in a constructivist view of nonprofit effectiveness. Their mixed-method study identified six theses about effectiveness in nonprofits: (1) nonprofits' organizational effectiveness is always a matter of comparison; (2) nonprofits' organizational effectiveness is multidimensional and will never be reducible to a single measure; (3) boards of directors make a difference in the effectiveness of nonprofits but how they do this is not clear; (4) more effective nonprofits are likely to use correct management practices; (5) nonprofits' organizational effectiveness is a social construction; (6) program outcome indicators of nonprofit effectiveness are limited and can be dangerous. While there is little doubt these theses have face validity, the anthropomorphic treatment of the nonprofit organization belies what is missing from this picture. People make the states-of-being outlined in these theses happen. For example, the observation that successful nonprofit organizations "are likely to use correct management practices" humanizes the nonprofit organization and neglects the purposeful effort by human beings.

Discussions of nonprofit EDs have been highly contextualized by expectations about the performance of the nonprofit organizations they lead. While an individual may be drawn to the ED role by a combination of individual motivation and external

circumstance, convention deems that the outcomes of executive leadership are primarily expressed in organizational terms. To illuminate this distinction, imagine the trajectory of a modern corporate leader. Over time, his or her identity remains distinct from the numerous firms served, as promotions, increases in salary, and other incentives lead to an individualized career path. Similarly, political and military leaders accrue benefits and identity that have value independent of the organizational context.

The emergence of an individualized career trajectory of a corporate executive is largely a result of isomorphic patterns of routine and bureaucracy that are widely accepted as methods of control in the world of for-profit business (DiMaggio & Powell, 1983). Applications of the resulting constructs are easily transposed from setting to setting. Competition to provide sky-high compensation for celebrity CEOs is just one example of how these assets belong to the individual rather than to the employer. In contrast, as nonprofit organizations evaluate ED effectiveness using a rubric of organizational effectiveness, they risk unintended consequences. Evidence of this faulty evaluative method includes the finding that one in three nonprofit executives are eventually fired or forced out of their job, 71% of boards do not have a succession plan for the ED role, and two out of three EDs who leave their position do not take another ED position in the nonprofit sector (Bell, et al., 2006). Such patterns of behavior obscure the wisdom held by nonprofit leaders and set back efforts to transfer that wisdom across organizational or generational lines.

Some observers have defined the work and skills of nonprofit executives as an intermediary role. For example, Couto (1999) wrote that nonprofit executives have good

people skills because as leaders of intermediary organizations they bring together actors with diverse leadership intentions and structures as they facilitate productive interactions among stakeholders. Rechtman (2004) observed that EDs and the organizations they lead must relate to at least five different groups of stakeholders including: 1) clients who directly consume the products and services the nonprofit creates; 2) individuals who are employed directly or indirectly by the nonprofit in the course of advancing its mission; 3) individuals, businesses, government agencies, and foundations who fund the activities of the nonprofit either through philanthropy, membership, or contractual arrangements; 4) individuals who volunteer to do some of the work of the nonprofit either in direct services, administration, as advocates for its mission, or in leadership roles; and 5) individuals or institutions in the community that have direct or indirect power over the activities and future of the nonprofit including government policy-makers, the media, and other influential persons.

Wallis and Dollery (2005) articulated six distinctive activities of nonprofit EDs: (1) developing a credible and compelling vision of what the nonprofit organization should become, and securing commitment of stakeholders for achieving this vision; (2) formulating an effective strategy for a framework for governing the actions of the nonprofit in pursuit of this vision; (3) being an advocate and spokesperson for the nonprofit organization and the cause it is advancing; (4) building relationships with donors and funders to leverage their resources and maintain a financial lifeline; (5) empowering and inspiring staff and volunteers o help them learn, grow, and realize their full human potential as they serve the organization's clients and the community; (6)

ensuring the nonprofit organization is positioned for the future. These skills are involved in building coalitions and directing cooperatively-run non-profits, such as managing expectations regarding outcomes, challenges nonprofit leaders regularly encounter as they work in community settings.

The process of governance is an important relationship skill for nonprofit EDs. As Campbell (2002) found that, “any results based accountability system depends on working governance mechanisms and effective leadership” (p. 254). As cited earlier, Herman and Renz (1999) concluded that “boards of directors make a difference in the effectiveness of nonprofit organizations but how is not as clear” (p. 113), suggesting a correlation between board effectiveness and organizational effectiveness. Some measures of board practices, board performance, and organizational effectiveness are independent of the organization’s executive leadership; at the same time, an ED’s effectiveness as a leader depends on the ability to sustain a strong working relationship with the board of directors.

Adaptability and resourcefulness are important skills for nonprofit leaders: Adeyemi-Bello (2001) defined effective nonprofit leadership not only by task and people orientations, but also by the dynamic interaction between the two. Altruism aligns closely with Adeyemi-Bello’s definition of people-oriented leaders “who have strong concerns about their group members’ relations … and express these concerns by creating a friendly and supportive atmosphere” (p. 151). Task orientation is aligned with leaders who have “strong concerns about the group’s goals and the means to achieve

them" (p. 151). She found that many nonprofit leaders embodied multiple roles and styles, providing further evidence of the importance of resourcefulness to this work.

Writing about leaders in general, Heifetz (1994) defined the kind of activities outlined by Adeyemi-Bello (2001), Campbell (2002), Couto (1999), Rechtman (2004) and Wallis and Dollery (2005) as "mobilizing adaptive work" (p. 76). The mobilization occurs when a leader-member cohort engages in shared learning to address a situation in which the problem definition and the solution implementation are both unclear. Such tasks are also consistent with styles of transformational leadership (Burns, 1978) and servant leadership (Greenleaf, 1970). Strikingly absent are studies that focus on styles of autocratic or directive leadership (Bass & Stogdill, 1990; Yukl, 2002). For instance, nonprofit organizations involved in tasks as diverse as disaster relief to theatre production depend on leaders for forceful direction of coordinated, and, sometimes, risky activities.

Isomorphic Pressures Affecting Nonprofit Executive Directors

While nonprofit EDs bring their leadership to bear on a variety of challenges, this study focuses on challenges related to the structuration of the nonprofit field, including isomorphic pressures resulting from: (1) socio-economic roles, (2) being businesslike, (3) being altruistic, and (4) relating to the external environment. Following are brief descriptions of likely challenges in each area.

Challenges related to the socioeconomic roles of nonprofit organizations. The legitimacy of the U.S. nonprofit sector depends in large part on its role in the capitalist free market (Hall, 1987). Nonprofits are unique expressions of the U.S. policy-makers'

preferences for advancing the public interest through free-market institutions, rather than delegating this work to government. Referencing these accountabilities at the policy level, Hall (1987) described the nonprofit sector as a homegrown alternative to socialism or the European-style welfare state that uniquely fits the ethos, culture, and practice of the U.S. capitalist state. The tension between faith in the market's ability to meet human needs and an altruistic response to manifestations of inequality, injustice, and suffering resonates with Frumkin's (2002,) distinction among the orientations and rationales of nonprofit organizations.

Salamon, Hems, and Chinnock (2000) identified five roles that paint a picture of the broad intentions of the nonprofit sector: (1) *Service provision:* The services that nonprofit organizations provide are typically difficult to supply through the private market because they are available to everyone regardless of whether they have been paid for or because those in need of them lack resources; or because the services require some special element of trust; (2) *Innovation:* Because they are not driven by the need to yield a profitable bottom line, "the capacity of voluntary action inspired by philanthropy to do new things is beyond question" (Beveridge, 1948, as cited in Salamon et al., 2000, p. 5); (3) *Advocacy:* Nonprofit organizations can be expected to push for changes in government policy or in societal conditions) through citizen or personal advocacy and public or policy advocacy; (4) *Self -expression and leadership development:* Nonprofit organizations potentially perform a broader role as vehicles for individual and group self-expression and creativity than the for profit sector. (5) *Community building and democratization:* Although the expressive role emphasizes the contribution that

nonprofit organizations can make to diversity and pluralism, in fact these organizations can be expected to perform a unifying role as well, fostering the creation of social capital and integration across functions (Salamon et al.,2000). The roles of self-expression and leadership development and community building and democratization resonate with Frumkin's (2002) expressive orientation, allowing people to embrace and celebrate the unique qualities of ethnic and religious heritages, occupational interests, shared ideologies and interests, musical or cultural concerns, and thousands of other individual preoccupations.

Therefore, nonprofit EDs must be mindful of the non-economic outcomes of the work they organize. For example, to increase the efficiency of their fundraising activities, some nonprofit EDs are outsourcing mundane tasks related to their annual fundraising campaign to companies that specialize in the preparation, distribution, and fulfillment of direct mail activities. While such practices can create low paying, entry level jobs for people who otherwise might not find employment, it may also lead to unintended negative consequences for the nonprofit organization. Outsourcing relieves the nonprofit organization of the need to recruit and mobilize volunteers who, in the past, might have done this work at no charge, but it also eliminates an entry level of volunteer service for people who might move on to become donors, more responsible volunteers, or career nonprofit professionals. Further, many entry level employees in the direct marketing field are contract employees without health care benefits or the assurance of regular employment; those who live paycheck to paycheck risk becoming clients of the very nonprofit organizations their companies serve. Therefore, the nonprofit ED who

adopts a single-minded focus on the business of increasing funds risks consequences that could negatively affect other aspects of the organization's work.

Through the lens of institutional theory, these socioeconomic considerations appear soft when compared with economic contributions, and may be at risk when one's understanding of isomorphic forces is based on purely economic rationales. On the other hand, an understanding that overvalues non-financial roles risks fundamental business failure or dependencies that can paralyze the mission response. Thus, the ability to assess and balance economic and non-economic pressures is a useful skill for an ED.

Challenges related to being businesslike. Due to the socially-conditioned nature of fundraising in today's environment, some theorists have positioned altruistic gifts as self-interested transactions in the context of strategic philanthropy (Frumkin, 2002) and social enterprises (Dart, 2004). The Economist (2004) brought this logic full circle citing studies that suggest some people use claims of self-interest to cloak deeper feelings of compassion and urges toward altruism. Although individual motivations for giving are virtually unknowable, the patterns of making altruistic gifts of time, treasure, and talent to altruistic business enterprises are well-established as predictable human behaviors. In some cases, the exigencies of blending business and altruism can lead to contradictory pressures for standardization. For example, social entrepreneurs demanding more focused outcomes use the shibboleth "You're trying to solve world hunger!" to shout down people of faith who fail to articulate a business focus for their efforts. When impassioned advocates take these pressures to extremes, the noise level

can be deafening. At the center of that loud and frequently fractious debate, the nonprofit ED must make businesslike decisions that advance the altruistic ends of the enterprise he or she leads.

Challenges related to altruism. Studies suggest that changing human bonds into market commodities reduces the value of altruism as a moral resource that "determines the forms and amounts of social goods that a society provides" (Couto, 2002, p. 217). Casting his argument in political terms, Couto (2002) wrote, "Through the gift relationship, which meets the needs of strangers and expresses our mutual responsibility for each other, communities and individuals can work to narrow the gap between democratic values and actual practices (p. 218)." At the same time, a transactional understanding of altruistic motivations tends to erode when examined in practice (Couto, 2002; Titmuss, 1998). One particularly dramatic illustration of this principle was Titmuss' (1998) finding that blood donations from voluntary sources were virtually free of the virus that causes hepatitis, in contrast to a 53% incidence of the virus in blood secured through commercial sources. Examples such as this suggest that the ethos of altruism appears to help nonprofit organizations attract higher quality assets than purely commercial endeavors. Given this, making the business case for altruism is a key challenge for nonprofit EDs.

Challenges arising in the causal texture. Nonprofit organizations operate in environmental contexts that are themselves changing at an increasing rate and towards increasing complexity. As they seek to mobilize the resources that reside in the external environment, understanding the nature of dynamic relationships within the causal

texture helps the ED work effectively with their external contacts as well as people within the organization they lead. For example, The Metro Atlanta Task Force for the Homeless (The Task Force) has as its mission to "advocate with and to represent the dignity and rights of people who are homeless in our society, toward the goal of preventing homelessness and seeking appropriate and affordable housing for all" (Metropolitan Atlanta Task Force, n.d.). A staunch advocate for changes in the social structures that promote disparities in income that lead people to lose their homes, the Task Force led a high profile protest against a panhandling ordinance passed by the Atlanta City Council in 2006, saying that it was a cosmetic solution that was heartless and inhumane. The city countered that panhandling frightened visitors and made people think twice about scheduling lucrative conventions in Atlanta. Further, the Task Force's shelter was at a downtown intersection that had become a gathering place for homeless people, creating what city officials dubbed an eyesore and what program staff called an important and troubling reminder of a persistent problem.

The Task Force relied on the City of Atlanta's endorsement to obtain state funding for basic shelter services, sometimes called "two hots and a cot," for people who are homeless. Issues came to a head during the summer of 2007, when the Mayor of Atlanta informed the state funding authority that the Metro Atlanta Task Force for the Homeless failed to meet four of five criteria for programs and the state Department of Community Affairs rejected the group's request for funding (Pendered, 2007). The $112,000 grant request represented approximately 10% of the Task Force's annual budget.

What began as and continues to be a battle born of an altruistic mission has serious business consequences for a nonprofit organization that had been serving clients since 1981. One is hard pressed to say what should be different. Should the ED cultivate the City's political leaders to sustain funding? Should she damp her protest with an eye to keeping the program solvent? Should the City ignore powerful economic interests in favor of the rights of free speech as manifest in panhandling and advocacy for social change? Further, say the conflicts are resolved in the City's favor. What are the implications for clients who rely on the Task Force for help? How can a principled advocate for people who are homeless continue to receive funds from a funder who champions an equally principled but opposing point of view? Obviously these are questions with more than one right answer. Instead of looking at this as a quid pro quo or log rolling contest, the leaders of the Task Force (and the Mayor and her administration, although they are outside the scope of the current study) must hold an irresolvable tension as they search for incremental solutions.

This tension also illustrates how transactions in the causal texture create opportunities for external influence. Using DiMaggio and Powell's (1983) construct, one can see isomorphic pressures toward rationalization and standardization in play in the example above. The Task Force's ED was subject to coercive isomorphic pressures enforced by a disparity in power between her organization and the Mayor's office. She was also extending influence outwards, enacting normative isomorphic pressures in support of a change in attitude and practice towards the social problem of homelessness. In this case, the normative factors were moral authority and the common

good, as well as professionalism in the field of services to homeless people. As this example illustrates, enacting two-way conversations in the causal texture is at once a challenge and an opportunity for EDs.

Challenges related to generational transition. In addition to responding to the isomorphic pressures at play in the nonprofit sector, today's nonprofit EDs are also engaged in a massive changing of the guard. In a survey of active EDs, Teegarden (2004) found that by 2009 there will be more ED transitions than there have been in the previous 10 years. Twenty-three percent of EDs indicated they plan to leave their current jobs by 2006 and 65% plan to leave by 2009. Fifty-seven percent of baby-boomer EDs said they would retire by 2010, although many expect to continue to be a resource in the field through consulting or in part-time roles. Teegarden anticipated that most of the transitions will be complete by 2020 when all but the youngest baby-boomers have reached age 62.

Many in the current generation of nonprofit leaders came to their positions first as participants in the civil rights movement which led them to become practitioners in service fields like social services, the arts, advocacy, education, and health care (Kunreuther, 2004). As the organizations they established grew, some of these individuals took on the job of ED without much formal preparation for the managerial responsibilities the role entailed. Relying on informal networks of colleagues, friendly board members, and lots of trial and error, these individuals steadfastly maintained their commitment to service in the face of numerous challenges. Motivated largely by a sense of mission and desire to express an ideology, an art, a professional practice, or

an unmet need, these EDs built a profession from the inside out. Using tacit knowledge acquired from experience, over the last forty years the current generation led an extremely diverse group of nonprofit organizations through a period of extraordinary sector growth and change. Greenleaf (1970) described these individuals as servant leaders because they were first drawn to serve, and then they also chose to lead. Adaptive leadership skills such as mentoring, development, and self-objectivity will continue to be necessary as younger people enter the field and an increasingly diverse group must work together to shape the future of their nonprofit organizations.

Summary

Table 3-1 recapitulates the descriptions of leadership activities attributed to nonprofit EDs in this chapter. Reviewing the list, one could argue that most if not all of these activities may also characterize the leadership activities of senior executives in government, faith organizations, military, or for-profit settings. While it is certainly helpful, a list such as this does no more to teach new entrants the work of nonprofit leadership than, say, a list that includes dribbling, shooting, pick and screen, and talking trash instructs young players about the nature of basketball. Rather, such lists are most useful in ticking off the cognitive aspects of the job, to clear the way for deeper learning that can only come from playing the game.

A subtext that unites the various items on the list in Table 4-1 is the activity of working with people. While such engagement is enacted by nonprofit EDs on a person-to-person basis, the ability to bring people together is also a characteristic of the nonprofit organization as a whole. Mediating relationships is so pervasive a theme that it

constitutes a well-defined structure worthy of incorporation into the nonprofit structure described in Chapter II. This study defines the intermediary role as the nonprofit organization's capacity to engage a variety of stakeholders in the creation and management of social and financial capital. While the list of stakeholders will vary from one organization to the next, having the leadership skills and people orientation needed to enact the intermediary role appears to be a requirement for anyone seeking to become a nonprofit ED.

This chapter has presented the dynamic nature of the ED's work, reflecting more or less constant interaction with people to create and manage the social and financial capital needed to advance the mission of the organization. The chapter then provided insight into challenges related to isomorphic pressures that EDs regularly encounter on the job. Embedded in this perspective is the notion that nonprofit EDs are agents of change within the nonprofit organizations they lead, the nonprofit sector, and, through transactions in the causal texture, in the community outside the sector. Chapter IV describes an approach to field theoretical research that separates the instrumentalities of nonprofit organizations from the agency of nonprofit EDs and posits this approach as a framework for deeper reflection on the executive leadership of a nonprofit organization.

Table 3-1.

