

**SOCIAL CONSTRUCTION APPROACH TO NONPROFIT ORGANIZATION
EFFECTIVENESS: IS IT TENABLE?**

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In memory of my parents
who have given me the foundation
of a life of service and love.

ABSTRACT

Social Construction Approach to Nonprofit Organization Effectiveness:

Is it Tenable?

Joselette de los Santos

A nonprofit organization has multiple stakeholders, such as clients, employees, funders, licensing and accrediting bodies, and boards of directors. These stakeholders may have different criteria in evaluating the organization's effectiveness. Because of the lack of a market oriented bottom-line profit or loss criteria, leaders and researchers struggle with the concretization of the concept of nonprofit organization effectiveness.

The principal aim of this research is to conceptually replicate part of a 1997 study using the latest theoretical approach to the analysis of nonprofit organization effectiveness, the social construction approach. Using sampling procedures and statistical data-analytic techniques, this research investigates the differences among stakeholders in their effectiveness judgments of nonprofit organizations. Survey responses from 174 stakeholders (49 board members, 55 employees, 36 funders and 34 beneficiaries) of 55 Montreal nonprofit organizations were analyzed. Consequences and implications for nonprofit organization managers were drawn from the analysis.

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Chapter I: Introduction

After working for several years now in a nonprofit organization, preparing the annual weekend organization retreat has become both nerve-racking and tedious. Every single person comes to the meeting armed with a personal or departmental agenda, a good defence of the previous year's performance and a list of future expectations. Each one tries to present an objective picture of events and solicit a judgment of its effectiveness. Generally, a more than satisfactory rating is given. The problem arises when an overall assessment of the effectiveness of the organization is called for. As different opinions are raised, emotions are heightened.

Because of the lack of a simple bottom-line profit or loss criterion, leaders and researchers struggle with the concretization of the concept of nonprofit organization effectiveness. Organizational effectiveness is a meaningful concept for nonprofit organizations. Decisions are made, or at least justified, on the basis of beliefs that organizations can maximize effectiveness. But effectiveness seldom means the same thing to all stakeholders. A nonprofit organization has multiple stakeholders, such as clients, employees, funders (both individuals and other organizations such as grant-making foundations), licensing and accrediting bodies, and boards of directors. These stakeholders may have different criteria in evaluating the organization's effectiveness. Individual nonprofit organizations cannot ignore effectiveness judgments by various stakeholders. It is important for any nonprofit organization to carry out actions that will be judged as improving effectiveness.

Also, the effectiveness of nonprofit organizations is more and more a concern for public policy-makers and managers as well as academic scholars because of the increasing interdependence of the government, business and nonprofit sectors. There is rising interest in nonprofit organization effectiveness by governments and other funders who may pay more attention to accurate financial reporting and following “correct” management procedures.

There is a growing body of literature on nonprofit organization effectiveness. Following the latest theoretical approach to nonprofit organization effectiveness, the **social construction approach**, this study aims to explore the following areas:

- Do different stakeholders report similar judgments of the effectiveness of specific nonprofit organizations?
- Are organizations that use more of the correct management procedures also judged to be more effective?
- Are there differences among different stakeholders in the relation between objective indicators of effectiveness and judgments of effectiveness?
- What organizational characteristics are correlated with the objective indicators of or stakeholder judgments of nonprofit organization effectiveness?

The original survey instrument used by the first proponents of the social construction approach in the study of organizational effectiveness, Dr. Robert Herman and Dr. David

Renz of the University of Missouri – Kansas City, was obtained and used to investigate the above questions. The present study is a conceptual replication of a part of their 1997 study on multiple constituencies and social construction of nonprofit organization effectiveness.

"A conceptual replication tests the same hypothesis (concept) as the original research, but uses a different setting, set of operational definitions, or participant population. The purpose of conceptual replication is to test the generalizability of research results, to see how well they hold up under new test conditions."

(Whitley, 2002)

Consistent with past research, this research expects that a nonprofit organization's multiple constituencies or stakeholders will differ in judgments and that the use of correct procedures do not affect stakeholders' judgments of organization effectiveness. The primary purpose of this study is to replicate the 1997 study of Herman and Renz. Secondly, to provide valid conclusions and generalizations regarding nonprofit organizations as can be made from the analysis of the results.

Chapter II: Literature Review

The task of measuring nonprofit organization effectiveness is associated with many challenges. As part of a general trend on the part of governments and other funders toward results-based management, there has been a shift away from technical efficiency ratio between inputs and outputs (Dinsdale, Cutt & Murray, 1998; Forbes, 1998). Such measurement poses significant challenges in collecting data and assessing information. Nonprofit organizations' frequently amorphous goals and intangible services make quantitative measures of organizational performance difficult. Because of their distinctive legal and financial status, nonprofit organizations cannot be assessed using the most common measures of for-profit effectiveness, such as profitability or stock market performance. Their work that is often based on societal values implies that any discussion of effectiveness begins with an equally problematic discussion about whose criteria of effectiveness are to be employed (Forbes, 1998). Contributing to the complexity is the need to measure organization effectiveness as well as program effectiveness (Gray, 1997), the desire to involve stakeholders in the process (Green, 1998; Herman & Renz, 1997), and the difficulties of trying to measure long-term effects in the short timeframes available for evaluation (Kanter & Summers, 1987).

What Nonprofit Organizations Are

The nonprofit organization is an institution that is normally identified by what it *is not* and what it *does not do*. Maximizing profits and stakeholders' wealth, for example, is *not*

the central purpose for nonprofit organizations. Although they may seek to maximize profits or surplus, these profits cannot be distributed among the directors or trustees. Advancement of the “public good” is usually the central purpose of nonprofit organizations like public sector organizations, but nonprofits are *not* government. Also, many organizations in the nonprofit sector do *not* pay federal, provincial or local taxes, and individuals and corporations who give money or other assets to some types of nonprofits are permitted to deduct the gift from their income taxes and thus do *not* pay taxes on that amount of their income.

However, defining a nonprofit organization by what it is not is insufficient. Nonprofits are much more than what they are not. Defining it only in negatives cannot capture the sector’s distinctive aspects and its invaluable contributions to society. Many values and contributions of the nonprofit sector are distinctive. Going through them briefly may help identify the nonprofit organization more precisely.

1. Philanthropy (volunteerism, charity, altruism)

The origins and histories of nonprofit organizations are based on the values and practices of philanthropy (Brudney, 1998; Carnegie, 1900). Philanthropy, collectively organized and enabled through nonprofit organizations, is the primary means that has developed in our society for making individual choices among value preferences. Many good things happen for longer periods of time when individuals join together, form associations and collectively attack social or environmental ills or aid their victims. Although not all

nonprofits are recipients of or conduits of philanthropy (many rely on fees for services and government contracts for the majority of their revenues), these exceptions do not diminish the distinctiveness of philanthropy for the nonprofit sector.

2. Improve the world, “public good”

The fundamental reason why the nonprofit sector exists is to encourage and enable the benevolent donation of money, property, and time and effort to eliminate or prevent the causes of social problems and injustices and to improve the quality of life. The nonprofit sector gives a different approach to defining the “public good”. Whereas government defines the public good through legislative actions that apply to almost everyone, the nonprofit sector defines the public good by the willingness of individuals, families, corporations, foundations and the government to donate, volunteer or contract with nonprofit organizations to support the accomplishment of their particular missions (Ott, 2001).

3. Pathways to participation, forming “social capital”

This leads to another distinctive characteristic of nonprofit organizations: they are “pathways to participation.” Nonprofit organizations are the means that individuals, families and friends use to become active participants in their communities. Nonprofits are voluntary associations of people who decide individually to work collectively to achieve ends that they decide are important to them. If the ends were not important to

them individually, they would not participate, or at least not continue to participate for very long. As individuals work together on problems, community networks are built, used and banked for future use in different issues. Social capital is formed when linkages among people in communities who share common cares and concerns are established (Ashman, Brown & Zwick, 1998; Coleman, 1988).

