



NON PROFIT CULTURE

OR

*WHY DOES EVERYTHING
HAVE TO BE SO HARD?*

A Few Definitions

Culture

Patterns of human activity and the symbolic structures that give such activities significance and importance

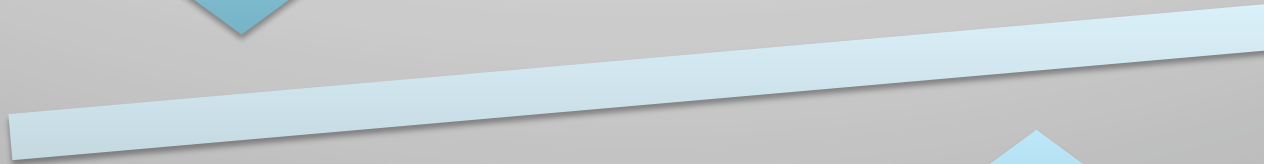
Organizational Culture

Patterns of shared basic assumptions that a group learns as it solves major problems of external adaptation and internal integration.

NON PROFIT REALITY?



The nonprofit world
thrives on impossible
challenges.



Achievement of all of
the sector's goals
would ultimately
mean perfection of
the human condition.



How can I know my organization's culture?

mission and philosophy

the service culture of your organization

structures and processes of nonprofits

managing diversity of constituents & opinions

dependency on external funding sources

Not for Profit: Not Insignificant

Over 1.4 million nonprofits in the United States

Over 30,000 new charities are formed each year

More than 8 million employees

80 million volunteers

56 percent of the U.S. adult population donates an average of 4.3 hours per person of volunteer service every week

But...80% have revenues under \$100,000

Registered Nonprofit Organizations by IRS Ruling Date

When registered	Number of organizations	Percentage
Pre-1950s	166,960	11.2%
1950s	71,145	4.8%
1960s	145,560	9.7%
1970s	187,850	12.6%
1980s	192,939	12.9%
1990s	319,395	21.3%
2000s	394,883	26.4%
unknown	18,041	1.2%
TOTAL	1,496,773	100%

SOURCE: Internal Revenue Service, Exempt Organizations Business Master File (2008, Jun)

The Life Cycles

Courtship

Pre birth

Founders start the dream

Ideas & Excitement

Missionary efforts getting others to support the idea financially

Infancy

Frantic need to start doing

One or two people

Founders do everything -
Entrepreneurship

Under funded, Under staffed

Go-Go

Opportunities everywhere

Need to prioritize – the ADD org

Need to create systems &
infrastructure

The Founders Trap begins

Adolescence

Establish administrative base

Start planning and coordination

Policies & accounting systems

Administration draws energy

The Life Cycles

Prime

Strong Vision
Good support structure
Focus may turn inwards

Maturity

Still results oriented
Strong administrative support
Members enjoy membership
Sense of urgency & mission wane

Aristocracy

Stale climate
Paralysis sets in
Dress is important, speeches formal
More funds for administration, less
for innovation

Early Bureaucracy

Signs that something is wrong
Paranoia begins – search for
scapegoats
Cliques and coalitions form
Good people are feared and fired



The Life Cycles

Bureaucracy (or Death)

Only procedures & paperwork are left

Nothing real gets done, programs are on autopilot

Atmosphere is peaceful & serene
– very quiet

People agree with everything

Notice – the organization somehow still exists, even
in death

“I’m not dead yet”

For Profit Business

Business exists to produce profit for an easily identifiable and homogenous owner group.



Raises capital through sale of stock or sales revenues



Manages financial affairs to reduce tax liabilities



Searches for outcomes such as ROI and Debt Equity Ratios

Non Profit Business

Organization exists to fulfill mission and serve varied and complex constituents



Raises capital through soliciting charitable gifts from individuals, businesses, foundations, or government sources



Manages financial affairs with an eye on personnel costs, overhead ratios, and fund restrictions



Searches for outcomes such as sources of funding support, constituency building, volunteer recruitment, and balanced budgets

Making Decisions

For Profit

Rapid decision making

Quick decision-making rewarded by profit

Establishing process runs counter to timely reaction & response, costing money

Non Profit

Slow, deliberate, inclusive process

Process rewarded with by-in and relationship building

Quick decision-making runs counter to organizational values, creates charge of "dictatorship"

Why the Process Orientation?

Cultural value of getting along

The process may be as important as the decision because of internal politics

Multiple constituencies have a variety of motives & points of view, even though they generally support the mission of the organization

All points of view be considered, full disclosure and discussion afforded to all, people treated with dignity & respect even if dissenting views are expressed

Process orientation is a way of continually articulating the direction of the organization through an inclusive style of communication

WHO DO WE SERVE?

Recipients of Services

Driven by personal
needs

Funders

Come with their own
agendas and priorities

Board of Directors

May be self interested,
unaware of daily work
and programs

Government

Rigid expectations of
contract deliverables

WHY IS CHANGE HARD?

Focus on programs & delivery

- Grant funded, contractual obligations
- No time for professional development

Capacity Building completes with focus on programs

- Takes funds and time away from client needs

Perceived “mission drift”

- Change in response to social conditions or donor enthusiasm viewed as caring more about organizational survival than the cause
- Programs created to get funds

Lack of options for clients
– if you change, where will they go?

Process

Reluctance to use market analysis because that is what for-profits use

HOW DOES THIS PLAY OUT?

Plans don't change
because of grant or
contract
requirements

Fear of asking funders
for help – oversight
vs. partnership

Focus on deliverables
– need a great list of
activities
accomplished

Resources earmarked
for program delivery –
not for building
programs

Stuck in funding
cycles – change can't
come until the next
grant

Burnout – no
resources to reward
employees or to
celebrate success

GOAL DISPLACEMENT

Shifting emphasis to performance measurables and metrics at the expense of focusing on mission

Creates a disconnect with the values that motivate people to do mission based work

Complicated by the difficulty of measuring achievement of a social mission

- Measurements are vague & imprecise or detailed & lacking humanity

Asking Questions to Understand Your Organization

Who was the founder?

- Are they still involved?
- What was their leadership style?

When was the organization founded?

- What was the culture of the time?
- What was the need to be addressed then?

What is the Board like?

- What skills do they bring?
- How long have they served?
- How are they appointed/elected?

Who is really in charge?

- Board, Management, Artist, Front Line, Membership?
- Do we have policies about how decisions are made?

The Role of a VISTA

Focus your efforts on building the organizational, administrative, and financial capacity of your organization

Your goal is to strengthen an organization so it can continue to serve the needs of the community once your time there has ended

What are some ways you can do this within your organization's culture?

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