Summary of Descriptions of Leadership Activities Attributed to Executive Directors

Leadership activity	Description
Vision	Developing a credible and compelling vision of what the nonprofit organization should become, and securing commitment of stakeholders for achieving this vision (Wallis & Dollery, 2005).
Strategic planning	Formulating an effective strategy as a framework for governing the actions of the nonprofit in pursuit of this vision. Ensuring the nonprofit organization is positioned for the future (Wallis & Dollery, 2005).
Advocacy	Being an advocate and spokesperson for the nonprofit organization and the cause it is advancing. This includes citizen or personal advocacy, and public or policy advocacy (Salamon et al., 2000; Wallis & Dollery, 2005).
Resource mobilization	Building relationships with donors and funders to leverage their resources and maintain a financial lifeline. (Wallis & Dollery, 2005). Balancing economic and non-economic interests (Salamon et al., 2000).
Development	Empowering and inspiring individuals to help them learn, grow, and realize their full human potential as they serve the organization's clients and the community. (Nanus & Dobbs cited in Wallis & Dollery, 2005, p. 489). Engaging diverse stakeholders in the advancement of mission (Couto,1999; Rechtman, 2004).
Service	Ensuring that the organization provides services that are difficult to supply through the private market because they are available to everyone regardless of whether they are paid for or because those who need them lack resources, or because the services require some special element of trust (Salamon et al., 2000).
Innovation	Supporting flexibility, adaptability, and risk taking (Salamon et al., 2000).
Self-expression and leadership development	Facilitating individual and group self-expression, promoting the value of pluralism and diversity in society, providing outlets for the development of new leadership cadre, and offering vehicles through which people can fulfill themselves in a variety of ways

Leadership activity	Description
	(Salamon et al., 2000).
Community building and democratization	Working to unify communities; fostering and supporting democratic values (Salamon et al., 2000).
Adaptability/ resourcefulness	Bridging task and people-orientation (Adeyemi-Bello, 2001). Enacting adaptive leadership (Heifetz, 1994).
Governance	Working productively and harmoniously with the board of directors (Campbell, 2002; Herman & Renz, 1999). Maintaining the integrity of the non-distribution constraint (Hansmann, 1987).
Self-care	Managing internal tensions and role displacement (Levinson,1987).
Sustainability of the enterprise	ED's success demonstrated by the success of the nonprofit organization (Herman & Renz, 1999). Facilitating exchanges with the external environment (Bryce, 2006; Emery & Trist, 1965); Using business means to achieve altruistic ends (Gassler, 1998).

Chapter IV: Exploring the Work Experience of Nonprofit Executive Directors

> *The history of human progress is the story of the transformation of acts which… take place unknowingly to actions qualified by the understanding of what they are about.*
>
> (Dewey,1929, p. 245)

Introduction

Reflecting on what the literature says about the experience of nonprofit EDs, Chapters II and III described nonprofit organizations as the seat of at least 13 activities, including: (1) business, (2) altruism, (3) blended business and altruism, (4) values and faith, (5) service delivery, (6) social entrepreneurship, (7) civic and political engagement, (8) governance, (9) intermediary role, (10) contracts, (11) philanthropy, (12) advocacy, and (13) policy. Chapter III also discussed the challenge of separating the leadership performance of the nonprofit ED from the functional performance of the nonprofit organization.

The sheer number of moving parts and their dynamic interaction create a significant methodological hurdle to the exploration of how, at the micro level, EDs influence and are influenced by isomorphic pressures emerging from macro-level changes and meso-level structures in the nonprofit field. How does the researcher remind the respondent of the multiple responsibilities without leading the response? How does the researcher invite reflection about choices with more or less immediate outcomes, as well as about processes that have delayed or immeasurable outcomes? Finally, how does the researcher engage respondents in discussions of individual

performance without cueing up a report on the progress of the nonprofit organizations they lead?

This chapter addresses these concerns by introducing a field theoretical model devised by the author to translate the information from Chapters II and III into a construct that can facilitate research into dynamic interdependence. It then presents a study design that engages EDs in conversational interviews to explore their experience in three ways: (1) unaided response to open-ended questions, (2) assisted response using the construct as a prompt for more specific exploration, and (3) projective responses based on a reflection of the conversation as a whole.

Field Theory as a Framework

By proposing field theory as a research method, Lewin (1951) provided a framework that solved many of the special problems involved in researching dynamic interdependence among multiple parts. Building on his own knowledge of field theories in the physical sciences, Lewin sought to characterize events and objects as a concatenation of relationships rather than by observation of the effects of isolated variables. Thus, from its inception, field theory promised to be a method that facilitated the proper translation from discrete phenomena to dynamic concepts.

According to Lewin (1951), a field is a physical or metaphysical space defined by a perimeter or boundary. The field itself is organized and different from other fields and populated by multiple phenomena, called *elements*, each with its own role to play. Enacting those roles, elements leave trails called *trajectories* as they progress along emergent paths called *vectors*. When a trajectory or vector goes awry—a program that

does not find funding, for example—the entire field is affected. Importantly, while the steady state is useful as a starting point, a field theoretical analysis is most productive when its elements are in motion. Absent the motion of the elements, the field has only a potential for the creation of force. When elements within the field go into motion, the function of any given element is said to be *instantiated*. Without changes driven by instantiation, the intellectual construct of element-within-a-field holds little interest for scientists who seek to understand how things work more than how things are.

Lewin (1951) used the mathematical concept of space and the dynamic concepts of tension and force to map the dynamics of interdependence. Key conceptual elements include: position, describing a spatial relation of regions; locomotion, movement and relative positions of elements in the field at different times; structure, referring to the relative position of different parts of the field; force or tendency to locomotion, different from actual locomotion; force field, the region influenced by an element in motion; goal, a way to portray the center of alignment of an element within a force field, typically a positive valence that emerges when all forces point in the same direction; and conflict or equilibrium referring to the potential relationship that occurs when force fields overlap. Such elements place any part of the field in relationship with all other parts of the field and with surrounding fields.

The dynamic conceptualization of a field is a useful counter to conventional understandings of causality in social sciences, such as theories based on the hypothetical existence of mutually exclusive characteristics called *variables* (Martin, 2005). In the traditional approach, the theory is a by-product of relations between

variables. Causality occurs when a change in state in one variable impels a change in state in another variable. This positivist approach stipulates that cause and effect are connected through a process of involuntary impulsion taken from classical mechanics, recast in terms of variables instead of substances. Field theory enriches—and sometimes confounds— the explanatory value of independently considered mechanical connections by introducing multiple, interacting variables, including some from outside the field itself. Thus, field theoretical models may represent lived experience more accurately. Their particularity, however, limits the researcher's ability to create the large-scale predictions that are commonly delivered by positivist studies (Martin, 2005).

Field Theory Applied to Nonprofit Organizations

Field theory provides a useful technique for portraying the interdependence of the multiple phenomena that constitute the activities of nonprofit organizations. Instead of positivist observations of cause and effect, field theory illuminates the complex interaction of elements within the typical nonprofit organization, where the connection between cause and effect is hard to discern, much less describe. Heifetz (1994) captured this phenomenon when he described the adaptive leader's ability to distinguish between technical and adaptive solutions. Technical problems have solutions that involve visible causes and visible effects, based on new applications of existing knowledge. Adaptive problems require solutions that involve new learning and change, along with informed choices about what not to change. As suggested in Chapter III, effective EDs are adaptive leaders who nimbly recognize and respond to a number of possible combinations of cause and effect, seeing elements that are invisible

(sometimes called a *vision for change*) and at the same time valuing the visible elements in their internal calculus that then supports decision-making. These adaptive leaders reframe both problem and solution; they also recognize when such reframing is *not* required as they diagnose the situation and choose the most appropriate options based on that diagnosis (Heifetz, 1994). An effective field theoretical model should portray the invisible and visible elements considered in this diagnostic process.

As an element in the field of the nonprofit organization, the ED is a discrete force that is in relationship with all other parts of the field and with the surrounding fields. Individual responses are, in part, a result of the individual, intrapersonal field, with its own unique assumptions, blind spots, epiphanies, habits, memories, anticipations, and so on, a phenomenon Lewin (1951) called the *life space* of the individual. This notion of an intrapersonal field resonates with the metaphor of an internal compass used by Young (2002) to summarize three case studies of nonprofit organizations in a turbulent external environment:

> I do think that they [the cases] suggest what may increasingly occur if nonprofit leaders do not become more aggressive in addressing the challenges of nonprofit accountability, that is, following an internal compass by standing up strongly for the mission in an environment of severe market and social pressures from the business community. (p. 9)

The needle on a compass points directions by positioning itself in relation to the magnetic field of the North Pole, sometimes called true north (Kjernsmo, 2006). Using a compass enables one to orient oneself to any geographic direction in relation to true north. An internal compass elicits an image of a true north that is rooted in the

individual's intrapersonal life space. Thus grounded, the ED can move in the multiple directions required by the circumstances of the work.

Mapping the Micro-Level Nonprofit Field

A compass is of little use without a map, a visualization which serves as an external reference point. The following field theoretical model is a representation of the information contained in Chapters 1, 2 and 3, mapped as a complex set of interactive functions across four dimensions, described below. Within each dimension are highly abstract descriptions of a variety of activities. Following is a specific description of the activities that constitute each dimension.

Dimension 1: Business means and altruistic ends. Nonprofit organizations ground their missions in a complex substrate that blends business means and altruistic ends. This directly builds on Gassler's (1998) observation that altruism is a categorical imperative of nonprofit business operations. Figure 2 illustrates how nonprofits and the nonprofit field are distinguished from the external environment by a clearly defined boundary. Within the nonprofit, business means (orientations) and altruistic ends (rationales) are a blended continuum, suggesting that purer activities occur at the extremes and more blended activities occur in the center of the dimension. This creates a total of three activities in the dimension: (a) business means, (b) altruistic ends, and (c) blended business means and altruistic ends.

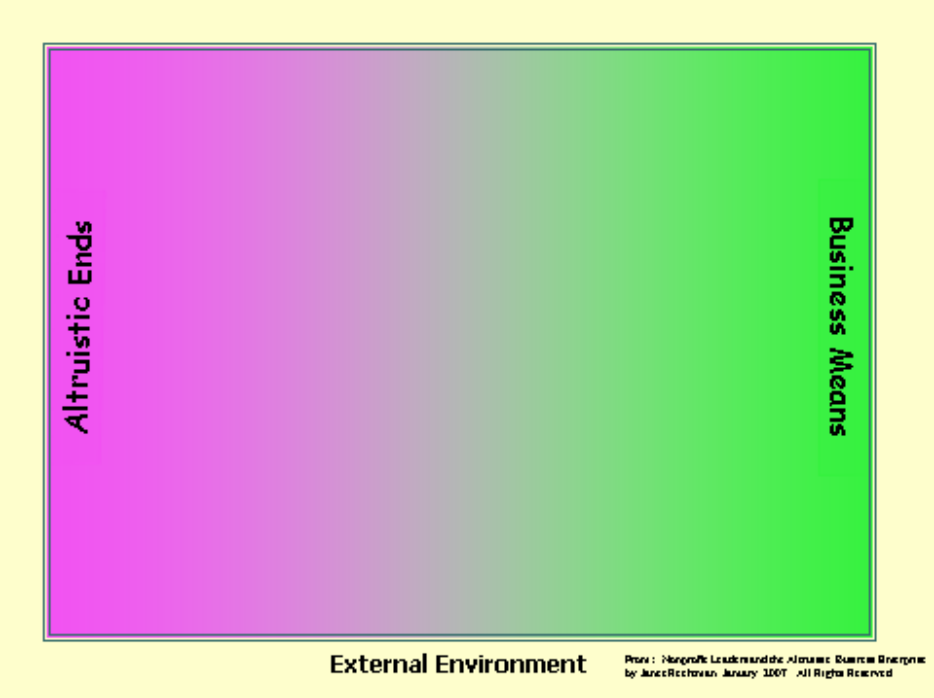


Figure 4-1. Dimension 1: The foundation of business and altruism.

Dimension 2: Functions that characterize nonprofit operations. This dimension (see Figure 3) replicates Frumkin's (2002) depiction of nonprofit operations, with the author's addition of the governance role, for a total of five activities: (1) Service delivery – providing needed goods and services; (2) Civic and political engagement – mobilizing citizens to advocate for change; (3) Social entrepreneurship – operating social enterprises that combine commercial and charitable goals; (4) Values and faith – allowing volunteers, staff and donors to express values, commitments and faith through work and philanthropy; (5) governance – nonprofit organizations' community ownership charted with creating policy, securing resources, and interacting with the environment.

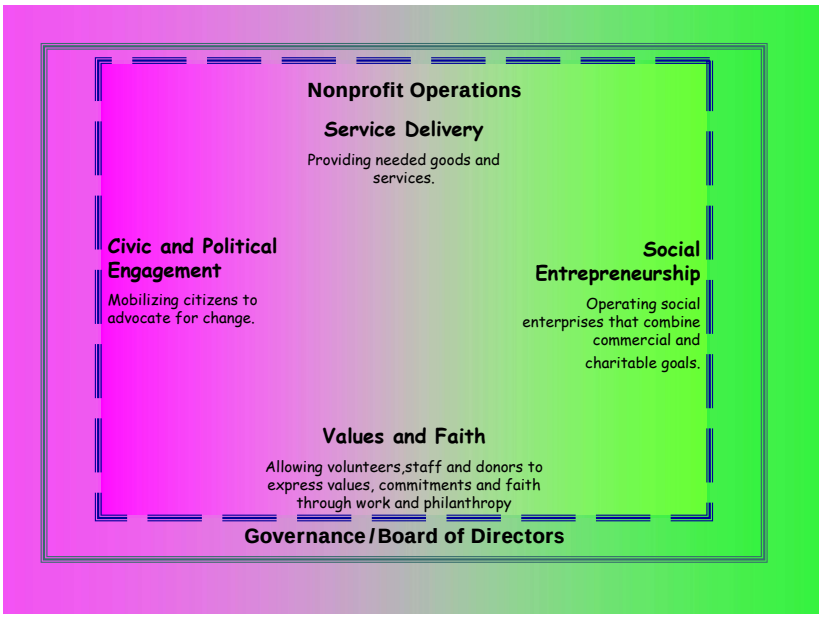


Figure 4-2. Dimension 2: Functions that characterize nonprofit operations.

Dimension 3: The intermediary role. A bank is the quintessential financial intermediary, gathering deposits and investing these funds in other projects through lending to businesses, home buyers, and through retail credit vehicles. Similarly, nonprofit organizations gather investments of financial capital through donations and social capital through volunteerism and other forms of engagement. Then, as intermediaries, they deploy these assets in programs and services that benefit the common good. This dimension uses the metaphor of intermediary to express the complex blend of orientations and rationales that constitute a single activity of marshalling resources in support of an altruistic mission. The business orientation derives from working with financial and social capital while the expressive rationales are bound up in the social capital metaphor. Adhering to Putnam's (2000) definition of shared values, social networks, and a sense of reciprocity, social capital is by definition

expressive. Examples of this approach are clearly evident in Mohammed Yunus' (Yunus, 2006) vision for the Grameen Bank's pioneering work in microfinance as a tool to fight poverty, or Bill Gates' (Bill and Melinda Gates Foundation, 1999-2008) approach to using his personal capital as a lever to transform the world.

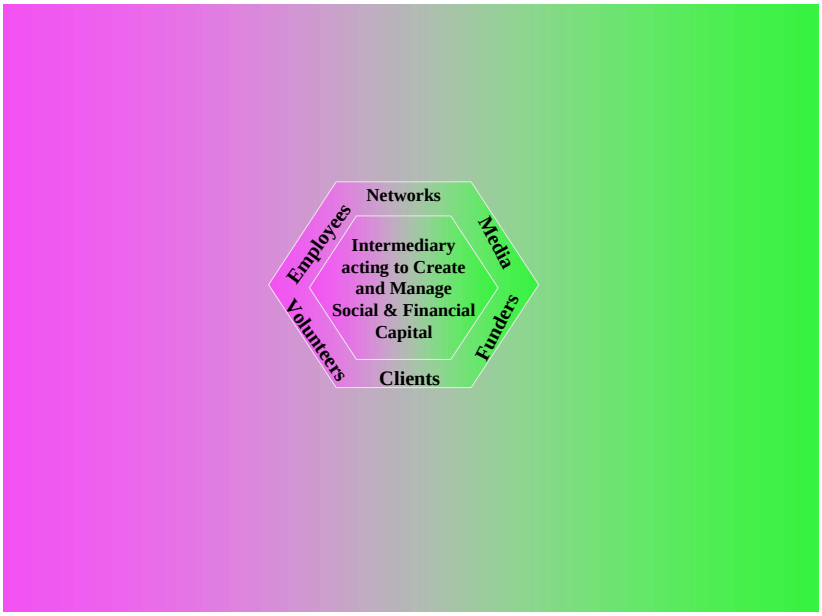


Figure 4-3. Dimension 3: The intermediary role.

Dimension 4: Transactions that characterize the nonprofit organization's exchanges with the external environment. Building on work by Emery and Trist (1965) and Bryce (2006), the last dimension of the field theoretical model envisions a set of exchange relationships that connect the nonprofit to its external environment (see Figure 5). There are four activities in this dimension: (1) Contracts – conversations about business with external partners that lead to contracts for the delivery of goods or services; (2) Philanthropy – conversations with current and prospective donors about how to help either through financial, volunteer, or in kind gifts (note: conversations about

philanthropy quickly morph into conversations about business once the terms are defined and the ED has to demonstrate compliance with those terms); (3) Advocacy – conversations that engage members of the public, stakeholders, and others in speaking out about justice, equity, and moral concerns; and (4) Policy – conversations with elected and appointed officials of government and corporations with a focus on reform of institutions, structural change, and increasing access to needed services.