4. Interdependence with other sectors

Nonprofit organizations play important roles in initiating and maintaining networks of community organizations. They help create and maintain networks of organizations in and between the different sectors of society (Van Til, 1998). Nonprofits often initiate endeavors that bring together individuals from private businesses, government agencies, and other nonprofits to solve community problems. They are largely dependent on the business and government sectors for their revenue.

Theoretical Approaches to Nonprofit Organizational Effectiveness

There have been a number of developments in the approach to the study of nonprofit organizational effectiveness. The studies in the last twenty-five years reflect basically three research objectives (Forbes, 1998). The first is that of assessment which is concerned with the question "How should effectiveness be measured?" The second is that of identifying correlates of effectiveness, which asks, "What organizational phenomena are associated with effectiveness?" Methodologically, these studies employ

correlation or regression techniques to determine the degree to which various organizational practices or characteristics are related to certain measures of organizational effectiveness. And the third objective is that of understanding process which asks the question "How are assessments of effectiveness made in various organizational contexts?" These research objectives guide the studies that have been done using different approaches.

The **goal-attainment approach** assumes that organization's goals are identifiable and unambiguous. The view that organizations have goals is basic to the common understanding of organizations and is fundamental aspect of two widely accepted perspectives on organizations: the **purposive-rational** (Pfeffer, 1982) and **managed systems** (Elmore, 1978) models. This approach defined effectiveness as the extent to which organizations succeeded in meeting their goals. Goal-attainment researchers sought to identify objective measures as indicators of organizational effectiveness.

Lillis and Shaffer (1977) demonstrated the use of input-output analysis as a measure of organizational effectiveness in universities. The study framed a large state university as a channeler of grant money into various sectors of the state's economy and used multipliers to estimate the degree to which the dollar value of university grants translated into income- and employment-related impacts on the state's gross state product. The study's use of input-output analysis is essentially a variant of the goal-attainment approach because it gives primacy to the goal of efficiency.

Green and Griesinger (1996) explored the relationship between board performance and organizational effectiveness in a sample of 16 human service organizations that used a goal-attainment approach to effectiveness. The study found that boards of effective organizations were more heavily involved in policy formation, strategic planning, program review, board development, resource development, financial planning and control, and dispute resolution than were boards of less effective organizations.

Glisson and Martin (1980) found that centralization and formalization were significantly associated with certain measures of productivity and efficiency in a regional sample of human service organizations. This study employed goal-attainment measures of effectiveness: productivity was measured as the number of clients served per week per worker, and efficiency was measured as the number of clients served per week per \$10,000 of annual budget.

Sheehan (1996) studied the mission statements and performance measures of philanthropic organizations. The study included its own measure of effectiveness, a goal-attainment measure designed to measure mission accomplishment. This measure evaluated the degree to which an organization's own performance measures were aligned with the missions articulated in their mission statements. The study found that whereas most of the organizations studied had mission statements expressing a desire to affect a larger world, relatively few organizations had developed performance measures designed to measure that impact.

Studying advocacy organizations, Schumaker (1980) assessed the effectiveness of various tactics used by urban protest groups. The study used policy responsiveness as a goal-attainment measure of protest effectiveness, in which responsiveness was defined as “the degree to which authorities of local political systems adopt public policies congruent with the manifest or explicitly-stated demands of protest groups” (p. 133). This study found that unconventional protest tactics, such as disruptions, sit-ins, and violent actions, reduced policy responsiveness under most circumstances. The analyses also suggested that some unconventional strategies were more effective than others.

In spite of the popular appeal of the goal approach, organizational theorists have noted many shortcomings. Alternatives to or modifications of the goal model of effectiveness guided the theoretical development in scholarly approach to organizational effectiveness. Critics of the goal model of effectiveness noted that organizations are not real individuals who are the only ones who can have meaningful goals. Further criticisms have noted that organizational goal statements often lack specificity, fail to prioritize among different goals, and do not include unofficial but still important goals (Mohr, 1982).

In the **systems resource approach**, effectiveness was defined as viability or survival. It measured effectiveness as the ability of organizations to exploit resources from their environment, using political, institutional, and economic means to sustain their own functioning (Yuchtman & Seashore, 1967). This approach justified the use of measures of resource acquisition as measures of organizational effectiveness. In the domain of nonprofit organizations, a survival measure – longevity – can be a success criterion

(Kanter, 1972). In this case longevity appears to cover other effectiveness dimensions because (a) the organizations' overriding goal was to exist (goal attainment); (b) longevity was an indicator that the organizations were satisfying their members, since members continued to support the organization; and (c) longevity suggested that they had weathered crises (flexibility, adaptation) and earned sufficient income (resource attraction) (Kanter & Brinkerhoff, 1981). Of course, longevity does not indicate whether the organizations did as well as they could have, only that they did enough to continue operating.

In a correlative study of religious organizations using the systems resource approach, Crittenden, Crittenden, and Hunt (1988) found that the presence of certain types of strategic planning activities was significantly associated with stakeholder satisfaction measures of effectiveness, whereas others were not. In particular, the analysis of strategic alternatives and the planning of implementation details proved to be most strongly related to the effectiveness measures. Provan (1980) examined the importance of powerful board of directors in the ability to attract resources of human service agencies. The study found that board power was related to absolute funding levels but not to increases in funding over time.

The concept of organizational effectiveness underwent a period of intensive scrutiny in the 1970s. In their book *Organizational Effectiveness*, Cameron and Whetten (1983) summarized the results of this period: (a) "there cannot be one universal model of organizational effectiveness" (p. 262) and (b) "it is more worthwhile to develop

frameworks for assessing effectiveness than to try to develop theories of effectiveness” (p. 267). Researchers then started to explore new ways of assessing organizational effectiveness.

The last two decades have seen the development of approaches to organizational effectiveness that is especially relevant to nonprofit organizations. The theories discussed in the succeeding paragraphs inform the present study.

Kanter and Brinkerhoff (1981) were among the earliest proponents of the **multiple constituency approach**. They observed that organizations have various stakeholders or constituencies and that each is likely to evaluate an organization’s effectiveness on criteria important to the specific stakeholder group. They argued that organizational effectiveness is not a single reality but a more complicated matter of differing interests and expectations. Nonprofit organizations have multiple constituencies who may likely differ in how they evaluate the effectiveness of an organization. Sometimes the multiple constituency approach reflects dimensions of effectiveness associated with particular organizational constituencies (Cameron, 1982; Connolly, Conlon, & Deutsch, 1980; Zammuto, 1982).

In two empirical studies of colleges and universities, Cameron (1978, 1981) illuminated the complexity of nonprofit effectiveness and thus underscored the need for adopting a multidimensional approach. These first studies using the multidimensional approach gave a graphical representation of multidimensional effectiveness assessments and the

comparison of such assessments across organizations. The studies also anticipated the importance of recognizing multiple constituencies and developed a set of criteria that were appropriate to institutions of higher education. Using the same multiple-domain approach developed in the two earlier studies, Cameron (1982) examined the relationship between faculty unionism and organizational effectiveness. His analyses showed that, on average, unionized colleges and universities were less effective than non-unionized ones with regard to the domains of academic performance, based on measures of student and faculty academic success, and resource acquisition, based on measures of student attractiveness and financial support.

A large study of Canadian nonprofit organizations was conducted by Bradshaw, Murray, and Wolpin (1992) using the multidimensional approach. They found limited but significant support for relationships between certain aspects of board process and both financial and reputational measures of organizational performance. The elements of board process that proved to be the most significant included the use of strategic planning techniques and the existence of a common vision on the board.

Another empirical research using the multidimensional approach is that done by Siciliano (1997), a study of 240 YMCA organizations. She found that organizations with a more formal approach to strategic planning tended to be more financially efficient and had higher levels of perceived social performance. The study also found that the more effective YMCA's had delegated strategic planning responsibilities to a specific board subcommittee.

One variant of the multiple constituency approach that is well developed and widely used is the **competing values framework** (Quinn & Rorhbaugh, 1981). This framework incorporates 3-value dimensions central to most definitions of effectiveness: organizational focus, organizational structure, and organizational means & ends. The competing values model implies that organizations cannot maximize many important criteria at the same time (Herman & Renz, 1999). And when used to assess organizational performance, the multitude of criteria makes interpretation of the results difficult (Rorhbaugh, 1981).

Ostroff and Schmitt (1993) used the multidimensional approach offered by the competing values framework to conduct a configurational study of organizational effectiveness. This study was inspired by Miller's (1981) recommendation that researchers should attempt to identify patterns or configurations of relationships among organizational attributes instead of looking for simple linear associations. Using discriminant analyses and a sample of secondary schools, the study classified organizations into a foursquare scheme drawn along two dimensions: (a) efficient or not efficient and (b) effective or not effective. It was found that similarly classified organizations tended to share certain organizational characteristics, such as structure, organizational climate, and the relative presence of participative decision-making process.

The multiple constituency model of organization effectiveness argues that various constituencies define the criteria with which they evaluate a given organization

(D'Aunno, 1992). Thus, different constituencies are likely to use different criteria, making the possibility of widely applicable dimensions of effectiveness unlikely.

Efforts to align effectiveness criteria with constituency satisfaction led to the development of another important approach: the **reputational approach** (or perception based). This approach measures effectiveness according to the self-reported opinions of some set of persons (usually clients, staff, outside professionals) who are familiar with the organization (Jobson and Schneck, 1982). A related view is the “garbage can” model of organizations (Cohen, March and Olsen, 1972), which argues that judgments of effectiveness are an outcome of a stream of interactions and impressions that may change frequently. Stakeholders may not be completely aware of their criteria or the information they use to reach judgments on those criteria.

An empirical study using the reputational approach was done by Smith and Shen (1996). They found that certain aspects of formalization and governance were associated with reputational measures of organizational effectiveness among a sample of volunteer-managed nonprofit organizations. Specifically, the study found that organizations that had a standard slate of officers (i.e., a president, vice president, secretary, and treasurer), more active boards, and boards that had committees were perceived to be more effective.

The other theoretical perspective and on which this study is based is not a specific model of organizational effectiveness but rather a general ontological perspective, i.e., a philosophical position about the nature of reality. The **social construction** approach

(Herman and Renz, 1997; Herman and Renz, 2004) considers that reality or some parts of reality are created by the beliefs, knowledge and actions of people. Reality is not something independent of people, though people may believe that what they have created exists independently. As individuals and groups invent reality, they may achieve great collective agreement about the precise nature of this reality.

The most basic reason why there could be no single measure of nonprofit organization effectiveness is that the crucial exchange that these organizations help to enact is one that is measured in value terms (Brudney, 1998). Philanthropy is a social relation where the medium of communication is moral or normative. This is different from commercial and political relations where the media of communication are money and votes (Ostrander & Schervish, 1990). An implication of this is that nonprofit organization effectiveness should be evaluated in terms of the extent to which nonprofit organizations respond to the moral values that motivate donors and recipients, not in monetary terms (Herman & Renz, 1999).

The social constructionist conception is based on **institutional theory** according to which, organizational effectiveness is not an objective reality. It treats organizational effectiveness as a social construction, an achievement of organizational agents in convincing each other that an organization is pursuing the right objectives in the right way. The social construction approach treats organizational effectiveness as stakeholder judgments formed in an ongoing process of sense making and implicit negotiation. As Scott (1995, p. 50) says, "In the social constructionist view, individuals do not discover

the world and its ways but collectively invent them.” It is a process whereby individuals collectively invent the criteria of effectiveness by which organizations are ultimately judged. The concept of organizational effectiveness is a negotiated product of repeated interactions between organizational actors and the environments in which they function. This view places an emphasis on understanding the interactions within and among organizations that lead to the development of criteria for evaluating organizational effectiveness as well as the roles that information and communication play in shaping judgements of effectiveness. Assessments of effectiveness are not regarded as objective facts but neither are they regarded as arbitrary or irrelevant. Definitions and assessments of effectiveness have meaning but that the meaning is

- a) Created by the individual or organizational actors involved,
- b) Specific to the context in which it was created,
- c) Capable of evolving as the actors continue to interact.

Although multiple constituency models share with social constructionism an emphasis on effectiveness as judgments by stakeholders, multiple constituency models treat effectiveness criteria as predictable and somewhat stable (Kanter and Brinkerhoff, 1981).

Individuals within constituencies, and no doubt to some extent across constituencies, are likely to communicate with one another about the nonprofit organization and how it is doing. They are also likely to see and hear communications from people in the organization about how well they and the organization are doing. In such ways are judgments of effectiveness developed and changed. Herman and Renz's view is that the

social construction of nonprofit organization effectiveness is not necessarily stable. Nor is it inevitable that constituencies differ in their judgments. The social processes resulting in judgments of nonprofit organization effectiveness could lead varying constituencies to develop the same criteria and evaluate in the same way the information relevant to those criteria.

Chapter III: Hypotheses

As a conceptual replication of Herman and Renz's study, this present study will examine the same issues using the same survey instrument but different sampling procedures. As this study is a replication of a part of the original study, it aims to explore the following areas:

1. Do different stakeholders report similar judgements of the effectiveness of specific nonprofit organizations?

Effectiveness is a subjective phenomenon that is defined from the divergent perspectives of many beholders and construed differently by different stakeholders (Buenger, Daft, Conlon, & Austin, 1996; Connolly, Conlon, & Deutsch, 1980; Herman & Renz, 1997). Each of the many stakeholders of an organization shares some goals with others but also has his/her own specific and sometimes changing goals, priorities and criteria of organizational effectiveness (Herman & Renz, 1997). Because each stakeholder brings his/her own interests and expectations, some priorities are almost always in competition with others for scarce organizational resources and attention and organizations sometimes face difficulties about which of several competing stakeholders' interests will have priority.

The questionnaire instrument adopted from Herman and Renz's 1997 study was sent to four different stakeholders of nonprofit organizations (board member, paid employee,

funder and beneficiary) to make individual judgments of effectiveness. On the basis of the original study's results, it is predicted:

Hypothesis 1: Different stakeholders will report different judgments of effectiveness of specific nonprofit organizations.

2. Are the objective indicators of nonprofit organization effectiveness correlated with stakeholder judgments of effectiveness? In other words, are organizations that use more of the correct procedures also judged to be more effective?

Some research suggests a relationship between various management practices, often some part of the strategic planning process, and some measure of overall organizational performance. Studies by Odom and Boxx (1988), Crittenden, Crittenden and Hunt (1988) and Siciliano (1997) identified relationships between certain planning practices, such as goal-setting, financial analysis, stakeholder analysis, environmental trend analysis, competitive analysis, action plans and monitoring of results, and various measures of performance, such as total membership, growth in membership, growth in contributions, and ratio of total revenues to total operating expenditures. However, in a review of research on strategic planning in nonprofit organizations, Stone, Bigelow and Crittenden (1999) showed that little could be reliably said about what elements of the strategic planning process nonprofit organizations should use to improve their overall effectiveness.