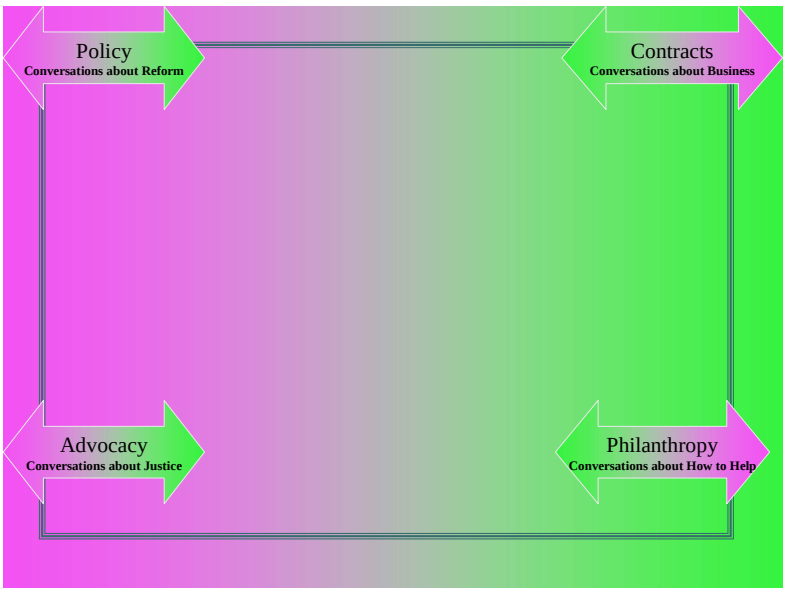


Figure 4-4. Dimension 4: The nonprofit's exchanges with the external environment.

Taking the model as a whole. Figure 6 illustrates the composite field theoretical model including the four dimensions and 13 activities. This study uses a staged review of the model with respondents as a prompt for reflective conversations in an effort to separate perceptions of individual ED experience from perceptions of organizational performance The remainder of this chapter describes, in more detail, the qualitative

interview methodology that was used to facilitate these conversations. By interpreting these accounts in light of the model, the study ascertained a degree of similarity across the nonprofit organizations represented in the sample and, to a limited extent, validated the accuracy of this model's portrayal of the nonprofit landscape.

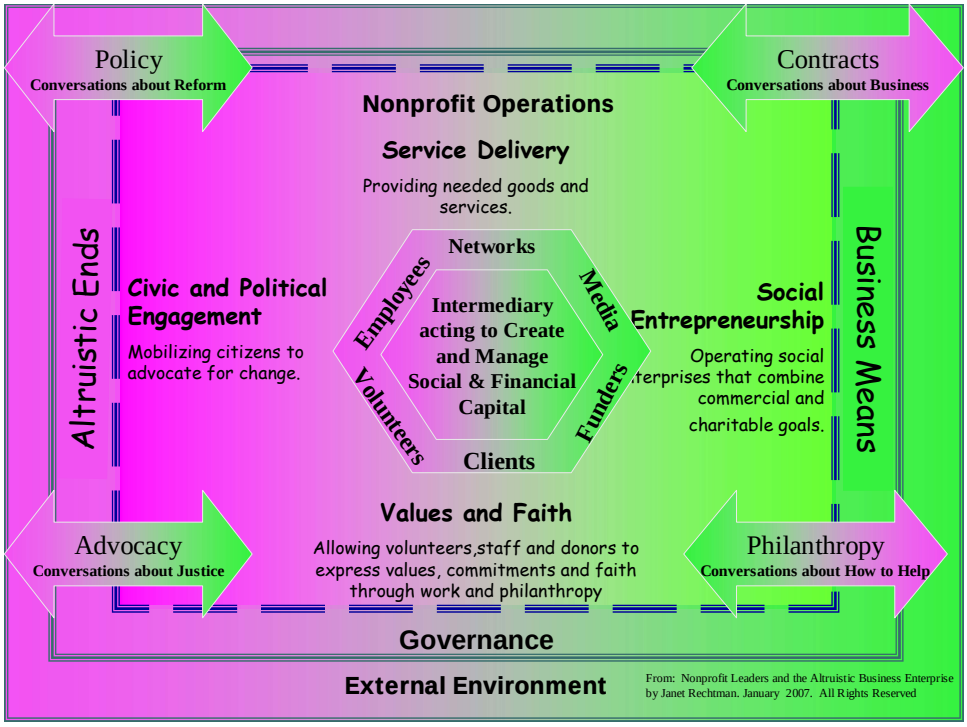


Figure 4-5. The model as a whole.

Respondent Selection

Typically, a qualitative study adopts one of two approaches to sampling within bounded social networks: the *realist approach* which is based on actor-set boundaries and membership perceived by the actors themselves; or a *nominalist approach*, based on the theoretical concerns of the researcher (Wasserman & Faust, 1994). A sample using the nominalist approach poses some risk that the researcher will unconsciously

select respondents who are likely to support her developing theory. The present study enhanced the quality of the sample by using the realist standard of peer recommendation as a criterion for selection from a nominally determined sample list. By thus blending realist and nominalist criteria, the study afforded a well-informed, highly credible set of respondents the opportunity to reflect on their experience. Following is a detailed description of how respondents were selected, the rationale behind the method, and the steps in the research process.

Respondent Profile

Patricia Willis, ED of Voices for Georgia's Children, offered access to the membership of the Georgia CAN Network, an active network of organizations contributing directly to policy development through evaluation, research, advocacy, and lobbying (Voices for Georgia's Children, 2007). To assist with the selection of respondents, Willis identified a subset of the list that represented the most active members and alerted them to expect to be contacted by the author. This researcher also agreed to conduct a workshop for members of the GA-CAN Network once the study was completed, at which time she would share results and discuss the implications for GA-CAN specifically.

Respondent Demographics

At the outset, the researcher proposed to compare the responses of older and younger respondents in an effort to shed light on the generational transition underway in the sector. With this in mind, the researcher proposed to include individuals with the following set of primary characteristics: (a) 10 established leaders over 45 years old; (b)

10 emerging leaders under 45 years old with 5 plus years experience in nonprofit organizations and external recognition of their accomplishments; (c) actors in nonprofits with at least one of five outcomes advocated by Voices for Georgia's Children (safe, healthy, educated, employable, connected); (d) executive leaders in nonprofit organizations governed locally and operating within Georgia; and (e) representing an annual budget of $1 to $5 million. The intent was to include a diverse representation of women, African American, Latino, Asian, and other ethnic backgrounds.

The characteristics of the respondents are shown in Tables 6 and 7. Departures from expectations include:

(1) At the recommendation of their EDs, four of the respondents were executive staff members rather than EDs. Three of these individuals aspired to be EDs and carried substantial responsibility in their current roles. They were selected in order to bring younger voices into the conversation. The fourth was a senior executive in his organization who was asked by the ED to participate in the ED's place. While these interviews provided valuable insight, once age ceased to be a salient variable, the focus shifted to EDs only. As a result, these four respondents are not included in the sample analyzed below.

(2) In the original design, representation from large organizations was a proxy for the EDs' experience and professionalism. In this sample, nine of the organizations have budgets between $1 and $5 million. This significantly exceeds the incidence of budgets of this size in the sector, where 73% of

nonprofit organizations have budgets of less than $500,000 (Independent Sector, 2005). .

(3) The study projected that the age of the youngest baby boomers— 45 years old—was the breaking point between older EDs and younger EDs. Most of the respondents were in their 40s, with two in their 20s and only one in her 30s.

(4) Within the membership of GA-CAN, it was difficult to create a quota sample based on race and ethnicity because of the lack of diversity in the membership.

While the respondents included EDs representing ages from 27 to 65 years old, as the interviews progressed it became evident that age was not a particularly salient factor because all but one respondent were first-time EDs. The complexity of age as a variable is illustrated by the following anecdote: When asked the age of the older generation, a 27-year-old respondent replied “in their forties.” Other younger respondents referred to elders as being in their 40s and 50s. This clearly reminded the interviewer of how expectations connected to her own age (59 at the time of the interviews) colored her expectations from respondents. To accommodate this change in perspective, the study takes the median age of respondents (47) as the breaking point for the “younger” and “older” generation to facilitate comparison in the final question about advice to the other generation. Otherwise, the current study does not treat age or any other demographic or personal characteristic as key variables. Instead, the study reflects the broad leadership experience of EDs who are newcomers to the position and may be a less reliable indicator of the experience of EDs who have spent more time in the role.

The study sample varied from the national distribution of EDs of color. In 2004, 78% of nonprofit EDs were white, 16% were black, 4% were Latino and the remainder was Asian, American Indian or other. In the current study, a single respondent was African American and a single respondent was Latino, under-representing the former by 2% points and over-representing the latter to a similar degree. More than a problem of sampling, the diversity of nonprofit EDs in general presents a problem of representation. A literature review conducted by the Annie E. Casey Foundation (2001) reported that demographic diversity of nonprofit EDs does not adequately reflect the demographic distribution of the United States in general, much less the demographic characteristics of the economically disadvantaged people many of these nonprofit organizations serve. Studies suggest that EDs do not vary in practice and outcome by race, gender, or ethnicity. For example, studying diversity specifically in terms of race, the Denver Foundation (2003) sampled a selection of local nonprofit organizations to determine best practices for creating an inclusive culture. Although the study found that the ED role was critical in "establishing the level of commitment, the attitude, the pace, and the behaviors related to an organization's overall inclusiveness practices" (p. 7), the race or ethnicity of the individual ED was not a salient factor. Buzas (1996) found that the independent variables of age and gender did not influence the lobbying practices of nonprofit EDs; he did not consider race as an independent variable in his research. Similarly, Shields (2000) found no statistically significant relationship between gender and turnover of nonprofit EDs and Hiland (2006) found that gender was not a factor in the forming strong board–ED relationships.

Because the current sample did not include more individuals from diverse background, this study does not shed additional light on the role race and ethnicity play in the EDs' work experience. The sample is, however, representative of the gender distribution of EDs: 55% of the respondents were female; female EDs lead 58% of nonprofit organizations, most often smaller organizations in terms of staff and budget (Peters & Wolfred, 2001). The interview protocol focused on what EDs have in common rather than their differences and did not include questions that might trigger specific reflections on demographic variables such as race or ethnicity. By including probes that deepen reflections on race and ethnicity and increasing the diversity of the respondent base, future studies with larger samples including more racial, gender, and ethnic diversity could illuminate differences in experience based on personal characteristics.

Table 4-1

Respondent Profile

Respondent	Age	Title	Gender	Ethnicity	Budget $1-5 million
A	27	ED	Female	Caucasian	No
B	27	ED	Female	Caucasian	No
C	30	Policy director	Female	Caucasian	Yes
D	33	Managing director	Male	Latino	No
E	38	Acting ED	Female	Caucasian	No
F	39	Policy director	Female	Caucasian	No
G	40	ED	Female	Caucasian	No
H	45	ED	Male	Caucasian	Yes
I	47	ED	Female	Caucasian	No
J	47	ED	Female	Caucasian	No
K	47	ED	Female	Caucasian	Yes
L	48	ED	Male	Caucasian	No
M	50	President (volunteer)	Female	Caucasian	No
N	53	ED	Female	Latino	Yes
O	55	CEO	Female	African American	Yes
P	56	Vice president	Male	African American	Yes
Q	57	ED	Male	Caucasian	Yes
R	58	ED	Female	Caucasian	No

Respondent	Age	Title	Gender	Ethnicity	Budget $1-5 million
S	60	President	Male	Caucasian	Yes
T	65	CEO	Male	Caucasian	Yes

Table 4-2

Snapshot of Respondents and Organizations They Lead

	Mission	Budget	Education	Prior experience	New to sector	Age
1	To support those who care for children at risk for abuse and neglect.	Unknown	Ph.D.	minister, street vender, entrepreneur, nonprofit manager, therapist	No	57
2	To speak on behalf of children and youth in the schools, community, and before government and organizations that make decisions affecting children; assist parents to develop the skills they need to raise and protect their children; encourage parent and public involvement in public schools.	Unknown	Bachelors degree	national competitive sports, player, and coach; immigrated from Ireland;	No	50
3	Inform and influence Georgia leaders through research and non-partisan advocacy to impact education policies and practices to improve student achievement.	More than $3 million	Ph.D.	former superintendent of schools	Yes	60
4	To listen to the unheard voices of the poor, children, the marginalized; uncover and end the injustices that we would not endure ourselves; win the battles for our constituency in the courts of public	Less than $1 million	Law school	attorney in private practice; associate judge	Yes	47

	Mission	Budget	Education	Prior experience	New to sector	Age
	opinion or in the halls of justice that no one else is willing or able to fight.					
5	To improve out-of-school-time for children and youth.	Less than $1 million	Bachelors degree	senior management; positions in government	Yes	47
6	To prevent child abuse and neglect in all forms.	$1 to $3 Million	Masters degree	twice retired; former military and COO of a regional nonprofit that is part of a larger NGO	No	65
7	To eliminate adolescent pregnancy in Georgia by developing, establishing, and supporting ideas and program innovations that build local and statewide capacity to promote the healthy development of our most vulnerable adolescents.	More than $3 million	Bachelors degree	state department director	No	55
8	To provide services to the Latino population in metropolitan Atlanta.	More than $3 million	Masters degree	CFO for publicly traded company	Yes	53
9	To improve outcomes for children.	Less than $1 million	Bachelors degree	manager in a school system, neighborhood organizer, president of a foundation	Yes	58

	Mission	Budget	Education	Prior experience	New to sector	Age
10	To provide opportunities for service, education, advocacy, and leadership development related to health care.	Less than $1 million	Masters degree	former graduate student	Yes	27
11	To promote and protect the well-being of neglected, abused, and court-involved children in Georgia, inspire excellence among the adults responsible for protecting and nurturing these children, and to prepare child advocacy professionals.	Unknown	Law school	legal aid attorney; manager at an international NGO	No	38
12	To ensure Georgia's youth have access to high-quality, affordable after school and summer learning programs.	Less than $1 million	Masters degree	policy staffer in Washington, DC	Yes	40
13	To provide reliable, accessible, and timely analysis in order to promote greater state government fiscal accountability to improve services to Georgians in need and improve quality of life for all Georgians.	Unknown	Masters degree	policy staffer in Atlanta, GA	Yes	48
14	To encourage the informed and active participation of citizens in government, and influence public policy through education and advocacy.	Unknown	Bachelors degree	nonprofit manager	No	27

	Mission	Budget	Education	Prior experience	New to sector	Age
15	To ensure justice for the indigent criminally accused using a holistic approach to assist them in establishing crime-free lives and being productive citizens.	Unknown	Law school	staff member of the same nonprofit	No	45
16	Working in partnership with communities, policymakers, service providers, businesses, advocates, and families to improve the well-being of children, families, and communities in Georgia.	More than $3 million	Masters degree	ED of a nonprofit	No	47

Note: Personal and organizational characteristics are shown separately from respondent demographics (see Table 6) to preserve anonymity.

Characteristics of a Nonprofit Advocacy Organization Network

As members of the GA-CAN network, these respondents and their organizations shared an interest in political advocacy on behalf of children. Gamson (2000) defines political advocacy as a battle over meaning in an effort to reframe important issues. The desired outcome is to change the way people think about social policy through promoting positions on certain policy issues that are relevant to the interests of certain groups or certain political groups (Child and Grønwald, 2007).

As discussed earlier, a field is made up of "organizations that, in the aggregate, constitute a recognized area of institutional life'' (DiMaggio & Powell, 1983, p. 148). Child and Grønwald (2007) found that in the field of nonprofit advocacy, core advocacy organizations focused their missions around advocacy, while peripheral advocacy organizations were advocates when opportunity or circumstances called them to action. At the same time, Child and Grønwald cautioned that it may be misleading to think of advocacy and non-advocacy nonprofits:

> Instead, there are different levels and types of advocacy to which nonprofits commit themselves: some do no advocacy at all; many participate in some form of it although it does not constitute their primary purpose or mission; and only a small minority devotes considerable resources to it. Discussion of nonprofit advocacy usually centers on the latter. (p. 277)

Willis identified EDs of core advocacy nonprofit organizations to participate in this study, a relatively specialized type of nonprofit organization.

Methodological Approach

As this study progressed, it became apparent that it would be virtually impossible to obtain significant amounts of time with the respondents for initial interviews and follow-up reflection due to busy schedules and the relatively low priority individual EDs assigned to participating in a dissertation interview. Therefore, the study was restricted one conversational interview followed by a workshop to review the findings. Following is a brief overview the methodology as it was applied.

Conversational interviews. Kvale's (1996) notion of the conversational, semi-structured, life world interview is "an interview whose purpose is to obtain descriptions of the life–world of the participant with respect to interpreting the meaning of the described phenomena" (p. 6). Such interviews are characterized by (a) methodological awareness of question forms, (b) focus on the dynamic between the interviewer and participant, and (c) critical attention to what is being said. The interviewer should also be sensitive to any asymmetry of power inherent in the interview situation. Such interviews are conducted using an interview guide that focuses on certain themes and may include optional questions and probes. The response is transcribed so that the written transcripts along with the digital recording are available for reference during the interpretation stage.

Kvale (1996) contrasted the metaphor of interviewer as miner, seeking to extract riches from a passive source, with interviewer as traveler, interacting with the source, both reflecting and learning. Both metaphors apply to this dissertation. The study mined the tacit knowledge embodied by the practices of nonprofit EDs, and at the same time

conversations between the interviewer and respondent facilitated new learning for both parties. Kvale posed key questions for analysis and interpretation of the conversational interview: “How do I go about finding out what the interviews tell me about what I want to know? How can the interviews assist me in extending my knowledge of the phenomena I am investigating?” (p. 183) Kvale’s use of the first-person case reinforced his emphasis on the importance of the researcher’s knowledge of the subject matter as a presupposition for arriving at valid interpretations. By placing the researcher in dialogue with the interview text, Kvale positioned the researcher as the author of a socially constructed interpretation.

Using the technique of conversational interviewing, Kvale stated (1996) “analysis is the stage between the initial story told by the interviewee to the researcher and the final story told by the researcher to an audience” (p. 184). The present researcher used three techniques to analyze and interpret the data contained in the interviews: (1) *categorization*, coding the interview content into categories; (2) *meaning condensation*, paraphrasing the meanings into shorter formulations; (3) *meaning interpretation*, providing a more or less speculative interpretation of the text in light of the study goals, emerging insights, and the researcher’s own knowledge. Details of the analytical process are discussed in Step 3 below.