Herman and Renz's 1997 study identified what some leading practitioner-experts define as objective indicators of nonprofit organization effectiveness. These objective indicators are matters of correct procedure. Questions 1-9 of the survey questionnaire are based on these correct procedures.

Institutional theory predicts that when there is high uncertainty about the technology for achieving specific outcomes or when outcomes are difficult to measure, organizations are likely to emphasize following approved procedures to achieve or maintain their legitimacy (DiMaggio & Powell, 1983). Thus the question becomes, Are organizations that use more of the correct procedures also judged to be more effective? Following the original study's results, it is predicted:

Hypothesis 2: Doing things right does not seem to affect stakeholders' judgments of organizational effectiveness.

3. Are there differences among different stakeholders in the relation between objective indicators of effectiveness and judgments of effectiveness?

Institutional theory suggests that organizations are driven to incorporate the practices and procedures defined by prevailing rationalized concepts of organizational work and institutionalized in society (Meyer and Rowan, 1977). Most, if not all, of the correct procedures identified as the objective effectiveness measures came as a result of institutionalization. A stakeholder who has no direct or in-depth knowledge of the

organization is more likely to rely on evidence that the organization is doing things right when making effectiveness judgments. This may be the case of a funder or a beneficiary. Whereas those who have more in-depth knowledge of an organization are more likely to base their effectiveness judgments on substantive outcomes in relation to their expectations (Carver, 1990; Miller, Weiss and MacLeod, 1988). Following the original study's results, it is predicted:

Hypothesis 3: There are differences among stakeholders in the relation between objective organizational effectiveness and judgments of effectiveness.

4. What organizational characteristics are correlated with the stakeholder judgments of nonprofit organization effectiveness?

This is an exploratory question that will be answered by exploring the different organizational characteristics that may correlate with judgments of organization effectiveness. As Hypothesis 2 tests whether organizations that do things right are universally judged to be effective, this hypothesis will explore other attributes of the organization that may have an effect on judgments of its effectiveness. Consistent with Herman and Renz's 1997 study, it is predicted:

Hypothesis 4: Judgments of organizational effectiveness are correlated with age, size and surplus.

IV. Methodology

Conceptual Basis of Study

“Multiple Constituencies and the Social Construction of Nonprofit Organization Effectiveness,” by Robert Herman and David Renz (1997) reports on their study of nonprofit organization effectiveness in Kansas City and the surrounding area. Herman and Renz investigated the divergent views that stakeholder groups had about the effectiveness of specific nonprofit organizations. The research attempted to determine whether any of several objective measures were correlated with these subjective ratings of organizational effectiveness.

Herman and Renz started their investigation by assembling two groups of practitioner-experts (4 chief executives, 3 funder officials, and 3 foundation officials or employees) to develop criteria of objective nonprofit organizational effectiveness. The groups came up with a lengthy list of criteria related to organizational inputs and processes, which became the basis for a Delphi process. Two rounds of Delphi questionnaires were mailed out to 59 individuals associated with nonprofit organizations (executive directors, funders, employees). Objective organizational effectiveness indicators were selected from these processes (for details about these indicators, see Herman and Renz, 1997). The nonprofit managers identify “doing things right” as indicators of effectiveness. The authors do not assert that these indicators are the truly objective indicators of nonprofit

organization effectiveness, only that they are what some leading practitioner-experts define as objective indicators.

The authors then continued to measure organizational effectiveness judgments by stakeholders. They developed a survey questionnaire based on their prior research (Herman & Renz, 1997). The instrument contains nine items asking for judgments (with a 1 to 5 scale where 1 is the highest score) about an organization's performance in relation to financial management, fundraising, program delivery, public relations, community collaboration, working with volunteers, human resources management, government relations, and board governance. These nine elements were selected from their prior research about what practicing managers and scholars generally agree are important to overall organizational effectiveness.

The sample organizations were located in the Kansas City area and they came from two populations of nonprofit organizations – health and welfare charities that receive some funding from the local United Way and charities that provide services to customers with developmental disabilities. For the organizational effectiveness study, the final sample included 64 organizations where 35 board members, 39 organization funders and 60 paid staff responded. Appendix 1 outlines the results of this study. The highlighted research questions are the same hypotheses that this present research attempts to confirm.

In summary, Herman and Renz's study found out that stakeholders often differ markedly in their judgments of the effectiveness of the same nonprofit organization; judgments of

effectiveness are not related to objective indicators of effectiveness as defined by nonprofit chief executives and practitioner-experts; that different types of stakeholders use some of the same bases as well as different bases for making effectiveness judgments; and that only organizational size is related positively to effectiveness judgments for all stakeholders. These results for the entire sample (N = 64) of organizations suggest that effectiveness judgments are characterized by substantial disagreement and that objective indicators of effectiveness as defined by practitioner-experts and various management strategies are not related to effectiveness judgments of stakeholders. The idea that there is a single objective quantifiable organizational effectiveness measure independent of the judgments of various stakeholders is no longer tenable or useful (Herman and Renz, 1997).

Data Collection and Interpretation Process

This investigation was envisioned as a conceptual replication of the second part of the study done by Robert Herman and David Renz (1997) on multiple constituencies and social construction of nonprofit organization effectiveness. The authors were contacted at the Henry W. Block School of Business & Public Administration, University of Missouri – Kansas City and asked for all the instruments (survey and interview questionnaires) used in their study. They responded positively and sent all the interview and survey instruments they used. This present research uses the same Herman & Renz survey questionnaire for judgments about an organization's performance (Appendix 2).

Effectiveness research in nonprofit organizational settings is broad in scope. In addition, this particular study is constrained by the following two factors: (1) the need to have a relatively large sample of respondents drawn from a variety of nonprofit organizations to represent a broad cross-section of participants; and, (2) the necessity to complete the study with limited resources and within a realistic timeframe so that the findings that are captured will make it possible to generalize the results of Herman & Renz's first study.

Since this study undertook to test whether the same results can be obtained with very different research settings, the following process for the collection and the interpretation of the data was devised.

Step 1: Definition of the Population

Identification of Nonprofit Organizations. This consisted of a preliminary study to define the population. Due to time and financial constraints, the geographic area was limited to the city of Montreal and its environs. As there are a wide variety of nonprofit organizations, the following characteristics were sought in defining the organizations that were to be included in the study:

1. local or local independently incorporated affiliates or chapters of national organizations, i.e., there is a local board of directors;
2. publicly-supported organizations; and
3. organizations that employed paid staff members.

Centraide of Greater Montreal, one of the 126 local autonomous organizations of United Way – Centraide Canada, publishes an Agency and Project Directory annually. This directory lists all the local agencies and projects that receive funding from Centraide Montreal in a given year. The Agency and Project Directory 2003-2004 listed a total of 364 agencies. This constituted the statistical frame for this study. Some of these agencies and projects were under one nonprofit organization, i.e., a specific organization may have several projects in the Greater Montreal area funded by Centraide. Centraide charities were included because they are a very prominent part of the publicly supported charity portion of the local nonprofit community and there are a large enough number to ensure an adequate sample for analysis. Centraide funding criteria (Appendix 3) are a sufficient ground for the three conditions specified above that governed the selection of the nonprofit organizations included in this study. After eliminating from the total those that were determined to be without a local governing board and paid employees, a population of 260 organizations was identified. The directory of Centraide Montreal classifies the organizations and agencies it funds into 14 different types. Table 1 summarizes this information. To simplify the analysis of this research, the population is re-grouped and classified into 4 different types. The re-classification is shown on the right-hand panel of Table 1.

Step 2: Data Collection

Identification of Respondents. Although this study undertook to test the results of Herman & Renz's investigation, a modified sampling procedure was adapted: Herman &

Renz solicited responses from 3 different nonprofit organization stakeholders (board member, funder, and senior manager), but this research solicited the responses of 4 different nonprofit organization stakeholders (board member, senior manager, funder, and beneficiary). Four different stakeholders from 260 nonprofit organizations were asked to participate in the study.

The number and classification of the nonprofit organizations targeted in this study (study population) were tallied and compared with the actual number and classification of all Centraide-funded agencies and projects (target population). Table 2 shows that the study population is representative of the target population.

Table 1: Classification of sample organizations

Centraide organization classification		Re-classification of organizations	
1	Families	→ 1	Families
2	Food security	→ 2	Health
3	Health	→ 2	Health
4	Income, housing & consumer services	→ 3	Referrals
5	Listening, help and referral	→ 3	Referrals
6	Multiservice, multicientele	→ 3	Referrals
7	Neighborhood life	→ 4	Community life
8	Persons with disabilities	→ 2	Health
9	Refugees and immigrants	→ 4	Community life
10	Seniors	→ 1	Families
11	Support for community action	→ 4	Community life
12	Volunteer work	→ 4	Community life
13	Women	→ 1	Families
14	Youth	→ 1	Families

Table 2: Population surveyed according to Centraide organization classification

Organization classification	Centraide funded agencies and projects	% of total	Number of organizations surveyed	% of total
1	62	17.03%	42	16.15%
2	28	7.69%	20	7.69%
3	21	5.77%	15	5.77%
4	25	6.87%	16	6.15%
5	5	1.37%	7	2.69%
6	13	3.57%	8	3.08%
7	49	13.46%	34	13.08%
8	33	9.07%	24	9.23%
9	17	4.67%	12	4.62%
10	20	5.49%	16	6.15%
11	6	1.65%	6	2.31%
12	18	4.95%	12	4.62%
13	25	6.87%	18	6.92%
14	42	11.54%	30	11.54%
Total	364	100.00%	260	100.00%

Survey Questionnaire. The same questionnaire used by Herman and Renz in their 1997 study was used in this study. To get a profile of the organization, five other questions about the organization were added.

A letter addressed to the person-in-charge and explaining the purpose of the research was mailed to the 260 nonprofit organizations. Four sets of the questionnaire were enclosed and the person-in-charge was asked to request four different stakeholders (board member, senior manager, funder, and beneficiary) of the organization to fill out the questionnaires and return them in the enclosed business reply envelopes. The cover sheet of the questionnaire explained to the respondents the purpose of the research and asked for the respondent's consent (Appendices 4-7).

The covering letter and questionnaire were originally developed in English and translated by a professional translator into French. Thirty organizations were sent the survey package in English and the other 230 organizations were sent the French package. The letters to the person-in-charge and cover sheet of the questionnaire were printed on John Molson School of Business (JMSB) letterhead and the packages were sent in JMSB envelopes.

Data Collection. All the 260 letters (1,040 questionnaires) were mailed out on the 1st week of May. Each of the questionnaires was number coded to enable the identification of those that were returned. By the last week of May, there were 72 responses received. There were 2 survey packages returned because they were sent to the wrong address. From the first week of June, follow up calls were made to those organizations that have not responded. When making the follow up calls, 22 organizations indicated their difficulty in getting their stakeholders to participate in the research. By the end of July, there were 174 filled out questionnaires received. This gives a response rate of 16.73%, a satisfactory rate for a survey research.

Survey research uses a random sampling approach. The results, summarized in Table 3 below, show that some classification groups of the research sample were under-represented while some were over-represented compared to the study population. This lack of good representation limits generalization of the results. However, when the re-classification of organizations is used to make the comparison, representation is improved. Further analysis of research sample is done in the next chapter.

Table 3: Survey response according to Centraide organization classification

Organization classification	Target population		Study population		Research sample	
	Centraide funded agencies and projects	% of total	Number of organizations surveyed	% of total	Number of organizations that responded	% of total
1	62	17.03%	42	16.15%	5	9.09%
2	28	7.69%	20	7.69%	6	10.91%
3	21	5.77%	15	5.77%	5	9.09%
4	25	6.87%	16	6.15%	2	3.64%
5	5	1.37%	7	2.69%	3	5.45%
6	13	3.57%	8	3.08%	3	5.45%
7	49	13.46%	34	13.08%	4	7.27%
8	33	9.07%	24	9.23%	7	12.73%
9	17	4.67%	12	4.62%	2	3.64%
10	20	5.49%	16	6.15%	3	5.45%
11	6	1.65%	6	2.31%	4	7.27%
12	18	4.95%	12	4.62%	2	3.64%
13	25	6.87%	18	6.92%	5	9.09%
14	42	11.54%	30	11.54%	4	7.27%
Total	364	100.00%	260	100.00%	55	100.00%

Table 4: Survey response according to organization re-classification

Organization classification	Target population		Study population		Research sample	
	Centraide funded agencies and projects	% of total	Number of organizations surveyed	% of total	Number of organizations that responded	% of total
1	149	40.93%	106	40.77%	17	30.91%
2	82	22.53%	59	22.69%	18	32.73%
3	43	11.81%	31	11.92%	8	14.55%
4	90	24.73%	64	24.62%	12	21.82%
Total	364	100.00%	260	100.00%	55	100.00%

V. Data Presentation and Hypotheses Testing

Data Presentation

As previously stated, a total of 260 questionnaire packages were sent out, each containing 4 questionnaires (one each for a board member, employee, funder and beneficiary) and self-addressed business reply envelopes for each questionnaire. A total of 1,040 questionnaires were sent out.

The 174 responses came from 55 organizations, among which 26 organizations gave responses from 4 different stakeholders, that is, 10% of the total organizations surveyed. There were 16 other organizations that gave responses from 3 different stakeholders. The total of 42 organizations that sent at least 3 responses gives a 16.15% response rate, a satisfactory rate for a survey research. There were 9 organizations that sent responses from 2 stakeholders and 4 organizations that sent responses only from an employee. In total, there were responses from 49 board members, 55 employees, 36 funders and 34 beneficiaries. The tables below summarize information about the respondent organizations and stakeholders.

Table 5: Number of Organizations that Responded

	Number of organizations
4 stakeholder-response	26
3 stakeholder-response	16
2 stakeholder-response	9
1 stakeholder-response	4
Total number of organizations	55

Table 6: Total Responses Received

	Number of responses
Board member	49
Employee	55
Funder	36
Beneficiary	34
Total	174

Table 7: General Demographic Information of Respondent Organizations

Characteristics (N = 55)	Median
Organizational age	21-30 years
Total revenues in 2003	\$500,001 - \$750,000
Board size	8 - 15
Number of full-time employees	6 - 10

Hypotheses Testing

Hypothesis 1: Do different stakeholders report similar judgements of the effectiveness of specific nonprofit organizations?

Four different stakeholders from the organization answered the survey questionnaire. Questions 1 to 9 asked for effectiveness judgment in each category of organization function. Since each of the stakeholders has a different role, he/she may judge the organization differently from the other stakeholders with respect to the categories of organization effectiveness.