Informed consent. The researcher informed participants of the risks and opportunities inherent in the study and offered the opportunity to withdraw both as a participant and to have his or her content omitted from the study at any time. Generally, the information shared was no different than what the individual might share at a

meeting with stakeholders of the individual's nonprofit organization. The statement of informed consent is included in Appendix A.

Steps in the Research Process

Step 1: Sample selection and recruitment. The researcher conducted face-to-face interviews with a purposive sample of 20 nonprofit executives (16 EDs and 4 senior level executives). These individuals initially received an e-mail from Patricia Willis followed by a written letter from the author. The author followed with a personal phone call to schedule an interview. From a list of 40 possible respondents, 2 declined and 13 were not available, had left the organization, or did not return calls. Three were disqualified because of their age, location, or because they were not part of a nonprofit organization.

Step 2: Data collection. The interview protocol is included as Appendix B. The interview included three stages: (1) an unaided exploration of the experience of working as a nonprofit executive; (2) using the field theoretical model as a prompt to assisted respondents to reflect on the various structures and functions encountered in their work; and (3) a projective exploration that incorporated content from the prior two stages. The interviews were conducted at a location convenient to and selected by the respondents during the months of June, July, and August 2007. The typical interview lasted between 60 and 90 minutes. The researcher recorded each interview using a digital audio recorder. The recording was transcribed, and the digital recording and transcription were used for reference throughout the analysis.

Step 3: Data analysis. Beginning with full transcripts of the interviews, the researcher reduced and clarified the content through three stages of analysis (Kvale, 1996):

Stage 1) *Categorization*: The researcher categorized responses based on interview protocol and tabulated the number of respondents who confirmed/disconfirmed (a) what was presented in each stage of the model, and (b) the value/applicability of such presentation in helping them understand their experience as an ED.

Stage 2) *Meaning condensation*: Within each category, the researcher identified *natural meaning units* within each individual's response and then stated as simply as possible the theme that dominated the natural meaning unit. This process also involved what Kvale called *narrative structuring* (p. 200), adding temporal and social organization to the text to bring out meaning.

Stage 3) *Meaning interpretation*: Looking at the categories as a whole, the researcher recontextualized the interpretation of the text in terms of the study goals, emerging insights, and her own knowledge to look beyond what was said directly in order to uncover or illuminate structures and relations of meaning not immediately apparent in the text.

Step 4: Community review and comment. The researcher sought community review and comment by emailing each respondent a summary of the interview and asking each to review and comment. No comments of substance were received. The study proposal included a second interview with selected respondents, but due to

scheduling challenges the interview became a working session to review the findings with respondents and other community members. This session was held on January 7, 2008, with twelve attendees including respondents and others who had advised the researcher on her approach to the study. The study was generally well received, with questions reflecting a desire to learn more rather than challenges to the methodology and findings. Of particular interest were questions related to variability by respondent demographic and personal characteristics and by type of nonprofit organization: these topics were flagged for additional research.

Summary

In the course of the conversational interviews the researcher expected to gather enhancements to the field theoretical model. In reality, the interview protocol served as a workable structure for the exploration of the ways nonprofit EDs influence and are influenced by the structuration of the nonprofit field. Chapter V summarizes the responses to the open-ended interview questions. Chapter VI summarizes participant feedback on the field theoretical model.

Chapter V: The Practice of Theory

Introduction

The next two chapters report on the content of the conversational interviews, using Kvale's (1996) analytical process, specifically the tools of categorization and meaning condensation. Although patterns generated by a small sample are not statistically generalizable to larger populations, the high degree of resonance among the responses suggests sufficient commonality of experience to warrant additional study. Reports of the conversational interviews include the rationale behind the question, a summary of the response and, as appropriate, edited quotations to illustrate the response.

Chapter V reports on the patterns of meaning that emerged from the responses. The chapter focuses on the responses to open-ended questions including: (a) basic definitions of the terms ED and nonprofit; (b) what individuals like most and like least about their work; (c) learning and problem solving resources; (d) sense of inner direction (or compass) for decision making; (e) the path to becoming an ED; and (f) the factors that led the individual to succeed as an ED.

Semi-Structured Interview Exploration

Definitions of a nonprofit organization. Given criteria spelled out in the U.S. tax code and well-defined theories in use by actual nonprofit organizations, the request for a basic definition was intended to ease the respondents into the interview. Surprisingly, respondents struggled to find a suitable answer. Although the responses to the definitions varied, most covered four basic elements: (1) operating without profit since

excess income is invested in programs, (2) having a different method for gathering needed resources than for-profits, (3) contributing to community, and (4) providing services that have measurable impact.

Seven respondents opened their definitions by saying what nonprofits were not, namely profit-making commercial enterprises. They then bridged to statements about how nonprofit organizations helped people by providing services defined by manageable, measurable goals that show impact and sustainability over time. They described nonprofits as reinvesting excess funds into programs that contribute to community good. One respondent summarized as:

> I tell people I'm a not-for-profit [ED] and then I add, "intentionally." We are not selling something to create a revenue stream, but otherwise there are few differences between a nonprofit and a for-profit business. Success means being focused on the bottom-line business aspects: losing that focus can get you into trouble. You can have the most wonderful mission statement and altruistic thing that you want to do for mankind, but if you're not focusing on the business and paying the bills, then it will all be for naught. You can't exist unless you have day-to-day resources. It's hard to get board members to understand that you can't pay a vendor's bill with a volunteer's time or talent.

This response was one of several that, without prompting, reflected the blend of altruistic ends and the business means that grounds the field theoretical model described in Chapter IV.

Four respondents opened their definitions by saying that nonprofit organizations have a unique social role of making the world a better place. "There's very little instant gratification. It's relationship building. It's a very slow, very long journey that you're taking and you're not going to take it the whole way. You're just going to take a piece of the path, do the best job you can with that piece of the path, and then try to pass the

torch onto someone else to continue the journey," one 27-year-old ED remarked. A 55-year-old ED shared a more cynical version of the same theme when she observed that nonprofits are "a barrier to keep the country from going riotous all the time," a safety valve for the status quo of the capitalist system.

The majority of respondents said nonprofits were unique because they got their resources in the form of donations from people who want to support the body of work rather than through the sale of products or services. By thus serving as stewards of the time, talent, and treasure provided by investors, the nonprofit EDs used business like performance metrics to show that the organization was achieving the investors' intent.

Definitions of an executive director. Regardless of the title (e.g.,ED, CEO, or President), respondents shared an understanding that the ED position is usually the senior-most staff member, accountable to the board for the successful operation of the nonprofit organization. Their clear and concise definitions of the role of ED contrasted to the wandering definitions of the nonprofit organization. Comments describing the work experience reflected both business orientation and altruistic rationale. Most definitions centered on the EDs' ultimate responsibility for the success of the organization being led: respondents described the role of ED in the first person, interchangeably referring to their own job descriptions and the work of the organization, even when prompted by the interviewer to focus solely on their own experience. This was consistent with the practice in the field of conflating executive performance with the performance of the nonprofit organization. Respondents typically entered the conversation either with a

statement about the business orientation or the expressive rationale behind the ED role. They then expanded with a statement of the opposite category of experience.

Attributes claimed by the eight who opened with comments about the business orientation had largely to do with tasks and competencies that are commonly listed on ED job descriptions. They described the ED as a leader and manager responsible for engaging stakeholders in ways that continuously align to the larger mission and vision, making sure the organization is sustainable, that it has a governance structure that fits its needs, that puts fiscal policies in place, and raises money to get the work done. Respondents said that these responsibilities required the incumbent to balance a lot of different needs with a bottom line of providing strategic guidance and setting up a formal organization that is matched to the stakeholders' needs, an idea that is consistent with the definition of nonprofit as having a unique way of obtaining needed resources.

Eight respondents began discussing the role of the ED by focusing on the expressive rationales for their work, saying that the ED has the freedom to shape the mission and vision in coordination with the board, the challenge of securing needed resources, and the accountability to the board for working with the staff to execute the vision. One ED summarized, "I'm the boss except that the board is really the boss. [Being the ED] is setting and executing the vision. [It is] a lot of freedom and a lot of responsibility." Other expressive activities mentioned included putting one's stamp on the organization; being the liaison between board and staff while defining and implementing the mission, vision and strategy; speaking for the organization; building relationships that support the organization; and deciding how resources are used. Along

with these opportunities for self-expression, respondents also claimed the buck-stopping burden of sole accountability for failure in any area of responsibility, most particularly fundraising. That accountability was motivating for some and troubling for others, consistent with what EDs said later about what they liked best and least about their work.

Path to becoming an executive director. Reflecting on one's career trajectory afforded the respondents the opportunity to personalize the definitions they provided earlier in the interview. In at least seven cases, pre-existing relationships were salient factors in securing their current positions because the respondents had prior service as volunteers or staff members and were known to the board at the time the position became available. While all but one of the respondents were first time EDs, half had been employed in the nonprofit sector immediately prior to assuming the ED role. Of those with prior experience in nonprofits, only two spoke of becoming an ED as being an intentional choice.

Five respondents claimed that becoming a nonprofit ED was <u>not</u> an intentional career move on their part. Instead, they agreed to take the job at the behest of others. For example, one respondent who moved from being a board member to ED said, "I became an ED by default, rather than decision. I spent my career avoiding being an ED." Another said, "I did not decide to be an ED. I decided to do the work and the stuff that goes with being the ED is unfortunately something I had to accept. I saw an opportunity to implement systemic solutions to social justice problems. In my previous positions this was not possible." These comments suggests that incumbents saw the

ED role as a means to an end rather than an end in itself. That theme was echoed when two respondents who were promoted from within their organizations shared their ambivalence about applying for the position:

> When I joined [as policy director] there were just three of us. I didn't know the ED was thinking about leaving since this was her last job before retirement. So in that way I had my foot in everything. When they started the search I worried that if I applied and did not get the job, I would have to leave because the new person would want her own team. The ED told me that if I wanted the job I'd better put my name in, and I did. When I went to the interview I presented my idea of what we were doing and the recruiter said that I was the first person who seemed to know what the organization did. And so I got the job.

A male respondent echoed this experience:

> When our founder left, he was worn out and initially asked me to take over. I wasn't excited about that because we were in debt and in a very hard place. There was another person on staff who was interested in the position so we had to interview for the job, which I thought was ridiculous because this was not going to be a fun job. It's been a powerful and difficult experience, and right now it's working out.

Five respondents sought the ED role because they wanted to learn more about the work *on the ground* in the field after working at a policy level. One 40-year-old ED summarized the rationale behind her move: "There are different roles and responsibilities in this game; it was an opportunity for me to kind of test out some of the leadership development work that I only had a chance to exercise informally [in prior job as a policy researcher]."

Seven came to the nonprofit sector after changes occurred in their prior workplace; five of these individuals came to the sector after working in government as policy experts and two came from the corporate sector. One former government employee lost his job when the governor lost a bid for re-election. A former corporate

executive opted for an early retirement package instead of starting over with a new executive team. One ED who left the corporate sector to head a large nonprofit organization serving immigrants, shared her mixed feelings about the transition:

> I was CFO for a publicly-traded company. It was all about making money. I left that role in 2000, was home for two and a half years, and came here as an interim [director]. Six months later they offered me the job permanently. When I started here I thought I had some skills that could be an asset to the organization. Having been in the corporate sector I know how [the board] thinks. At the same time, I was an immigrant like our clients. I had so many of the experiences that immigrants here now have gone through that I really feel like I connect. I have a very strong faith and I feel there's a reason one's there. I really felt like at that point in my life I could bring value in the sense that I understand what the immigrants are going through, and I could bring business skills. But eventually you realize that no matter how good you are and no matter how big a heart you have, there are certain skills that you have to have as well.

One respondent who was the volunteer ED of a statewide educational organization said her involvement grew organically from her personal interest in her children's schools. Another served on the board and then as interim ED before becoming full time ED. At least two mentioned a prior interest in children's issues that led them to their current role. A 65-year-old ED talked about "the family business," remembering his mother's service as a volunteer and the importance of charity in his working-class, Catholic childhood. For these first-timers, the path to the ED role was as much about personal interests, the prior work context, or happenstance as it was about a deliberate career move. The result was a natural evolution towards becoming an ED through volunteerism, serving as a staff member, or board participation, rather than a more intentional series of career choices.

What I like most and what I like least about my job. All of the 13 leadership activities (see Table 4) expected from nonprofit EDs were mentioned, although no one

respondent mentioned every activity. Despite the highly individualized paths to the ED role, responses from EDs about what they liked most and least about their jobs were fairly consistent. In all but one instance, the areas they liked least had to do with the business orientation, while what respondents liked most had to do with expressiveness of the altruistic rationales.

Most respondents said they liked fundraising least. Problems cited as sources of discomfort the amount of work involved, funder preference for supporting innovations rather than proven programs, relentless pressure, and variability in the timing and objectives of funding cycles. At a deeper level, respondents indicated that fundraising was not part of their natural skill set, either because they were introverted or because they resented having to translate their organization's good work into a sales pitch. One of the youngest respondents epitomized the comments of her colleagues when she revealed the following without stopping for breath:

> This has been a stressful year. I am frustrated with the nonprofit system because of fundraising. I almost lost one nonprofit job after 9/11 when funding dropped, but the organization redesigned my job to keep me on through the summer. That was a good experience but it made me nervous about funding. Now that I am an ED, I am personally invested in the organization and every time a funder turns me down it's hard personally for me, not just from an organizational standpoint [but] because my life is wrapped up in whether or not we have funding for next year. I can imagine if I had employees—it would be just that much more stressful because then I'm not just responsible for getting my salary for next year, but I'd have other people whose salaries and families are dependent on [me]. It's just the whole way the grants are set up that I don't like. The way grants work you constantly have to be promoting something new. I don't like the pressure and the fact that the money is focused on new initiatives instead of supporting good work that is continuing over time. The problem is not [that I] have to meet objectives, but rather the one-year grant cycle that requires me to begin new fundraising as soon as the money comes in.

Several other respondents talked about fundraising as a distraction, taking time away from “real work” like being in community or actively serving clients. While these tasks also shared the imperative of “telling the story” of the organization, the difference is that they did not include a request for funds, which was more difficult for respondents. This prevalent dislike of fundraising is worthy of additional exploration, particularly since the resentment seemed to spring from a sense that the commercialism involved in *the ask* tainted the altruistic spirit of the sector.

The activity that 13 of the 16 EDs liked the most was the high degree of self-expression afforded by the combination of people they worked with and the nonprofit organization’s ability to make a positive difference in society. The underlying link was the sense of mission and/or vision expressing an aspiration to and alignment with the work of the nonprofit organization being led. Respondents said nonprofit organizations were good environments to exercise their passion for advocacy because of the many levels of influence and commitment to just outcomes, resonating with the individual who said, “I don’t know if it’s being an ED, I just love the work we do here and I love the people who I do it with; it’s a great atmosphere and it’s a great opportunity.” This suggests that it was not so much the role as the nature of the work that EDs appreciate most. Several respondents took a more personal approach to self-expression, citing the freedom, flexibility, and variety of the work, affirming that in one way or another, expressiveness was an important pleasure of being a nonprofit ED. Thus, while these EDs disliked the process of raising funds, they embraced chances to engage other people in altruistic work by enacting the role of intermediary.

Reflections on "Why I am a successful executive director." Respondents readily defined attributes that made them good at their job, but were reluctant to call themselves "successful EDs." Because they worked with multiple pressures in a dynamic environment, respondents described assets that were anchored by a strong degree of expressiveness, such as passion for the cause and a strong desire for the organization to succeed (which in itself may be altruistic, because they are working so hard for others). Responses reflected six of the 13 activities attributed to nonprofit EDs in the literature, including vision, strategic planning, service, community building and democratization, adaptability/resourcefulness, self-expression, and leadership development. A 40-year-old legal aid attorney who is also an ED illustrated these themes as follows:

> [I am successful because I like] serving others, of using whoever I am to be present in the suffering of others and trying to make it better. Having been here for 17 years, working full time has been my legal monastery [sic]. This has been the place I've gone to everyday. I [have] kept my head down and just did the work; I think that's really important. Having that sense of dedication, having been in the trenches, having done the work, having been present, living in the inner city, working in the inner city—my life is so much surrounded by what I'm about. That's what makes me continue to be here and whatever degree of success that we have or I have is all who I am—how all these skills come to bear … all these parts of my background—growing up very poor—all these pieces run together so that it's not a disconnected part from me. Being here every day helps round out the whole circle of who I am.

Expressiveness permeated the personal attributes described by respondents as well, such as process orientation; the ability to go with the flow, anticipate problems, frame a compelling narrative, a sense of humor; and persistence for the long haul. Fundraising was not mentioned as a skill that contributed to one's success as an ED, even though fundraising was a significant source of pain in the job. Instead, respondents' ideas of

success embraced the altruistic rationale while holding the business orientation at arms length.

Approaches to learning the job and problem solving. The questions about how the respondents learned to do their jobs and where they went for help with problems elicited mainly factual responses. These direct statements reflected a high level of comfort with the expressive aspects of their work and an improvisational approach to instrumentalities. In addition to college and professional preparation, respondents invested in formal education and professional training to build proficiency instrumentalities such as management, planning, and financial administration. Formal training included courses offered by infrastructure supporting organizations such as the Georgia Center for Nonprofits, foundation fellowships, professional organizations, or national child advocacy networks. Several respondents observed that while classroom training was helpful, it did little to prepare them for the job of ED. Instead they strongly recommended internships and other experiential learning formats in conjunction with classroom activity.