Since the data are ordinal, a nonparametric test is carried out. A Chi-Square test is done to test for independence between stakeholder position and the different categories of effectiveness judgments. Degrees of freedom (df) can be determined by multiplying (row-1) (column-1). See contingency tables in Appendix 8. The null hypothesis in the case of Chi-Square states that the two variables are independent. A test is done for each of the effectiveness categories, from Effectiveness in Financial Management to Effectiveness in Board Governance vis-à-vis the Respondent's Position. The null hypothesis states that judgments of effectiveness do not depend on position. For the category Financial Management, the test statistic of 15.897 falls in the critical region less than or equal 16.919 at $\alpha = .05$ and $df = 9$. Therefore, the null hypothesis is not rejected and it can be accepted that the difference in effectiveness judgements of different stakeholders with respect to Financial Management is not statistically significant. At $\alpha = .05$, the Chi-Square test shows that stakeholder judgments on all the categories except Public Relations, Working with Volunteers, and Human Resources Management are not significantly different. However, the chi-squared test in this case is not a reliable measure because in all of the tests done, a high percentage (more than 20%) of the cells have expected frequencies of 5 or less. This happens when the sample size is small and the sampling distribution cannot be accurately described by the Chi-Square distribution (Healey, 1996). See contingency tables in Appendix 8. Three other statistical measures are used to avoid this bias.

The Spearman Correlation coefficient measures association between rank orders (0 to 1, with 0 indicating no association). In this test, the null hypothesis states that there is no

association in the judgments of different stakeholders. At $\alpha = .05$, the critical area under the t distribution is ± 1.960 . In the case of Financial Management, the t obtained is 1.318, which means that the null hypothesis cannot be rejected. It can be accepted that there is no association in the judgments of different stakeholders with respect to Financial Management. This contradicts the results of the Chi-Square test. The Spearman correlation values show that different stakeholders make significantly different judgments in all of the categories. For Public Relations, the difference is very significant.

Table 8: Independence test for Stakeholder Position and Effectiveness Judgments

	Chi-Square (a)			Spearman Correlation coefficient (b)			Kendall's tau-b (b)			Kruskall-Wallis H (a)	
		df		T value	Sig.		T value	Sig.		df = 3	Sig.
1. Financial Management	15.897	9		1.318	0.189 *		1.332	0.183 *		7.485 *	
2. Fund Raising	18.552	12		-1.624	0.106 *		-1.671	0.095 *		9.692 **	
3. Program Delivery	12.478	6		-0.186	0.853 *		-0.167	0.867 *		2.830 *	
4. Public Relations	27.521	9 **		-2.67	0.008 ***		-2.672	0.008 ***		14.777 ***	
5. Community Collaboration	11.537	9		-0.315	0.753 *		-0.337	0.736 *		7.581 *	
6. Working with Volunteers	20.475	9 **		-0.912	0.363 *		-0.92	0.358 *		11.617 ***	
7. Human Resources Management	18.403	9 **		-1.284	0.201 *		-1.401	0.161 *		10.996 **	
8. Government Relations	13.581	9		0.105	0.917 *		0.124	0.901 *		7.511 *	
9. Board Governance	17.941	12		1.585	0.115 *		1.718	0.086 *		9.665 **	
10. Overall Effectiveness Judgment	5.325	6		-1.305	0.194 *		-1.32	0.187 *		5.731 *	

(a) N = 174; significant at * $p < .05$, ** $p < .01$, *** $p < .001$

(b) N valid varies from 164 - 174; significant at * $p < .05$, ** $p < .01$, *** $p < .001$

Kendall's tau-b is a nonparametric measure of association for ordinal or ranked variables that take ties into account. It follows the same procedure as the Spearman correlation measure and confirms its results.

The Kruskal-Wallis H test is also done. This is a nonparametric equivalent to one-way ANOVA. Since the data in this research are mostly ordinals, the Kruskal-Wallis test performs a one-way analysis of variance on rank transformed data. The results show that difference in stakeholder judgments on all the categories are statistically significant at $\alpha = .05$.

Hypothesis 2: Are organizations that use more of the correct procedures also judged to be more effective?

Questions 1-9 of the questionnaire (Appendix 3) are indicators of what practitioners and researchers consider “doing things right” with respect to a particular organization function. A low score (range from 1 to 5) in a question means that the organization is judged to be “doing right” in that particular function. Question 10 of the questionnaire asks for an overall judgment of effectiveness for the organization. The range is from 1 to 7, with 7 as the highest score for overall effectiveness judgment. Since the measures are in different and opposing scales, Question 10 was recoded and given the same 1 to 5 scale as the other categories.

The hypothesis tests the agreement between judgment for each of the categories (= doing things right) and the overall judgment of effectiveness. The hypothesis is that there is no agreement between “doing things right” and the overall judgment of effectiveness.

The Chi-Square test results show that the differences between each of the “doing things right” category and the overall judgment of effectiveness are statistically significant at $\alpha = .05$. This means that organizations that are judged to be “doing things right” in each of the organization functions are not necessarily judged to be effective overall. Like the Chi-Square tests done for Hypothesis 1, however, all of the tests here show that a high percentage (more than 20%) of the cells have expected frequencies of 5 or less. Other tests were done to verify results. When the Spearman Correlation coefficient, Kendall’s tau-b and Kruskal-Wallis H were checked, they confirmed the results of the Chi-Square test.

Table 9: Independence Between “Doing Things Right” and Overall Effectiveness

	Chi-Square Test (a)			Spearman Correlation coefficient (b)		Kendall's tau-b (b)		Kruskal- Wallis H (a)	
		df		T value	Sig.	T value	Sig.	df = 2	
1. Financial Management	37.724	6 *		5.862	.000 *	5.316	.000 *	28.526	*
2. Fund Raising	37.634	8 *		4.923	.000 *	4.406	.000 *	21.261	*
3. Program Delivery	23.492	4 *		5.136	.000 *	5.39	.000 *	23.096	*
4. Public Relations	29.628	6 *		4.728	.000 *	4.283	.000 *	22.677	*
5. Community Collaboration	22.203	6 *		4.836	.000 *	5.037	.000 *	20.743	*
6. Working with Volunteers	19.666	6 *		3.79	.000 *	3.788	.000 *	13.594	*
7. Human Resources Management	31.623	6 *		4.897	.000 *	4.282	.000 *	22.155	*
8. Government Relations	32.015	6 *		5.603	.000 *	5.182	.000 *	26.964	*
9. Board Governance	29.598	8 *		5.035	.000 *	4.768	.000 *	23.247	*

(a) N = 174; significant at * $p < .01$

(b) N valid varies from 164 - 174; significant at * $p < .01$

Hypothesis 3: Are there differences among different stakeholders in the relation between objective effectiveness and judgments of effectiveness?

Objective effectiveness refers to the “doing things right” in questions 1 to 9 and the judgment of effectiveness is referred to in question 10. That one does not affect the other was shown when hypothesis 2 was tested. There is no relationship between objective effectiveness and judgements of effectiveness. To test the differences among different stakeholders with respect to objective effectiveness and judgements of effectiveness, Kendall’s W test was done to test for inter-rater reliability. It is a nonparametric test of the hypothesis that several related samples are from the same population, which measures the agreement of raters. Kendall’s W is 0.078 for the objective effectiveness and 0.008 for the overall effectiveness judgment which shows that there is overall very little agreement between raters. Kendall's W ranges between 0 (no agreement) and 1 (complete agreement).

Table 10: Agreement Among Stakeholders on Effectiveness Judgements

Kendall's Coefficient of Concordance	
Objective Effectiveness judgments	0.078
Overall Effectiveness judgments	0.008

Herman and Renz implied from their findings from the research question in Hypothesis 3 that those stakeholders with more in-depth knowledge of an organization (board members and employees) are more likely to base their judgments on substantive personal knowledge and experience, whereas outsiders (funders) are more likely to use external

Table 11: Effectiveness Judgments of Stakeholders Based on “Doing Things Right”

	Chi-square Test			Spearman Correlation coefficient			Kendall's tau-b		
		df		T value	Sig.		T value	Sig.	
1. Financial Management									
Board Member	26.852	6	***	4.564	.000 ***		4.091	.000 ***	
Employee	8.053	4		2.553	.014 *		2.281	.023 *	
Funder	4.207	4		1.976	.056 *		2.332	.020 *	
Beneficiary	10.985	4	*	3.008	.006 **		2.097	.036 *	
2. Fund Raising									
Board Member	20.331	8	**	0.614	.542		0.53	.596	
Employee	15.852	8	*	3.751	.000 ***		3.557	.000 ***	
Funder	10.483	4	*	3.065	.004 **		2.961	.003 **	
Beneficiary	8.853	6		2.009	.055 *		2.051	.040 *	
3. Program Delivery									
Board Member	18.045	4	**	3.804	.000 ***		3.369	.001 ***	
Employee	10.436	4	*	3.312	.002 ***		3.787	.000 ***	
Funder	3.401	4		1.162	.254		1.172	.241	
Beneficiary	5.153	4		1.418	.166		1.804	.071	
4. Public Relations									
Board Member	9.743	6		2.404	.020 *		2.399	.016 *	
Employee	12.327	4	*	2.669	.010 **		2.455	.014 *	
Funder	9.967	4	*	2.853	.007 **		2.326	.020 *	
Beneficiary	3.38	4		0.662	.513		0.662	.513	
5. Community Collaboration									
Board Member	18.183	4	**	3.843	.000 ***		3.444	.001 ***	
Employee	5.666	6		2.1	.040 *		2.353	.019 *	
Funder	4.456	4		1.322	.195		1.538	.124	
Beneficiary	6.605	4		2.406	.023 *		3.003	.003 **	
6. Working with Volunteers									
Board Member	5.344	6		1.25	.218		1.322	.186	
Employee	12.189	6		2.329	.024 *		2.649	.008 **	
Funder	5.487	4		1.213	.234		1.02	.308	
Beneficiary	7.41	6		2.202	.035 *		2.295	.022 *	
7. Human Resources Management									
Board Member	22.275	6	**	2.969	.005 **		2.328	.020 *	
Employee	5.999	6		1.801	.077		1.815	.069	
Funder	5.723	4		2.063	.047 *		1.911	.056	
Beneficiary	12.28	4	*	2.987	.005 **		2.304	.021 *	
8. Government Relations									
Board Member	21.741	6	**	3.621	.001 ***		2.964	.003 **	
Employee	6.371	6		1.664	.102		1.74	.102	
Funder	13.311	4	**	3.59	.001 ***		3.125	.001 **	
Beneficiary	4.901	4		1.474	.153		1.595	.153	
9. Board Governance									
Board Member	12.166	4	**	3.324	.002 ***		3.391	.001 ***	
Employee	12.393	8		2.942	.005 **		2.966	.003 **	
Funder	3.642	6		1.042	.305		1.036	.300	
Beneficiary	12.612	6	*	2.85	.009 **		2.577	.010 **	

Significant at * p < .05, ** p < .01, *** p < .001

evidence. This research finds, however, finds that board members and employees (the “insiders”) are more likely to base their effectiveness judgments on evidence of “things done right”. This finding is more significant in the organization functions of Financial Management, Program Delivery, Public Relations, Community Collaboration, and Board Governance. Funders and beneficiaries, on the other hand, are more likely to have their effectiveness judgments based on personal knowledge and experience of the organization’s performance, independent of the “doing things right” criteria. Table 11 shows the results of the statistical tests.

Hypothesis 4: What organizational characteristics are correlated with the stakeholder judgments of nonprofit organization effectiveness?

The overall effectiveness judgment variable was run against the different organization characteristics to determine which ones are correlated and see how strong the relationship may be. Again, here the Chi-Square test results are not reliable because there are more than 20% of the cells have less than 5 expected frequency. Two other tests, the Spearman correlation and Kendall’s tau-b, were done to correct the findings. Table 12 summarizes the results.

- The correlations of Overall Effective judgments with Organization Age, Total Revenue, Number of Board Members and Number of Full-time employees are

statistically significant at $\alpha = .05$. The correlation coefficients are negative because of the opposite scale measures of the variables.

- There is no relationship between classification of nonprofit organizations (Centraide classification or the re-classification done for this research) and the judgment of effectiveness for any of the stakeholder.

Table 12: Correlation of Overall Effective Judgments with Certain Organization Characteristics

	Chi-square Test		Spearman Correlation coefficient			Kendall's tau-b		
		df	T value	Sig.		T value	Sig.	
1. Age of organization	11.382	8	-2.425	0.016 *		-2.406	0.016 *	
2. Total revenue	17.793	8 *	-2.52	0.013 *		-2.544	0.011 *	
3. Number of board members	16.217	8 *	-2.304	0.022 *		-2.439	0.019 *	
4. Number of full-time employees	10.951	8	-2.304	0.022 *		-2.439	0.019 *	
5. Organization classification (Centraide)	24.074	26	0.254	0.799		0.251	0.802	
6. Organization classification (re-classification)	6.076	6	-0.825	0.411		-0.89	0.373	

N = 174; significant at * $p < .05$

Since the hypothesis prompts the exploration of probable correlations, other possible associations were explored. Since Chi-Square results are distorted due to the small sample, Spearman's Correlation coefficient and Kendall's tau-b results were used to confirm results. The following relationships were found:

- Program Delivery and Public Relations are positively and strongly related.
- Total Revenue and Financial Management are correlated.

Table 13: Correlations of Different Organization Characteristics

	Chi-square Test			Spearman Correlation coefficient			Kendall's tau-b (a)		
		df		T value	Sig.		T value	Sig.	
1. Total revenue and Fund raising	26.777	16	*	-1.576	0.117		-1.639	0.101	
2. Total revenue and Financial management	13.779	12		-2.051	0.042 *		-2.079	0.038 *	
3. Program delivery and Public relations	43.450	6	***	6.088	0.000 ***		6.149	0.000 ***	
4. Program delivery and Age of organization	6.323	8		-0.651	0.516		-0.658	0.511	
5. Fund raising and Age of organization	20.716	16		1.757	0.081		1.859	0.063	
6. Fund raising and Organization re-classification	12.763	12		-0.855	0.394		-0.874	0.382	

N = 174; significant at * p < .05, ** p < .01, *** p < .001

VI. Analysis

As stated in the beginning, the present study carries out a conceptual replication of the original study of Herman and Renz (1997). The aim was to check the generalizability of the results in a Montreal setting. Table 14 gives a summary of the differences between the original study and this present one. Apart from the geographic difference, the population surveyed was not very different from the statistical frame used by Herman and Renz for getting the sample. Herman and Renz's sample is from two populations of nonprofit organizations in Kansas City – health and welfare charities that receive funding from the local United Way and charities that provide services to customers with developmental disabilities. The present research used the nonprofit organizations funded by the local Centraide (equivalent of United Way in Montreal) as its population frame.

Herman and Renz's 1997 study used three stakeholders (board member, paid staff and funder) of a nonprofit organization for the sample. The present study added a fourth stakeholder to the sample: the beneficiary. People group together and form nonprofit organizations to achieve ends that they decide are important. The beneficiary of the nonprofit organization's ends can have very relevant and important insights on the organization's different functions and, above all, on its program delivery and community collaboration.