Once they were in position, respondents relied on expressive resources for problem solving, mainly their own and other people's experience, intuition, and insights. Others they primarily consulted were members of their boards, mentors, colleagues in similar positions, family members, friends, or networks of colleagues. Several respondents appreciated the "sink or swim" opportunity to work intuitively or "trial by fire" challenges their jobs afforded. This improvisational approach reinforced the importance of self-expression as an intangible incentive to become a nonprofit ED. The strong

reliance on other people was typical of respondents' experiential approach to learning and reflects most EDs' busy schedules, which kept them from finding blocks of time for classroom training or formal education activities.

Of particular interest is the role of the board as a learning and problem-solving partner for the ED. Most respondents mentioned at least one member of the board as a resource for advice and guidance about how to do the job. Different people commented:

> My board is my biggest problem-solving resource, specifically one board member who has been a very effective ED for a very long time.
>
> When I have a problem I go to my board chair or lean on my board. We have great, talented, dedicated people on our board.
>
> My board chair is my ally and my confidant and my 'what do I do about this?' resource. Most of my board is connected to other resources as well.
>
> I know that the change piece is going to have to be dealt with separately in the sense that if we don't handle it right we're going to end up neither here nor there, so I've got to engage my board members to be side-by-side with me; if we need resources dedicated there, they've got to be saying, 'Yeah, let's do it.' And I'm a big believer in no surprises.
>
> I rely heavily on our board chair for help with business problems.
>
> I am in regular contact with my board chair and another board member for help with general business problems. I call on board member expertise for specific questions about HR or finance.
>
> For help with problems I have a really good board, including a couple of people who are supportive mentors and help me think through issues.

Such reliance suggests a level of trust and collegial respect. This response contrasts sharply with the more difficult relationships described in other studies. For example, two out of three EDs gave lukewarm support to or outright disagreed with the statement that their boards challenged them in ways that make them more effective (Bell, et al., 2006).

Do nonprofit executive directors have an internal compass? Young (2002) created the metaphor of an internal compass to describe his impression of how nonprofit EDs navigate the turbulent waters of the rapidly changing sector. When queried about the relevance of this metaphor, a 27-year-old respondent was positively exuberant when she said:

> There's definitely some strange intuitive force somewhere going on because I've never done this before and yet I came in the door and figured out what needs to be done, how it needs to be organized, and what needs to be fixed, and boom, boom, boom, boom … I don't know how to explain that at all.

The rest of the respondents were more pragmatic:

> Good leaders have that, but you have to do a gut check that you're giving good, accurate information and your compass is reading correctly. I try to make decisions based on data, but all decisions can't be quantitative. Experience and intuition help with the qualitative pieces. I'd agree that I definitely go with my gut a lot on what to do; it's based on the 20 years' experience that I've had in various different things that give me a sense of what the right moves are.
>
> Rookie leaders have to be careful that their internal compass is accurate.
>
> I have an inner compass for programming. I think when it comes to some of the more administrative things, I feel less intuitively competent. In programming, even when I feel on track, I look for "wake-ups" that suggest this may not be the best approach. I scratch my losses and move on.

Three EDs used the language of faith to describe their internal compass and three EDs talked about a process of internal reflection that was triggered by some disconnect in the environment. Thus, the expressiveness of intuition was balanced with a businesslike orientation to data and experience. In this way, the romantic notion of the internal compass as a purely expressive internal way-finder turned out to be more complex than this researcher originally expected.

Summary

This unstructured exploration affirmed that nonprofit EDs use several strategies to hold the tension between business means and altruistic ends: (1) balancing intuition with data; (2) relying on the experience of others as a learning tool; (3) taking an improvisational approach to problem-solving; (4) being flexible and resourceful in managing subordinates; and (5) regarding fundraising as a necessary evil and a business means to an altruistic end. These responses tended to be more self-expressive than business-oriented, displaying an aversion to using purely business terms to discuss altruistic outcomes. Using the field theoretical model, Chapter VI further explores how these individuals understand the structures that frame their work.

Chapter VI: The Theory of Practice

Introduction

This chapter examines how respondents related to the field theoretical model presented in Chapter IV, Figure 4-5. The interviewer asked respondents to discuss each dimension independently and then reflect on the model as a whole. All participants observed that their job involved work in each of the four dimensions, although not everyone engaged in all of the activities within a specific dimension. Thus, participants cited experiences with the major constructs included in this model, including the blend of business and altruism, the activities of a nonprofit organization represented in the four-square dimension, the role of governance, the intermediary role, and the two-way conversations with the external environment.

This chapter includes a narrative analysis of (a) the response to each of the elements of the field theoretical model, (b) respondent reflections on the model as a whole and the interplay of the various elements, and (c) a synthesis of the responses. Finally the chapter analyzes responses to two hypothetical questions posed to participants: a) what advice would you offer to a family member or close friend who is considering becoming a nonprofit ED, and b) given the opportunity to “say anything” to members of the other generation, what would you say?

Dimension 1: Business means and altruistic ends. Consistent with Gassler’s (1998) observation that altruism is a categorical imperative for nonprofit operations, the field theoretical model grounds nonprofit organizations in a conceptual continuum that uses business means and altruistic ends to represent the blend of business orientation

and expressive rationale enacted by nonprofit organizations. Respondents unanimously affirmed that business and altruism were characteristics of the nonprofit organizations they lead. Respondents identified business with setting goals, measuring progress, being fiscally responsible, and responding to expectations set by funders. Respondents identified altruism with mission, making goods and services available for free or at lower than market costs, removing barriers to access, engaging volunteers and making a positive difference for society.

Three of the four respondents who emphasized the role of altruism in their experience tended to be defensive about their organizations' approach to business:

> We're weak on business and some of our organizational struggles are because we think about ends more than we think about how we are going to get there. In part that's because we were founded specifically for altruistic means [donors wanted to spend an inheritance in making improvements in the way children are treated by state laws] and we lasted longer than anyone expected.

Another offered, "So I try to operate here [pointing to the space between business means and altruistic ends]. It works that way [in our organization]. If the organization doesn't have a heart, I don't think it can exist for the long term." A third commented, "I am worried about being pulled to the business end. You can lose your soul if you stay too much on that end." Another more pragmatic respondent said, "Everything we do is here [pointing to Altruism…]; the idea is to educate folk, the idea is to get [information] out, so you don't want to charge for it. You don't want to put any barriers whatsoever between the information and the general public."

Those who emphasized the role of business were almost boastful about their achievements. Here are some examples:

> Almost every nonprofit I can think of has an altruistic focus, but few have the business means to support that. They go out with a passionate plea to raise money, but you've got to have some data to show that what your organization is doing makes a difference. Our organization works really hard to highlight both. We may be more over to the business side because our main stakeholder is the business community and because I'm big on performance metrics.
>
> Yes. I think the altruistic ends are the business of nonprofits. And there's an increased sense among some nonprofits that we are a business. Those of us from the 60s have to struggle with that, but I do think [we are] running a business. Business means knowing your product, how to define success, how to measure success, what it costs to get there, and the investments one is prepared to make to achieve those returns. So I think the business language is swirling around all the things that [nonprofits are doing] now.
>
> For any type of program you've got to do processes that get the money that allows you to make the program happen. I see it going from altruism to business not the other way. I can do ministering on my own but if I want to get other people involved, I've got to make something businesslike happen.

Most responses focused on activities that blended business and altruism (a third activity within this dimension) as typified by this comment from the volunteer ED of a statewide organization: "My passion for helping children takes this work to a higher level, but I am still responsible for making sure the business runs well."

The specific blend of business and altruism in the responses took many forms. One ED explained that clients who take advantage of his organization's free legal aid must also agree to engage in job training and consultation with a social worker. The head of a statewide advocacy network began her job as ED by conducting a time/motion study of the agency's activities and using the findings to engage staff in enhancing efficiency and productivity. Several respondents mentioned funder pressure to track progress against pre-set goals in order to provide a rationale for needed investments. Businesslike considerations are seen as key to securing resources for salaries and infrastructure so

that the mission can be extended and sustained. Some respondents observed that emerging funder emphasis on business created unreasonable expectations, such as rigorous time frames for completing work and fickleness of support, or that funders preferred to fund something new each year instead of focusing on the long-term, altruistic goal. One of the youngest EDs in the sample summarized the sense presented by this group of respondents when she said:

> You cannot be a successful nonprofit without keeping the business piece in mind. You're keeping track of measurable components [within] all of your programs. You're promoting a clear face. Altruism is the driving force inside; it's something you can't see or touch, but there's a feeling and yes, it's a good thing. You keep going after it even if you may never see, hear, feel, or touch it.

Dimension 2: Functions that characterize nonprofit operations. In an effort to depict the generic activities of nonprofit organizations, this dimension combined the four basic functions identified by Frumkin (2002) (service delivery, civic and political engagement, values and faith, and social entrepreneurship) with the author's addition of governance. Table 6-1 lists the functions mentioned by respondents during the course of the interview (not just responses when discussing this segment of the map). As expected of leaders of core advocacy organizations, all respondents mentioned activities in the area of civic and political engagement. Similarly, because of the laws governing 501(c)3 organizations, the respondents all felt accountable for working with the board in governance activities. Twelve respondents expressed some part of their work as fitting within service delivery and values and faith. Most responses regarding values and faith were discussed in connection with mobilizing civic and political engagement.

As leaders of core advocacy organizations, these EDs interpreted the activity called service delivery as providing training and education for other nonprofit organizations and community leaders rather than direct services to community-based clients:

> Our direct services typically take the form of our officers giving leadership training. That also helps because it builds close relationships with the local units. We offer some member benefits like discounted tickets and memberships or special offers from retailers that come from our national office.

Respondents described elements of service such as print materials, convening meetings and conferences, leadership development, and communication tools that make something tangible happen in the community. One respondent differentiated her organization's work from that of direct service providers: "We don't do direct services, instead we implement solutions to problems that are encountered mostly by poor people. Our volunteers bring value and so does our staff: it's all part of the package."

The following comment epitomized respondents' understanding of civic and political engagement:

> I'm really big on civic and political engagement. You can do all the good work in the world and you could be dynamite at it, but if you don't ask, 'What does this mean?' or 'How could someone get involved or act on it?' I think it falls flat…. [For instance,] we're coming up with strategies to engage parents and grandparents on behalf of kids.

Taking on systemic issues, providing research and information for child advocates, and teaching interns were activities mentioned. Several respondents were cautious in their approach, expressing concern about political consequences that could jeopardize state and federal funding or create conflicts with constituents: "Most of our money comes from the [Georgia] General Assembly, so I have to play the political game. We've stayed

away from individual fundraising because that risks competing with our local collaboratives." Concerns about the potential negative impact of lobbying, donor tax deductions, lack of clarity about goals or organizational roles, and limits on capacity and resources were the reasons EDs said they did not engage fully in this area.

Respondents believed that values and faith relate to the internal motivations people bring to their work; for example, one said, "We bring a core value [to our work] that children have rights and those rights should be honored, so all our work here is value-driven." Aspects mentioned in this conversation included partnerships with faith communities, the motivational power of values and faith, the need to align the board around values and faith, and the value created by the work being done. One ED took this activity to a personal level:

> Values and faith are interesting to me. Here is an example of where business thinking clashes with values and faith: We are cutting back on a program [of services to the elderly] because we could not get it funded. We had to say no to the seniors because we could not afford to do the program well. So the community believes we no longer care about older people. It's a personal conflict for me and my values, but I have to think this way.

Six respondents provided examples of experience with social entrepreneurship. Five more expressed a desire to learn more about what this meant. In most cases, comments reflected a surprising degree of ambivalence about this activity. One respondent mentioned a study that invalidated the whole principle of social entrepreneurship, at the same time as he claimed that his organization completely embraced the principle of combining charitable and commercial goals. Another respondent reflected:

> I struggle with social entrepreneurship because of a deeper question: 'Do we really provide what is needed or do we chase money?' You can't keep your mission and change what you do to fit a funding pipeline. The lack of focus fostered by funding cycles is a weakness in the nonprofit structure. So I think this sort of schizophrenic funding cycle is what really is at the base of my angst about what we're doing. I know there's a lot written about social enterprise to help us be more entrepreneurial, but I am not sure what that means. Is it t-shirts? Why do we have to create that part to build our sustainability around an entrepreneurial thing?

Respondents wondered whether fundraising belonged in this dimension because of its relation to operations. The questions about fundraising and social entrepreneurship raised concerns about whether the operational dimension element of the model accurately reflected the pervasiveness of financial concerns experienced by EDs. As the interviews progressed, it became clear that revenue generation (including fundraising and social entrepreneurship activities) was not adequately represented in the model as currently drawn.

Governance appeared to cut across all operational activities: "The board has general oversight of what we are doing and [one wants] it to be as representative of the community as possible." A second ED focused on the dynamic aspect of the model: "When I look at this I see a hierarchy, with the board coming at [their work] out of their values. On the one side you've got the operational part and on the other side you've got the doing part." The doing part was epitomized by the hands-on board described by the volunteer ED of a statewide organization, who said, "In our structure, there is no separation between governance and operations. What staff would do is what state board members do." When prompted by the model, most respondents spoke of board members primarily in their policy-making and oversight role. In the earlier, unprompted

conversation, respondents mentioned board members as mentors and problem-solving resources. Again, the friendliness towards the board in both sets of responses ran counter to a study that described more difficult relationships between EDs and boards of directors (Bell, et al., 2006).

Table 6-1

Tabulation of Response Regarding Functions of Nonprofit Operations

Respondent	Service delivery	Values & faith	Civic & political engagement	Social entrepreneurship	Governance
A		X	X	X	X
B	X	X	X	X	X
E	X	X	X	X	X
G	X	X	X	X	X
H	X	X	X	X	X
I	X		X		X
J		X	X		X
K	X	X	X		X
L	X		X		X
M	X		X		X
N	X	X	X		X
O	X		X		X
Q	X	X	X	X	X
R		X	X		X
S		X	X		X
T	X	X	X		X
Totals	12	12	16	6	16

Dimension 3: The intermediary role. While the notion of a nonprofit as intermediary is relatively novel, all respondents saw themselves as creating and managing capital, particularly social capital. One said, “I get highly energized around this role of really trying to build these different elements [throughout the model] within our larger organizational identity and function.” Another observed, “This says a lot about continuity too, because by pulling in all stakeholders we multiply our outcomes, kind of like the butterfly effect [she is referring to the trope articulated in chaos theory that suggests a butterfly flapping its wings in Beijing could create a hurricane in Los Angeles]. One ED commented:

> To create and manage social capital is the do-good, the mission. We start every meeting by reading our mission statement. That is the focus that we need to keep and it’s amazing how just that simple little piece focuses people on the purpose of why we have come together; it has made a huge difference in the way we transact business.

Respondents reported “aha!” moments and new insights that directly connected with the expressive rationale behind the social capital metaphor:

> I don’t think about the creation of social capital. I do think about managing financial capital. That checks out as part of the business model. But we haven’t been as intentional about creating social capital. That’s an interesting idea if it relates to all our stakeholders, including our clients.

Some were more analytical and fit the new knowledge into their own, well-established understandings of a core competency of the ED role as a way to represent their experience in cultivating relationships with the community:

> This relates very much to what we are trying to do as we move away from being totally driven by the institutional organization to being more driven by the collective input of the stakeholders we touch. We haven’t figured out how to

> capitalize on our networks, so it's interesting that you bring [this model to me] because I'm trying to figure out how we get there.

Contradictions within this dimension were illuminated by complaints that collaboration and cultivation of supporters felt like distractions from the real work of building relationships with clients, staff and volunteers:

> Creating the collaborative table is [our mission]. I see that growing at the local level. Working with changes in [political] leadership has implications outside and inside the nonprofit; it's part of the landscape. You asked me what I don't like about the job: it's having to wine and dine, schmooze, whatever, get to know [new] folks [in positions when] I already knew [the prior ones], but they left, so now I've got to do this with the new folks and it's taking time that I could be using to do more strategic work. It's a distraction because it's such an ongoing process and just when you think you've got it clicking along something happens and it changes.

Respondents' consistent response to the intermediary role in terms of relationships suggests that the expressive rationale for dimension is most helpful as a way to understand how to work with social capital, while the business orientation to financial capital and fundraising belongs elsewhere.

Dimension 4: Exchanges with the external environment. Building on work by Emery and Trist (1965) and Bryce (2006), the last segment of the model envisioned a set of two-way conversations or exchange relationships that connect the nonprofit to its external environment. Broadly speaking, these exchanges were enacted in a total of four distinct activities: (a) conversations about business regarding contracts that involved an exchange of funds for goods or services; (b) conversations about philanthropy focused on how to help either through financial, volunteer, or in-kind gifts (although conversations about philanthropy quickly morphed into conversations about business); (c) conversations about advocacy where justice, equity, and moral

considerations are paramount; and (d) conversations about policy that focus on institutional reform, structural change, and increasing access to needed services.

All respondents engaged with the concept of two way conversational exchanges as the metaphor for relationships with the external environment, providing illustrations from their work. Reflecting on the elements in this dimension of the map, EDs tended to interpret what they saw in terms of their own organizations:

> Yeah, and we do all, again. Everything leads, for us everything leads to those two things [advocacy and policy].
>
> We probably do well on three of those four areas [advocacy, policy, philanthropy].
>
> I actually like the way this is broken down. I think—I can see our world in this totally ….
>
> Definitely, contracts are very important. If I must partner with you, there must be a memorandum of understanding to know how far you go, how far I go. If I must get funding from you there must be a contract in terms of what the deliverables are.
>
> Well, it's sort of amusing to think about how this plays out in the for-profit sector—the conversation between for profits and their external environments around advocacy. It's not about justice then, it's about self-interest.
>
> This is more of a business transaction, so we don't do a whole lot of that because we're not selling a service per se. The philanthropy, that's on target for us. We do that a lot.

While the intuitive understanding of the two-way conversation construct was universal to all respondents, these responses suggest that EDs regard transactions with the external environment as business-oriented activities designed to secure needed resources. For this reason, this dimension may be the logical home for of the activity of fundraising, as

the process of identifying, cultivating, and recognizing financial supporters willing to provide financial capital to the nonprofit organization.

One respondent reinforced this conclusion by expanding on the potential for unintended consequences resulting from conversations with the external environment:

> The other concern I have is that these exchanges [can be] too quid pro quo-ish. I worry that this conversation [with the external environment] disengages me from what I'm doing in my community and what's happening down the street or to my neighbor. So there becomes this disconnect at every level that keeps us, again, isolated, individualized and encourages narcissism. It certainly would give one who's dedicated their life to nonprofits cause to step back and go, whoa, is this [fundraising] what I've been doing then? What is the impact? Who is being touched? Whose lives are being changed?

These remarks were a healthy reminder that nonprofit EDs bring with them an almost xenophobic view of the external environment, even though they rely on actors outside the sector to sustain the work of the organizations they lead.

In mapping this dimension of the model, the researcher deliberately separated conversations about policy from conversations about advocacy. Advocacy for justice as a form of oppositional consciousness may be far removed from the mainstream, such as calls for the abolition of an existing institution like slavery (Mansbridge & Morris, 2001). In contrast, policy has to do with changes in the way institutions govern themselves and their relationships with others, usually through conversations at the state capitol, with government department heads, the media, etc. Most respondents appreciated the conceptual difference between policy and advocacy, although in practice, as one ED observed:

> There are grassroots advocates and there are advocates down at the Capitol. Advocates could be advocating for one disabled child, or could be advocating for

> all the children of Georgia. [There are] different levels of advocacy [rather than a difference between policy and advocacy].

The blurring of policy and advocacy disconfirmed the distinction articulated in the field theoretical model. Because this may reflect this set of respondents' professional engagement in the business of policy advocacy, further research is needed to determine whether EDs in general see a useful distinction between the activities.

Reflections on the model as a whole. Most respondents intuitively grasped the fluid nature of the field theoretical model and found the construct helpful in conceptualizing the work of an ED. While participants easily engaged in discussions of each segment of the model, their response to the model as a whole was less energetic. When asked about its utility, respondents found the model to be too complex and technical and saw less value in the composite than in thinking about each dimension independently. Several respondents suggested changes or improvements to the map, such as making it round or allowing the dimensions to rotate independently. Others speculated on how the map might be used to support organizational and individual learning, board orientation and helping funders understand the complexity of nonprofit work. Respondents were hard-pressed to identify the place where they spent the most time, other than a strong interest in civic and political engagement and conversations about policy that naturally results from the work of core advocacy organizations.

One respondent who found the conceptualization to be helpful said: "This is a pretty good framework for thinking about the things we need to be aware of and working on internally, and the extra things we need to be working on." Another said, "This is awesome. It encompasses a whole lot and I like seeing it piecemeal before seeing it all

together. The arrows are powerful because they demonstrate action and movement inside and outside the box." Another respondent reflected the pedagogical value of the model when she said,

> In the short time I've spent with you, I've been able to frame work that I think we do and what my job has been in a way that I probably wouldn't have thought about before. When people say, 'What do you do?' I think it's a loaded question that requires you to take time to put it down on paper. When I go out into the marketplace I will need to do that [and this will be helpful].

Four respondents had reservations about the model. One was put off by the complexity: "I find stuff like this extremely busy; it confuses the hell out of me and so I'm not a big fan of it, but I think as a general model it has everything we do." Another inadvertently expressed a fundamental principle of field theory (any part of the field is in relationship with all other parts of the field) when he said,

> This is well thought out, but I'm not sure that if I did it I'd come up with the same thing. It seems more like a social services way of seeing the work. I would probably name things differently. The underlying premise of business means and altruistic means makes sense but nonprofits do not spend enough time in the business end. If you don't do that, the whole thing may go away. You never really stay in one quadrant and whatever happens in one place has an effect in another. You're probably in all four at any given time to a certain extent.

A respondent who liked the model in general was concerned with the portrayal of power relationships: he felt that the descriptions of relationships with the external environment too narrowly focused on financial transactions and the model should pay more attention to relationships where money and power influence macro-level changes in systems and structures. Finally, one first-time ED who had participated with great energy in the conversational portion of the interview, observed, "I don't feel a need for a conceptualization like this" and concluded the interview quickly thereafter, leading the

interviewer to wonder whether her response affirmed her preference for knowledge derived from people and practice instead of theory or if she simply ran out of time. However, she was not open to further questions.

Closing Questions: Advice to a Family Member and to the Other Generation

After working through the model, the interview continued with two open-ended questions:

(1) What advice would you give a close friend or family member who is considering becoming a nonprofit ED?

(2) What would you like to say to the younger/older generation of nonprofit EDs [the interviewer asked the respondent to self-identify his or her generation as part of the response to this question]?

These questions were designed to shift attention away from the model and move the respondent into a more reflective mode. Responses reflected a blend of altruism and business that characterized the model. The two constructs were more or equally distributed in all responses. Nearly every ED said something about the passion for a cause, loving the work, or the search for meaning. At the same time, the instrumentalities listed were pragmatic reflections of the individual ED's work situation and life experience, including content expertise, management tools, fundraising, and access to needed information and resources.

All but two respondents gladly encouraged family members to become nonprofit EDs. One of the exceptions said she would encourage her son to make a lot of money and then become a nonprofit ED. The other exception said the work was too hard to

take up unless it was clear that it was one's destiny. Interestingly, these two respondents were both female and people of color, which begs deeper exploration into the intrapersonal experiences of nonprofit EDs, a topic outside the scope of the current study. A third differed by offering a roundabout endorsement of the sector, if not the position, when he said he would tell his son to forget about being an ED because being an ED was a means to an end:

> You don't say 'I want to be a nonprofit ED. You say I want to solve world hunger. I want to solve injustice.' You don't go, 'I want to go be an executive in a nonprofit institution'. We're here for the ends, not the mechanism. I'd tell my son about the business of the nonprofit, not about the role you take in the nonprofit.

As the content in Table 6-2 suggests, elder and younger EDs regard each other as being at cross-purposes. Younger EDs advised older EDs that being more inclusive and collaborative could facilitate a smoother generational transition. Older EDs advised younger EDs to be more humble and less narcissistic to achieve the same end. Younger EDs urged their elders to leave rather than burn out in place, and elders advised speaking up for one's needs and one's passion. Younger EDs wanted to learn from their elders and the elders advised them to gain experience before asking for help. If both generations took this advice simultaneously, the walls would ring with the arguments that would ensue. The actual generation change, which has drawn much attention in the nonprofit press, seems more like a troubled parent-child relationship where the young people wish and elders direct, with little real dialogue and shared learning.

Synthesis of the Response to the Field Theoretical Model

The field theoretical model reflected what the literature has to say about the landscape where EDs do their work. Instead of conflating individual and organization experience, reflecting on the model helped respondents separate their individual experiences from the experience of the nonprofit organizations they lead. The consistency of responses to the model affirmed that respondents were working in the same type of business and further illuminated themes that emerged from the conversational input. General observations based on the responses include (a) respondents share a common perception of their work despite the differences in size, mission, and age of the organizations involved; (b) respondents saw the business orientation as a means to an altruistic end (e.g., expressive rationale); (c) respondents wanted to learn more about social entrepreneurship; and (d) respondents appreciated the dynamics inherent in a field theoretical depiction of their work. Finally, these findings affirmed the commonality among individual respondents: they are all encountering similar roles in a similar context.

Table 6-2

Business Orientation and Altruistic Rationale Across Generational Lines

Younger to older		Older to younger	
Altruistic rationale	Business orientation	Altruistic rationale	Business orientation
Appreciation of the breadth and strength of nonprofit networks Different approaches are helpful when reaching a goal–this is the value of collaboration Don't stay around after you've burnt out Gratitude for mentors Organizations well-served by having staff with a broad age span This is not about you, it's about the organization, so make sure you transfer your wisdom and relationships to the new people	Concern about competition that arises when too many people are starting nonprofits to pursue the same cause Make a better plan for ensuring key players have a defined role and don't have to spend a lot of time defending turf Perception that elders are less structured and organized than younger leaders We don't have a lot of time to learn because you'll be gone soon, so let's keep that in mind and help each other out Wish elders would stop being so secretive about where the money is and	Be humble Be more vocal and clear about what you need to succeed Be passionate about the work you are doing, not just climbing the ladder to success Don't enact a narcissistic ideology Heart plus a business background is a formula for success Think beyond yourself, get to know where the collective spirit is Youth is never appreciated and that will be a mountain you climb by getting older	Ask good and hard questions to people who know the answers Be more patient and tolerant, the nonprofit world does not provide an immediate response Create some social capital Get a mentor who can help you position yourself for the ED role Go work for somebody instead of trying to be your own boss* Help us keep pace with technology Make sure every job helps you gain the knowledge and skill you need to be a leader Show the community that you are effective Working across generations is important

Younger to older		Older to younger	
Altruistic rationale	Business orientation	Altruistic rationale	Business orientation
	how to fundraise		

Summary

The experiences reported by the interviewees provided evidence that the EDs in this sample were working in the context described by the model, affirming the myriad aspects of their work and the cohesiveness of the whole. Respondents were generous with their time, thoughtful in their reflections, and forthright with their observations. Those contributions made this a better study. Chapter VII examines the content in terms of structural and theoretical meanings embedded in the field theoretical model. By transforming these expressed meanings into essential meanings, the gifts of time and talent shared by these respondents can illuminate the true treasures created by their work.

Chapter VII: Navigating the Nonprofit Landscape

Introduction

This chapter interprets the interview responses from three theoretical perspectives: (1) the essential themes that characterize the experience of being a nonprofit ED; (2) a review of and revisions to the field theoretical model as a micro-level framework for understanding the landscape where nonprofit EDs do their work; and (3) within this framework, the degree to which nonprofit EDs influence and are influenced by the structuration of the nonprofit field.

Essential Themes: People, Passion, and Performance

Long before the advent of the modern compass and science, ancient mariners kept from running aground by using a combination of astronomical observations, sounding, and directions of the wind and currents (Aczel, 2002). Astronomical observations were based on following fixed stars at night and the sun during the day. The simple technology of a rope with knots and a sticky substance on the end created a sounding line that, combined with knowledge of the tides, told the depth of the sea and the nature of the sea floor. The navigator also used knowledge of prevailing winds, currents, and even the patterns of migratory birds and fish to ensure that everything stayed on course. Ultimately this combination of knowledge and skill evolved through the sextant and compass to today's Global Positioning System. Still underlying all that technology is the simple narrative of stars, sea, and patterns of nature.

This metaphor is a useful way to envision the essential themes of *people, passion,* and *performance* that characterize the tacit knowledge EDs exhibited in these interviews. People are the soundings, the depth and breadth of the nonprofit's capacity

to use business means to achieve altruistic ends. The ED must constantly be “sounding out” these human resources, to ensure the ship stays afloat. Passion is the North Star, the highest aspiration, the unchangeable energy of the altruistic rationale, the mission and sense of purpose that engages the heart and soul of the ED. Performance is a reading of the variable signs that constitute the business orientation, measured by prevailing beliefs about standards, expectations, and practices, some of which arise within the sector and others emerge from places out of the sector’s control. Successful navigators of the nonprofit landscape know how to work with and, in the best cases, align all three.

Every respondent told a story of when people, passion, and performance aligned as an example of the personal satisfaction derived from their work. For one ED, it was seeing a small South Georgia nonprofit whose leaders she had trained gain accreditation in the field of early child care. For another it was deciding to go against the political tides because of commitment to the mission and seeing that judgment pay off in successful confrontation with members of the Georgia legislature. A third ED used her business skills and passion for human services to lead the transformation of two state agencies and some local nonprofit organizations into a statewide collaborative network that has become a model for other states. An older ED said the stars aligned for him when he found the flexibility to be Grandpa at the same time as he led a statewide advocacy organization from financial ruin to a positive bottom line. EDs who came from other fields such as law, government, or the corporate world celebrated the capacity to dream and act on those dreams, a capacity that was sorely limited in their previous setting.

Respondents also told stories of challenges that featured people, passion, and performance. A 27-year-old ED spoke of how people let her down by asking her to speak for all young people:

> So it's funny because I've developed certainly a little bit of a chip on my shoulder from constantly being bombarded by "you're too young, you're so young, duh, duh, duh, duh,' and trying to get over that hump so [my age] is not the first thing people see, it's the work.

When the state of Georgia considered offering school vouchers for special needs students, a volunteer ED found her passion for democratic education at odds with people whose passion was special education for children with disabilities:

> It's a no win situation. You have to get rid of your sensitivity and say it's not about your child. You look at the big picture and explain that when you remove these funds from the school system and don't replace them there are many children who will be left behind because there is less money going to meet their needs. So who's going to take care of the rest of these kids and where is the money going to come from? So again, you focus on the kids [instead of parents who see these vouchers as an important help for their families].

Leading change was a performance issue for one ED who observed:

> Change was traumatic for our organization. There have been trying times but I'm not sure the staff really knows how bad it was before I got here. We're making progress, but we're not out of the woods. They did not get pay raises for a couple of years and we've changed that. I'm not paying them what they ought to be paid, but at least they know I'm fulfilling a promise to do the best we can.

Table 7-1 compares the three themes with the leadership activities of nonprofit EDs.

Table 7-1

Leadership Activities Aligned with People, Passion, and Performance

Leadership activity	Summary of response	People	Passion	Performance
Vision	Developing a credible and compelling vision of what the nonprofit organization should become and securing commitment among stakeholders for achieving this vision.	Have personal qualities that add value to their role.	Have a unique social role. See themselves as solving big problems and doing meaningful work.	Seek to make the world a better place.
Strategic planning	Formulating an effective strategy for a framework for governing the actions of the nonprofit in pursuit of this vision. Ensuring the nonprofit organization is positioned for the future.	Use strategic planning to engage stakeholders in defining the future of the organization.	Enjoy the freedom to shape the mission and vision.	Trust a combination of gut feeling and data in making decisions.
Advocacy	Being an advocate and spokesperson for the nonprofit and the cause it is advancing, including citizen or personal advocacy and public or policy advocacy.	Deal with politicians.	Like the ability to make a positive difference in society. Feel a passion for the cause their organization champions.	Are calm, persistent, and know how to temper what they say in light of the specific situation.
Resource mobilization	Building relationships with donors and funders to leverage their resources	Secure funding from people who want to support the work it		Are accountable for working with the staff to execute

Leadership activity	Summary of response	People	Passion	Performance
	and maintain a financial lifeline.	does. Participate in numerous formal and informal networks.		the vision. Raise funds based on schedules set by funders, rather than based on natural program requirements.
Development	Empowering and inspiring individuals to help them learn, grow, and realize their full human potential as they serve the organization's clients and the community.	Recognize and appreciate the contributions of time, talent, and treasure people bring to their organizations. Learn the job by working with other people.	Like the people they work with.	Value experience as the best teacher. Advise others tp be more strategic than they were about gaining the experience and tools needed to be an effective ED.
Service	Ensure that the organization provides services that are difficult to supply through the private market either because they are available to everyone regardless of whether they have been paid for, because those in need of them lack resources, or because the services require some special element of trust.	Manage and lead staff. Help people. Make hard calls, like hiring and firing people.	Choose to "work in the trenches" to be hands on with the mission of their organizations.	Fill in when something needs to be done. Work long hours. Do many different kinds of work without regard to status or job descriptions.

Leadership activity	Summary of response	People	Passion	Performance
Innovation	Supporting flexibility, adaptability, and risk-taking.	Find working across generational lines to be challenging because of differences in approach and employee expectations.		Are self-reliant and improvisational in the ways they learn and solve problems.
Self-expression and leadership development	Facilitating individual and group self-expression, promoting the value of pluralism and diversity in society, providing outlets for the development of new leadership cadre and vehicles through which people can fulfill themselves.	Rely on advice from other EDs, friends, colleagues, and mentors to help them solve problems that arise on the job.	Come to this role from a variety of backgrounds along unpredictable paths.	Advise others to make sure that they believe in the mission of any organization they lead.
Community building and democratization	Working to unify communities. Foster and support democratic values.	Have a process orientation, with a focus on coalition building, inclusivity, and collaboration.	Align their personal interests with community good.	Embrace diversity and collaboration, despite the time required to cultivate both.
Adaptability/ resourcefulness	Ability to bridge task and people orientation.	Bring work experience and professional skills that add value to	Believe one must love one's work to be an ED.	Like the flexibility and variety of their work. Meet the challenge

Leadership activity	Summary of response	People	Passion	Performance
		their role.		of securing needed resources.
Governance	Ability to work productively and harmoniously with the board of directors.	Work in coordination with the board.		Call on members of their board for help with solving problems.
Self-care	Ability to manage internal tensions and role displacement.	Find ways to succeed without formal training in the role.	Retain an inner sense of purpose inspired by faith, reflection, and/or service.	Can get bogged down in day-to-day details.
Resource mobilization of the enterprise	ED's success demonstrated by the success of the nonprofit organization.	Is the public face of the organization.	Lead organizations that operate without profit to owners/shareholders.	Are accountable for many different business and professional standards.
A new activity: Champion the Nonprofit Sector		Rely mainly on nonprofit sector-based training resources, rather than resources that serve the for-profit sector.	May have a prior relationship with the organization, usually through the board.	Find the business practices of the for-profit world suspect.

Respondent Input Regarding Dimensions of the Model

During the interviews, every respondent identified specific activities within all four dimensions of the model. Within these comments there emerged central themes that clarified the content of each dimension and further distinguished among the dimensions, creating an opportunity to frame the model more precisely. Comments regarding the dimension of business means and altruistic ends focused largely on *intention*, encapsulated in this comment: “Our organization exists because of the belief that we can make a difference and we create our business around it.” Respondents understood the dimension describing nonprofit activities as conducting *operations* that advance the intention (e.g., the blending of altruistic ends and business means). One respondent summed up this well: “Operations is staff capacity to see that products and services are high quality and on-mission.”

The notion of social capital was by far the strongest theme in the response to the intermediary role dimension, as respondents provided multiple examples such as:

> That’s an interesting idea if it relates to all our stakeholders, including our clients.
>
> This relates very much to what we are trying to do as we move away from being driven totally by the institutional organization and being driven more by the collective input of the stakeholders we touch.
>
> Functioning in an intermediary role has the potential to create entrepreneurial value. I get highly energized around this role of really trying to build these six different elements [e.g., networks, media, funders, clients, volunteers, employees] within our larger organizational identity and function.
>
> We are an all volunteer organization. We partner with other organizations so they see us as an important part of our work.

The response to this dimension focused on the importance of social capital as values, social networks, and a sense of reciprocity among people who constitute the core

capacity of the nonprofit to do its work. The ED clearly enacted the intermediary role, which begins to get at the heart of the conflation of the performance of the ED and the performance of the nonprofit organization. Unlike banks, which mediate fungible resources, nonprofit organizations and their EDs mediate people (some of whom bring fungible resources). Thus the work is intensely personal, making it easier to conflate the ED with the organization than to disentangle the two. Additional research can clarify whether this is a characteristic of nonprofit leadership or an oversimplified view of a very complex relationship.

Respondents readily related to the notion of creation and management of social capital. At the same time, no respondent picked up on the idea of financial capital as the model's equivalent of fundraising. Instead, respondents regularly asked where fundraising fits into this model. For this reason, as noted, the intermediary role dimension seems more related to the creation and management of social capital and the dimension dealing with resource generating exchanges appears to be the best place to feature the broad range of resource mobilization, including fundraising.

Respondents had mixed reactions to the dimension that described exchanges with the external environment, ranging from mistrust of external actors to acknowledgement that while ultimately worthwhile, these activities take up huge amounts of time and resources. Combining the response with the addition of fundraising as described above suggests that the current dimension is mostly about ensuring the *sustainability* of the organization through exchange transactions that secure financial and material resources needed to advance the mission. While the board of directors has responsibility for bridging the organization to the outside environment and securing

needed resources, it is legally a part of the operations of the nonprofit and rightfully belongs in that dimension. With further study, the distinctions between and value of both may become clearer. Figure 7 illustrates the revised model.

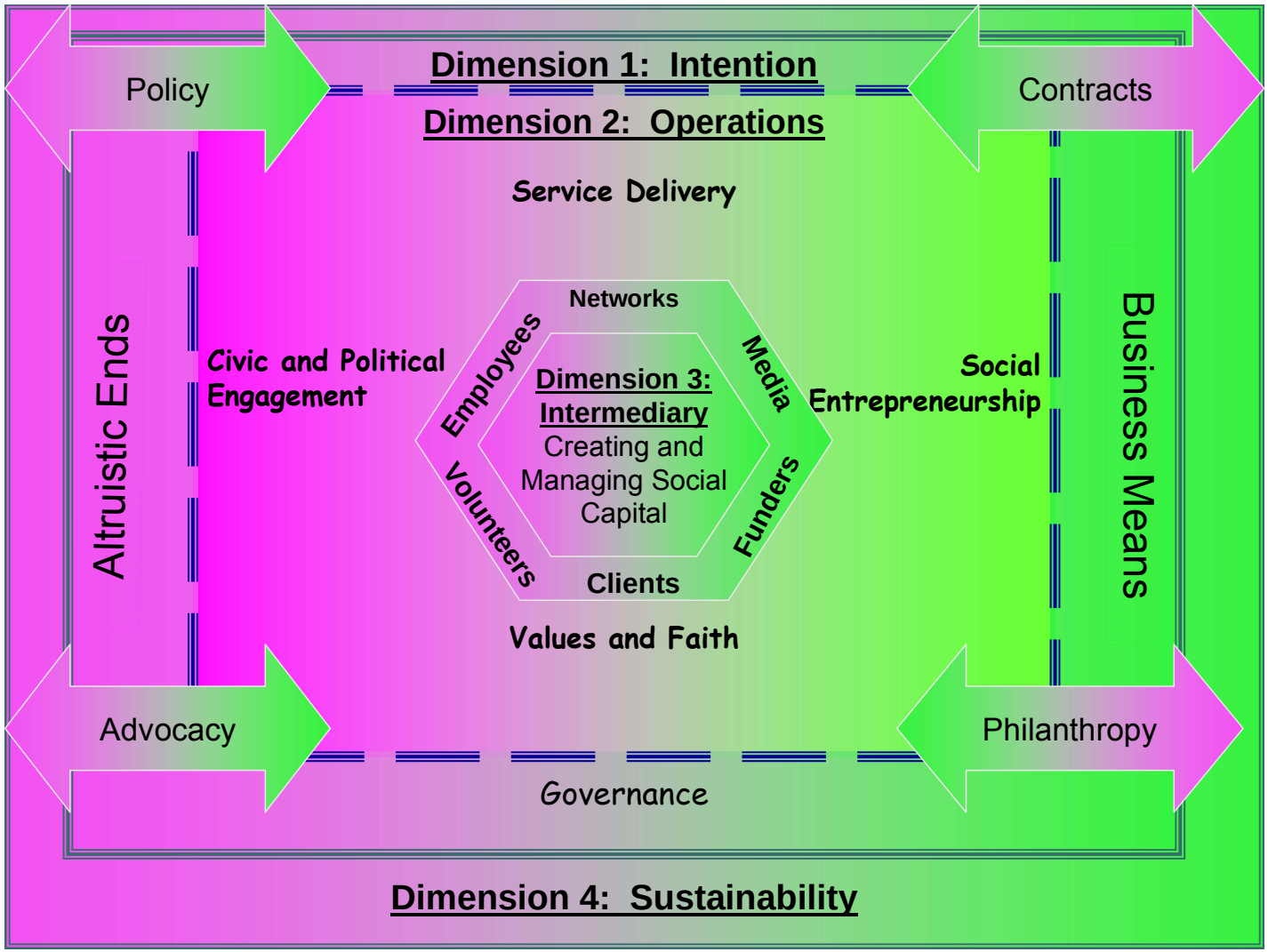


Figure 7. Field theoretical model revised based on interview input

Thought Experiments Using Lewin's Criteria

Summarizing Lewin's presentation of field theory as a method for the social sciences, Cartwright (1997) stated that useful concepts must:

> (1) permit the treatment of both the qualitative and quantitative aspects of phenomena in a single system, (2) adequately represent the conditional genetic (or causal) attributes of phenomena, (3) facilitate the measurement or operational definition of these attributes, and (4) allow both the generalization to universal laws and concrete treatment of the individual case (pp. 160-161).

Applying theoretical methods developed in mathematics, Lewin (1951) insisted that an effective field theoretical construct provide mathematical measures of its phenomena. This section of the study discusses respondent input regarding the model, then applies Lewin's criteria as a thought experiment to test the utility of the field theoretical model, and finally uses the field theoretical model to interpret the thesis that nonprofit EDs influence and are influenced by the structuration of the nonprofit field in the context described by the model.

A useful field theoretical model must depict dynamic interrelationships, reactions, and influences as conditions or constructs, rather than static attributes (Lewin, 1951). The revised model maps the nonprofit organization as comprised of interdependent and dynamically interactive activities, any one of which might constitute a complete specialty. Each activity could be a sub-discipline unto itself while also being an integral part of the holistic discipline of the altruistic business enterprise. Much knowledge may be available within a given sub-discipline. However, unless it is contextualized in relationship to a larger, more complex system, that knowledge risks becoming the tail that wags the dog. You can not know a nonprofit organization by simply understanding

its intention to use business means to achieve altruistic goals. Such an understanding is useless without some understanding of its operations.

The contrary is also true. Respondents gave examples of activities from the 13 areas of ED activity, although every respondent did not provide examples from every activity. This suggests that activities were not equally distributed across all regions of the model, which accounts for organizational strengths and weaknesses that leads to a strategic interplay in each dimension. If anything, the field theoretical model may be too fluid to support the tradition of instrumental learning (e.g., training in selected competencies) that is a common approach to business education. Instead, this approach would likely find support in pedagogies based in chaos theory, quantum mechanics, and experiential learning, such as Senge's (1994) notion of the learning organization or Collison and Parcell's (2004) holistic approach to knowledge management through shared peer teaching.

Respondent observations emphasized the complexity of the work of the nonprofit ED and the need for incumbents to occupy different parts of the model simultaneously. Indeed, respondent feedback confirmed the interpenetration of activities across dimensions. Such complexity meets the criteria cited above in that it treats the qualitative and quantitative aspects of phenomena in a single system, represents the causal attributes of the phenomena, facilitates the measurement of these attributes and allows for general and specific understanding of what is going on. As an experiment, the author devised mathematical formulae to represent the dynamics of the model and an aid to reflection based on these formulae, which are reviewed in Appendix C:

Degree to Which Nonprofit Executive Directors Influence and are Influenced by Isomorphic Pressures

Interpreting the conversational interviews in light of the field theoretical model provides substantial evidence of isomorphic pressures arising within and from outside the sector in the areas of the non-distribution constraint, fundraising, and resource development, and from power relationships with the external environment. These pressures tend to cut across all dimensions of the model, rather than being concentrated in a single area. For example, while the activities of fundraising primarily occur in the dimension of sustainability, success in this area requires (1) a clear case statement describing an intention that combines business means and altruistic goals, (2) sufficient operations to deliver on the promise to the donor, and (3) the capacity to act as an intermediary to secure social capital to leverage available funds (e.g., a variety of stakeholders). Following is a description of how isomorphic forces at play in the sector influence and are influenced by the nonprofit EDs who were interviewed.

The Non-Distribution Constraint

A given in the field, the non-distribution constraint affected all of the EDs in this sample, especially those who came from outside the nonprofit sector. At the level of intention, the business orientation imposed by the legislation creating nonprofit organizations appears to be inextricably wedded to the expressive force of altruism. Compared to the for-profit sector, this includes self-sacrifice for nonprofit EDs in terms of lower pay and benefits, higher standards of accountability from boards and donors, and higher levels of scrutiny in the media and through public oversight bodies. The volunteer ED of a statewide educational advocacy organization complained of long

hours and no pay. A younger ED wondered aloud why she put up with all the hassle when she did not even have health insurance, much less a Blackberry. An elder observed that he had traded a higher salary for improved job satisfaction. The non-distribution constraint influenced the ED's business orientation, particularly when it came to shortfalls in supplies and challenges in recruiting and managing staff. Respondents used expressive rationales to compensate for business constraints, creating challenging assignments, allowing staff more flexibility than they would receive in the for-profit sector in exchange for lower salaries, and mentoring younger employees. An ED who came to her job from a stint at a high-powered law firm pointed out that her life was still terribly unbalanced and that she struggled to justify the low salary as she recruited other attorneys to join her staff. Many respondents talked about pitching in to get work done, doing things like taking out the garbage or making photocopies, without regard for the higher status implied by the role of ED.

The non-distribution constraint was linked to the creation of financial and social capital. The role modeling inherent in their own sacrifice created a halo effect that could quickly disperse with the slightest hint of greed or self-dealing while stewardship of financial capital required scrupulous accounting and accountability. As one ED remarked, "Yes, you absolutely have to have things like an annual report, [where] you're keeping track of measurable components against all of your programs. You're promoting a clear face." This operational attribute bridged to the dimension of sustainability as well, although in this case respondents complained that contacts outside the sector did not understand how hard it was to get work done when the majority of funders were reluctant to invest in the infrastructure needed to support

growth. In that sense the transparency required for an effective business orientation also became a liability because it facilitated critique from many different perspectives and business models, absent systematic efforts to educate outsiders about the unique nature of the sector and its work.

Conflicts between Altruistic Commitments and Business Reality

Because the privatization of government services has shifted additional funds to the sector through contracts to provide goods and services, EDs routinely experience more or less public conflicts between altruistic commitments and business reality. For example, the ED of an organization serving immigrants who is an immigrant herself wondered how to face her community after terminating a highly-valued program that donors and board members saw as a financial liability for the organization. Coming from a corporate background, she felt she had no choice about the business means but the altruistic ends, based largely in her personal history, seemed out of her control. When she thought about this problem in terms of the model, she observed that the organization needed to improve its conversations with business and its capacity to advocate for the community.

Respondents consistently expressed a bias towards altruism as they discussed business problems. Even those who were very comfortable with their understanding of performance metrics worried that the challenges of sustainability might lead to transactions with external entities that could compromise the integrity of the nonprofit mission. The concern typically focused on reservations about accepting gifts from, or creating partnerships with, donors whose source of wealth ran counter to the nonprofit

mission, pointing out the direct connection between the dimensions of sustainability and intention.

The Influence of Fundraising.

In addition to concerns about conflicts between business and altruism, the entire process of fundraising was a source of problems for EDs. Consistent with their bias towards altruism, EDs resisted translating their blended intention into a pure business case. Concerns about “chasing the money” were salient as EDs reported that one-year funding cycles, reluctance to invest in overhead (as opposed to program), and funder preferences for funding new programs and only programs [not overhead] disadvantaged established programs. These countervailing biases on the part of funders caused the ED and the organization to make additional investments in raising funds that could be applied to overhead and existing programs.

Power Relationships

At least two respondents were concerned that restricting relationships with the outside world to the sustainability dimension and governance activities over-simplified the power relationships between the nonprofit and the outside world. More generally, this resonated with various remarks that indicated a mistrust of government, for-profit, and other entities outside the nonprofit sector. In the realm of *intention*, disparities in power were manifested by concerns that external and internal influences would lead the organization and its leaders too far to one side of the dimension or the other. Disparities in power were most pervasive in the dimension of operations, particularly with the EDs’ relationships with the board of directors. Boards are typically made up of individuals who share a passion for the mission and a commitment to do work on behalf of the

organization. One respondent summarized the work of governance as a key instrumentality as follows: “Governance provides guidance for us all. Governance is also policy, meaning the policy direction of this organization. The board defines the direction and guidelines and my job is to operate the organization within that context.” At the same time, numerous respondents spoke of how much work it took to keep the board on track with the organization and motivated for their fundraising work:

> My board is incredibly supportive. It’s a change from the past, when they were not used to having staff ask them for help. When I came on, the board was passionate about the organization but there wasn’t a lot of tangible board work [happening].

Working with the board created risks to EDs since board members who encountered the organization at intervals tended to have pet projects or concerns that led them to exercise their power in less than systematic fashion. EDs who found ways to balance the people, power, and passion that come with the governance role had a better chance of maintaining a steady course over time.

Isomorphic Influences from the Intra-Personal Dimension

The field theoretical model treats the nonprofit ED as an element within the larger field of the nonprofit organization. At the same time, the ED is an intrapersonal field, making choices and seeking satisfaction based on internal drivers. An intrapersonal aspiration to do altruistic work in a business setting was common to all respondents and appeared to rationalize the complexity of navigating the nonprofit landscape using some combination of people, passion, and performance. Every respondent enacted the role of intermediary, bringing a wide range of stakeholders (including themselves) into the service of the organization. And, with some grumbles and cheers depending on the

outcome, every ED engaged in conversations with the external environment in order to ensure the sustainability of their organization.

How Executive Directors Influence the Nonprofit Field

Evidence from the interviews indicates that nonprofit EDs are influenced by forces at play in the structuration of the nonprofit sector. Less clear is how decisions made by EDs influence that process. Neo-institutional theory predicts that in the aggregate, this messiness at the micro level resolves into a discernable pattern of increasing standardization and homogenization of the sector. Instead, the current study found that the influence of nonprofit EDs on the structuration of the nonprofit field is circumscribed by the size and complexity of their workloads, as well as political and practical considerations about potential conflicts of interest. Every respondent felt that he or she should be doing more work that had an expressive rationale, such as educating others about the mission and needs of clients, advocating for reform, time for reflection, fundraising, and volunteer recruitment, and making more planned responses to challenges faced by the organization.

A point of entry for additional study is the question of how nonprofit EDs experience the pull of community, a clearly defined effort to influence the external environment. Is the pull a distraction from other duties, as some respondents observed? And if the tension is great in core advocacy organizations, how do EDs in other types of nonprofit organizations experience and respond to that tension?

In the current study, respondents reported that fundraising was a consistent challenge and several deplored the lack of funding for advocacy organizations, without specifically referencing the influence of government funding or lack thereof). These

comments are consistent with Child and Grønwald's (2007) observation that nonprofit organizations that rely on government funding tend to limit advocacy out of fear of financial reprisals. The perception (and perhaps the reality) of reprisals appears to be increasing the burden of fundraising for individuals who are active advocates but leery of reliance on government funds. Eisenberg (2004) reported that of 228,000 nonprofits filing IRS 990 forms, only 3,500 reported doing any lobbying, with a sector-wide expenditure of $136 million, considerably less than the two billion dollars spent by corporate America. While this set of respondents was selected because they were part of a unified field, their response may also shed light on the larger question of how nonprofit EDs approach civic and political engagement and the influence they have on reframing policy on behalf of their constituents.

Conclusion

This study attempts to articulate generic aspects of the ED's role and experience in order to pave the way for future efforts to illuminate that role and experience through the lenses of specific demographics such as gender, race, age, ethnicity, or intra-personal characteristics such as ability, learning style, or sexual preference, to name a few. Experience and some of the data collected in the current study suggest that demographic and personal characteristics in such areas as access to social networks, educational background, and personal style may play a significant role in the selection and job performance of EDs. Future studies of the ED role and experience and the emerging nonprofit field should take pains to reflect the diversity of experience as well as the generic qualities identified in the current study.

Another intriguing finding emerged from the stories respondents told about how they became EDs. Those who were new to the sector left other sectors because of isomorphic pressures in their prior field that had made their positions untenable. Whether their departure was voluntary or involuntary, they saw the nonprofit sector as a haven from disagreeable experiences in business and government. Becoming a nonprofit ED appeared to be something one does after one has done something else. This suggests a certain degree of adaptability and energy that may be at risk as the sector professionalizes and there is increasing emphasis on the technical expertise of careerists. Comments about the financial and personal sacrifices required of nonprofit EDs suggest that becoming an ED is easier for an older person, who has moved beyond the challenges of work–life balance and is in a position to trade material rewards for the less tangible satisfactions of nonprofit leadership.

This study points out the critical importance of increasing the general knowledge about the role and performance of nonprofit EDs. Nonprofit studies programs can enhance this process of knowledge generation by expanding research into the experience of nonprofit EDs. With increased understanding undoubtedly will come increased retention of talent within the sector and clear opportunities for experienced EDs to mentor those who are new to their role. Instead of approaching the generational transition as a crisis, the sector could build on its own assets and support the learning needs of leaders who enter the sector after careers in other fields as well as those who envision lifelong careers in nonprofit management. Recognizing that the nonprofit sector is distinguished by non-negotiable commitments to diversity and inclusion, research and pedagogies alike can deepen understanding of how the intra-personal field influences

the practices of collaboration and community building. Finally, scholars and practitioners alike can reframe nonprofit business practices from the inside out, starting with internal capacity—the creation and management of social capital—rather than making operational assumptions based on some hypothetical understanding of the amount of funds available through exchanges with external entities.

This study braided together three streams of the author's life and work over the last ten years: (1) a business woman who was a consultant to nonprofit and public sector clients that sought facilitation and expertise for strategic planning, change management, and strategic restructuring; (2) an altruist who served as a volunteer in a number of capacities and chaired three different nonprofits' boards and continues to serve in a variety of leadership roles; (3) a scholar who seeks to extract knowledge from her own experience and the experience of others. The field theoretical model facilitated a deeper understanding of the relationship between these streams in the life of the author, in the organizations she leads, and in the understanding of, and appreciation for, the nonprofit sector in the broader community. This emerging synthesis has in effect made the author a participant-observer in her own study, embodying the epigram from Dewey that opens Chapter IV: *The history of Janet's progress is the story of the transformation of acts which take place unknowingly to actions qualified by the understanding of what they are about.*

It would be grandiose to claim that a single field theoretical study has transformed the understanding of all of the tacit wisdom held by nonprofit EDs into accessible knowledge and data points. The aim is more modest: if this study demonstrated that such wisdom exists and deserves attention, then it has done its work

by initiating a process of influencing others. Scholars in nonprofit studies programs may use these findings as a cue to increase the experiential component of their research and pedagogies, using authentically nonprofit practices rather than blithely importing for-profit practices where they do not apply. Infrastructure organizations offering continuing education for nonprofit executives can read in these lines a reinforcement of the importance of mentoring, networks, and a hands-on, interactive approach to training.

Those who are consumed with the prospect of the intergenerational leadership transfer may want to reframe their treatment of the issues involved, since the current study suggests the absence of a linear career path in nonprofit leadership, at least not one that occurs within the confines of the sector. Boards and funders will find grounds to rethink their relationships with nonprofit EDs as well, with a greater appreciation of the complexity and challenges of the work and a more useful framework for identifying and solving organizational problems. Nonprofit EDs may find it in themselves to learn more about how performance works as a tool for navigating the nonprofit environment and, armed with more clarity about the complexity of their work, find space to be as businesslike as they are expressive in their practice of executive leadership. Finally, communities may be inspired to celebrate the sector's ongoing commitment to diversity and inclusion, and its unique contributions to the social fabric of the United States.

Epilogue

In 2007, ServiceTeam1000 had a new executive team. That year's MegaWalkathon engaged 14,000 community stakeholders and secured nearly $1 million in pledges. EDs of beneficiary organizations continued to participate as before. The leadership of ST1000 retained the ownership of the event and continued to reap a lion's share of the revenue as well as a lion's share of the work.

Would better understanding the challenges of being the ED of a nonprofit organization have changed the outcome of the MegaWalkathon partnership discussions? Armed with this information, as the consultant who facilitated the discussions, the author likes to think that instead of relying on the shared passion and the camaraderie of the people, she would have facilitated deeper discussions of the business model that could have identified the conflict around performance early on. Whether that conflict was resolvable will never be known: perhaps the resolution that occurred was the best that could be expected. However, as the response to these interviews demonstrates, nonprofit leaders (the author included) love to talk about their passion for altruism and the people who make that work happen. This study suggests nonprofit people must become equally comfortable in talking about *performance* so that when they engage *people* in enacting their *passion*, there are grounds for measuring the outcomes of this engagement.

APPENDIX

Appendix A

Informed Consent

Janet Rechtman, who is a Ph.D. Candidate in Antioch University's Ph.D. in Leadership and Change, is asking you to participate in a study about the experience of executives of nonprofit organizations.

Study Participants

Respondents are experienced executives who agree to serve as knowledgeable informants about leadership in nonprofit work in Atlanta, Georgia. Respondents will be asked to do the following:

1. Participate in a ninety-minute, one-on-one confidential interview and follow-up interviews as needed.
2. Review and comment on a summary transcript of the interview(s).
3. At your option, participate in a second ninety-minute interview in which we will deepen our understanding of your initial input.
4. Share your detailed resume and pertinent demographic and biographical information, along with the annual report of the organization you represent.

Risks of Participating in the Current Study

I will share all findings and results directly with the participants and with the public in the form of my published dissertation. For the latter, I will ensure anonymity of attribution for interview respondents. My goal is to complete the interviews by July 31, 2007 and to complete the dissertation by the end of October 2007. For any reason, you may opt out of the panel and/or can ask that information from your interviews be withheld from the report with no penalty. Participants may elect to drop out of the study

at any time. If you have questions about the study, please contact the researcher, Janet Rechtman, at 404 522 1874. If you prefer, you may e-mail the director of the Antioch University Institutional Review Board, Carolyn Kenny, Ph.D., atckenny@phd.antioch.edu.

Consent Statements

I agree to participate in the current study under the following conditions:

1. I will allow the interview(s) to be tape-recorded and transcribed. I understand that I can terminate the interview and/or turn off the tape recorder at any time. Once the project is complete, I may ask for and receive the audiotape of my interview or, if I do not want that, Janet Rechtman will destroy the audiotapes.
2. I agree to allow Janet Rechtman to use the information from the interviews in her doctoral dissertation, related publications and presentations, and for other educational purposes. I understand that what I say will not be attributed to me personally or individually by Janet Rechtman.
3. I understand that I have the right to review the summary transcript(s) of the interview(s). After reviewing and discussing the transcript with Janet, I can add clarifications to my comments as I want to.
4. I understand that all written and audio-taped data collected during this project will be kept by Janet Rechtman, shared only with her transcriber, destroyed once the project is completed, and used solely for the stated research and educational purposes.

The interviews will provide an opportunity to talk about difficult issues that may cause some discomfort. Being candid about controversial topics, hearing ourselves on

tape, and making meaning of the words we say can be uncomfortable. These conversations will help us learn more about the ways nonprofit executives experience their professional role. I appreciate your willingness to engage in this process and thank you for your participation in this project.

Consent Agreement

I have read and understood the information above. The researchers have answered all the questions I had to my satisfaction. They gave me a copy of this form. I consent to take part in the study as described.

_____

Signature of participant Date

_____

Signature of researcher, Janet Rechtman Date

Appendix B

Interview Protocol

The purpose of this interview is to explore how you experience your work as Executive Director of a nonprofit organization.

Part 1: Semi-Structured Conversational Interview

A. Let's start by talking about what each of those terms means to you. Working backwards, how do you define the term nonprofit organization? [Interviewer probes for personal construction of the term, not a dictionary definition.]

Now, how do you define the role of executive director/your executive role?

What does that job mean to you?

What do you like most about your job?

What do you like least about your job?

Where do you go with problems, questions, or concerns? How do you get the help you need?

Who or what do you turn to as a resource?

What is it about you (your talents, skills, characteristics) that enable you to succeed as a nonprofit ED?

Some people have suggested that nonprofit EDs use an "internal compass" to guide their leadership choices. How does the idea of an internal compass speak to your experience? Describe what an internal compass means to you.

Part 2: Reflection on the Field Theoretical Model

[Interviewer explains model]

After reviewing what numerous authors say about the work space of nonprofit executives, I have summarized these insights in the form of a "landscape"—a map that attempts to represent the complexity of this work.

[Interviewer shows participant Figure 2.]

1. Underlying nonprofit work is a commitment to altruism and business, captured in the term *altruistic business enterprise* to describe the nature of a nonprofit organization. What does that term mean to you? [Interviewer probes for comparison to participant's definition of a nonprofit organization as the name of the phenomenon being examined.]

[Interviewer shows participant Figure 3]:

2. Operationally the nonprofit organization works in four basic areas: service delivery, values and faith, civic and political engagement, and social entrepreneurship. What has been your experience in terms of nonprofit operations?

[Interviewer shows participant Figure 4]

3. Within this context, nonprofit organizations act as intermediaries engaged in a variety of relationships to create and manage social and financial capital. How does this reflect your own experience?

[Interviewer shows participant Figure 5:]

4. Nonprofit organizations encounter the external environment through four basic types of transactions: philanthropy, business, advocacy, and policy. Please tell me about your experience with each of these.

[Interviewer shows participant Figure 6]

5. Now I would like you to look at the map as a whole and tell me how you orient yourself in this landscape. Is this model helpful to you?

Part 3: Semi-Structured Conversational Interview

Reflecting on what we've said, imagine that a close relative—your son/daughter/niece/nephew—or a good friend wants to switch from working in the for-profit sector to becoming a nonprofit ED. Role play a moment and use this landscape to illustrate the advice you would give them.

And here's a bonus question, remembering that your response will be anonymous, and that this research is exploring generational differences. Which generation do you think you represent? As a member of the younger/elder generation of nonprofit EDs, what one thing would you like to say to members of the elder/younger generation? It can be a question, a suggestion, or anything else.

What other thoughts or ideas would you like to share?

Appendix C

Quantification of the Field Theoretical Model

Quantification of the model is complex, since it must facilitate the blending of business and altruism into a successful enterprise. One respondent described this as working with:

> The tension of sides: the reality and the idealism. So I try to operate here [points to the middle of the map]. I am worried about being pulled to the business end. You can lose your soul if you stay too much on that end. If the organization doesn't have a heart, I don't think it can exist for the long term.

In this context, the metaphor of celestial navigation suggests that when people, passion, and performance are aligned, the way forward is clear and the ship is not likely to run aground. On the other hand, when one or another of these signposts is askew, problems ahead are likely. One can operationalize this analysis at the level of a single decision, described mathematically as a simple equation using a dividend that is the total of the three indices, in which an index of one is the optimal level of each of the three meta-narratives (people, passion, and performance). The level of any one factor is represented by a number between zero and one, where zero is maximum absence and one is maximum presence. The equation reads: (People + Passion + Performance)/3 ≤ 1. The smaller the quotient, the higher the risk that the stars will not align on this particular decision.

One can also generalize from the individual case to quantify the aggregate of choices using the same logic: (Σ People + Σ Passion + Σ Performance)/3*n ≤ 1. In the

aggregate, the closer the quotient is to one, the less risk of failure for the organization as a whole. Conversely, the greater the distance from one (the closer the quotient is to zero), the greater the risk for the organization's portfolio of work. As an intriguing corollary, a low score for the aggregate may also be interpreted as an indicator of risk of burn-out for the ED. While the specifics will vary by organization and individual ED, Table 12 is an aid to reflection derived from the findings of the current study that can be helpful in reflecting on and learning from the role played by people, passion, and performance for a single initiative.

The response to the field theoretical model suggests two additional themes that characterize the work experience of nonprofit EDs: (1) complexity—many different things are going on simultaneously and (2) velocity—these things are happening very quickly. The complexity is most clearly expressed by the nature of the map itself. There are four dimensions and a total of 13 distinct activities distributed throughout these dimensions, creating a total of 18 potential fields in play (see Figure 6). Conservatively stipulating a 44 work week for 48 weeks a year (including time off for sick leave and vacation) and a total of 13 activities requiring attention, EDs have 147 hours a year available to learn and do each activity, a little over 3 hours each week. This is scant time to do justice to the complexity of the work, much less learn about changes and reflect on experience.

In the context of the field theoretical model one can express the notions of complexity and velocity in mathematical terms as follows:

Complexity: $\sum$ (number of activities in each activity in a given time period)/number of activities ≥ 1, where the higher the quotient, the more complex the working environment.

Velocity: ∑ (number of activities in each activity in a given time period)/number of units in the time period ≥1, where the higher the quotient, the less time is available for each item, thus increasing the velocity of the activities.

Table C1 details some examples of activities mentioned in the interviews that contribute to the complexity and velocity of the ED work. In the press of day-to-ay work, it would be difficult to tabulate the number of activities competing for ED attention. Therefore, the insights offered by these equations representing complexity and velocity are more symbolic than real.

Appendix D Aid to Reflection on Experience Using the Findings from this Study

Purpose: Deepen one's understanding of the factors that contribute to the success of nonprofit executive directors.

Instructions

Step 1: Briefly describe one of your experiences in the role of nonprofit executive director. What happened? Who was involved? What went well? What went not-so-well? What was the outcome?

Step 2: Reflecting only on this description, how would you characterize this experience? Was it a high point of your career, a low point of your career or a typical incident in your experience in this role?

Step 3: Deepen your reflection on this experience by answering the questions in the series of statements below. For each statement, use the worksheet below to indicate how much you agree or disagree with the statement on a scale of 1 to 5, , where 5 is completely agree and 1 is completely disagree.

Step 4: Tabulate your answers by writing the number for each response on the following score sheet:

	People	**Passion**	**Performance**	**Total each Row**
Intention				
Operations				
Intermediary Role				
Sustainability				
Total each column				

Step 5: Interpret your response. The maximum total score if you completely agree with everything is 60. The lowest possible score if you completely disagree with everything is 16.

The maximum score for any row is 15. Higher scores on a given row may indicate a balanced leadership approach in this dimension. Lower scores may help you locate a challenge that occurred within a particular dimension. The maximum score for any column is 20. Lower scores on Row 5 indicate a misalignment within People, Passion or Performance. You can look at the column to identify where the problem is located.

Worksheet

People Factors

The capacity of my networks and relationships to do the work.

***Intention* -** Business Means and Altruistic Ends

I was able to engage supporters who understood the business and altruistic implications of I was trying to accomplish with this project.

1	2	3	4	5
Completely Disagree		Neither Agree nor Disagree		Completely Agree

***Operations* -** Service Delivery, Social Entrepreneurship, Civic and Political Engagement, Values and Faith

I easily found people who had the know-how to do the work I envisioned.

1	2	3	4	5
Completely Disagree		Neither Agree nor Disagree		Completely Agree

Intermediary Role - Creating and managing social capital.

It was easy for me to get new people excited about and engaged in this activity.

1	2	3	4	5
Completely Disagree		Neither Agree nor Disagree		Completely Agree

Sustainability - Conducting resource exchanges with external entities.

Members of my network recruited others who could help with this activity.

1	2	3	4	5
Completely Disagree		Neither Agree nor Disagree		Completely Agree

Passion Factors

My sense of mission and my vision for the work I want to do.

***Intention* -** Business Means and Altruistic Ends

This activity was a good fit for my own vision of my work as ED.

1	2	3	4	5
Completely Disagree		Neither Agree nor Disagree		Completely Agree

***Operations* -** Service Delivery, Social Entrepreneurship, Civic and Political Engagement, Values and Faith

It was easy for me to manage and motivate the people who were working with me on this project.

1	2	3	4	5
Completely Disagree		Neither Agree nor Disagree		Completely Agree

***Intermediary Role* -** Creating and managing social capital.

I enjoyed talking about this project to current and prospective stakeholders.

1	2	3	4	5
Completely Disagree		Neither Agree nor Disagree		Completely Agree

Sustainability - Conducting resource exchanges with external entities

When I encountered opposition, I could respond constructively without endangering important relationships.

1	2	3	4	5
Completely Disagree		Neither Agree nor Disagree		Completely Agree

Performance Factors

My goals and measures of accomplishment.

Intention - Business Means and Altruistic Ends

The goal of the activity had a clear business orientation and altruistic rationale.

1	2	3	4	5
Completely Disagree		Neither Agree nor Disagree		Completely Agree

Operations - Service Delivery, Social Entrepreneurship, Civic and Political Engagement, Values and Faith

The potential risks and reward, and the opportunity costs of undertaking this activity made sense to my colleagues.

1	2	3	4	5
Completely Disagree		Neither Agree nor Disagree		Completely Agree

Intermediary Role - Creating and managing social capital.

This activity increased my organization's stock of social capital.

1	2	3	4	5
Completely Disagree		Neither Agree nor Disagree		Completely Agree

Sustainability - Conducting resource exchanges with external entities.

My organization incorporated the activity into its work without running a financial deficit either through the revenue it created or through cross subsidization.

1	2	3	4	5
Completely Disagree		Neither Agree nor Disagree		Completely Agree

Table C1

Complexity and Velocity of the Executive Director's Work Experience

Dimension	Activities within the dimension	Examples of what respondents said they did in this activity.
Intention (means and ends)	Purely business related activities	Accounting. Reporting and compliance
	Purely altruistic activities	Contributions and trade-offs in wages and benefits.
	Braided together business and altruistic activities	Personnel management Carrying programs that do not break even.
Instrumentality (day to day work)	Service delivery	Maintaining quality and productivity.
	Values and faith	Not enough time to do this but it is very important.
	Mobilizing civic and political resources	Advocacy at the legislature. Fundraising.
	Governance	Developing the board. Relying on the board for help. Strategic planning. Performance reviews.
	Social entrepreneurship	Not clear what this is. May not work. Selling things like information guides and merchandise
Capacity (the intermediary role)	Intermediary role – managing staff, cultivating relationships with stakeholders	Working with staff. Working with stakeholders. Media relations, PR. Member relations. Mentoring and being mentored.
Resource mobilization (transactions with the external environment)	Conversations about philanthropy	Working with prospective and current philanthropic donors
	Conversations about business	Not much of this in advocacy. Contracts for training and educational service. Grantmaking to members.
	Conversations about policy	Working with state agencies and the legislature.
	Conversations about justice	Educating stakeholders about the importance of policy.

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`Endnotes

[i] This statement is qualified by recent prosecutions of individuals making gifts to Islamic charities or organizations serving people in so-called terrorist states that are embargoed by the U.S. government. It will be interesting to see whether free speech enacted by philanthropy is valued as much as the free speech enacted by contributions to political campaigns.