Different procedures were used to test the hypotheses. The results of the tests for hypothesis 1 (different stakeholders will report different judgments of effectiveness of

2. Are organizations that use more of the correct procedures also judged to be more effective?	Global correlation is .09: doing things right does not seem to affect stakeholders' judgments of organizational effectiveness.	Doing things right does not seem to affect judgements of organization effectiveness for all four stakeholders.
3. Are there differences among different stakeholders in the relation between objective effectiveness and judgments of effectiveness?	Stakeholders with in-depth knowledge of organization (board members and senior management staff) are more likely to base effectiveness judgments on substantive outcomes in relation to their own expectations. Outsiders (funders) are more likely to rely on evidence that an organization does things right.	No correlation between objective effectiveness and judgments of effectiveness. Board members and employees are more likely to base their effectiveness judgments on evidence of "things done right". Funders and beneficiaries that are more likely to have effectiveness judgments independent of "doing things right" criteria.
4. What organizational characteristics are correlated with the objective indicators of or stakeholder judgments of NPO effectiveness?	Organizations that do things right are not universally judged to be effective. Evidence of following correct procedures is a limited and incomplete indicator of organizational effectiveness. Effectiveness is correlated with organizational age, size, and surplus.	Correlations of Overall Effective judgments with Organization Age, Total Revenue, Number of Board Members and Number of Full-time employees are statistically significant

stakeholder group's effectiveness judgment on specific organization functions in relation to the other groups. Appendix 8 shows cross tabulations of effectiveness judgments on each organization function and stakeholder position. A certain stakeholder group could have a more in-depth knowledge of certain organization function compared to another stakeholder group. High variability in judgments as shown in Herman and Renz's study and confirmed in this present research can imply that using an averaged effectiveness judgment can disguise the differences in judgments of different stakeholders for each

organization function. Differences in effectiveness judgments in each of the organization function were explored in the present study with the intention of exploring whether some of the organization functions specified in the instrument used by Herman and Renz were more specialized than others. This research found that the association between effectiveness judgments with respect to Public Relations and stakeholder position are not significantly different from zero ($p < .001$). This means that different stakeholders make significantly different judgments with respect to Public Relations. This may be due to the fact that this is an area where all the stakeholders of a nonprofit organization participate in, but each carries his/her own specific role when dealing with the public. Depending on the relationship established between the stakeholder and his/her public, the effectiveness judgment on Public Relations is made.

The results of the tests for hypothesis 2 (doing things right does not seem to affect stakeholders' judgments of organizational effectiveness) confirm the findings of Herman and Renz's 1997 study, i.e., doing things right does not seem to affect overall judgments of organization effectiveness for all four stakeholders. This further strengthens the arguments of social construction theory. The findings from Hypothesis 1 (differences in effectiveness judgments among different stakeholders) as well as Hypothesis 2's findings (no correlation between "doing things right" and effectiveness judgment among different stakeholders) imply that there is no single organizational effectiveness "out there" that stakeholders perceive similarly. Each stakeholder group creates effectiveness on the basis of criteria and impressions relevant to it.

Although the results of hypothesis 2 confirmed that doing things right does not seem to affect overall judgments of organization effectiveness for all four stakeholders, there is a degree of difference among the stakeholders in their use of the “doing things right” indicators as a basis for their effectiveness judgments. This is what hypothesis 3 explored. The analysis showed that there are differences among different stakeholders in the relation between objective effectiveness (“doing things right”) and judgments of effectiveness, confirming the findings of Herman and Renz. The findings in the present study are slightly different from the original one. It was found that board members and employees are more likely to base their effectiveness judgments on evidence of “things done right” (whereas Herman and Renz found that these specific stakeholders are more likely to base their judgments on personal knowledge and experience) and funders and beneficiaries are more likely to have effectiveness judgments independent of “doing things right” criteria (but Herman and Renz found that funders are more likely to use these criteria).

There are some interesting nuances in the results obtained when testing this hypothesis. Stakeholders with more in-depth knowledge of the organization (board members and employees) are found to base their effectiveness judgments more likely on evidence of “things done right” with respect to the organization functions of Financial Management, Program Delivery, Public Relations, Community Collaboration, and Board Governance compared to the other stakeholders (funders and beneficiaries). The board member is the stakeholder who is most likely to base his/her effectiveness judgments on these correct procedures. The employee comes in next as the most likely stakeholder to judge

effectiveness based on the “doing things right” indicators of effectiveness. Beneficiaries and funders are the least likely to use these indicators for their effectiveness judgments. These last two stakeholder groups are more likely to base their effectiveness judgments on personal knowledge and experience of the organization’s performance. Going back to how these indicators were formulated could explain why this is so.

These “doing things right” indicators of nonprofit organization effectiveness were identified by practitioner-experts assembled by Herman and Renz for the first part of their 1997 study. This group was composed of executive directors, funders and employees of nonprofit organizations. In the results of this present study, it was found that two of the three stakeholder groups that previously identified these “doing things right” indicators were the most likely to base their effectiveness judgments on these same indicators. This could mean that specific stakeholder groups use the same criteria when judging the effectiveness of nonprofit organizations. This strengthens the findings of the first two hypotheses: there are differences in effectiveness judgments among different stakeholders; doing things right does not seem to affect stakeholders’ judgments of overall organizational effectiveness; there is a degree of difference among the stakeholder groups in their use of the “doing things right” indicators as a basis for their effectiveness judgments and that each stakeholder group creates effectiveness on the basis of criteria and impressions relevant to it.

An exploration was done to test hypothesis 4 to identify the different organization characteristics correlated with organizational effectiveness judgments. Effectiveness

judgments are found to be correlated with age, size and revenues. Again, this confirms the results of Herman and Renz. Older, larger and more affluent organizations are judged to be more effective. This may be because these organizations have more resources to use and they have passed the success criterion of longevity (Kanter, 1972). For the different stakeholders, a nonprofit organization's effectiveness is positively related to age, size and revenues.

The exploratory character of the fourth hypothesis question prompted looking at other organizational characteristics that could be correlated. Among the nine organization functions that were studied, it was found that organizations that were judged to be effective in Program Delivery were also judged to be effective in Public Relations. The correlation of effectiveness judgments between these two organization functions is very strong. It was also found in the exploration that a nonprofit organization's total revenue is positively correlated to judgments of effectiveness with respect to the organization's Financial Management.

VII. Conclusions

A successful conceptual replication both increases confidence that the principle demonstrated in the original study is correct and extends knowledge of the principle's applicability beyond the original test conditions. Herman and Renz's 1997 study found that (1) stakeholders of nonprofit organizations differ markedly in their judgments of the effectiveness of the organization; (2) judgments of effectiveness are not related to objective indicators of effectiveness as defined by nonprofit practitioner-experts; (3) different types of stakeholders use different bases for making effectiveness judgments; and (4) only organizational size is related positively to effectiveness judgments for all stakeholders. As the primary goal of this research was to make a conceptual replication, it can be concluded that it has done so. The same findings were found with a few small differences. The same results were found for hypotheses 1 and 2. For hypothesis 3, although it can also be concluded that different types of stakeholders use different bases for making effectiveness judgments, the "insider" stakeholders were found to be more likely to use the "doing things right" criteria. This is different from Herman and Renz's findings where the "insider" stakeholders were found to be more likely to use substantive personal knowledge and experience when making effectiveness judgments. The exploration done for hypothesis 4 found that size is not the only organizational characteristic related positively to effectiveness judgments. This research also found that the age and revenue of nonprofit organizations were correlated with effectiveness judgments.

The other objective of this research was to draw any valid conclusions from the analysis. The basic implication of the results is that different organization stakeholders or constituencies judge their organization's effectiveness in different ways. This has some important implications for managers. It is important that managers find out what criteria are important to the different stakeholders and provide favorable information on how their organizations are doing on those criteria. Knowing that different stakeholders reach and hold effectiveness judgments differently, managers can emphasize information of interest differentially to different stakeholders. Messages can be tailored for each audience. Managers can (and many already do) present information that is as accurate as possible and present it in ways that make a good case for the organization (Herman and Renz, 1997).

Herman and Renz's view is that the social construction of nonprofit organization effectiveness is not necessarily stable. Since there is a social process involved in effectiveness judgments, it is recommended that managers get the best possible understanding on the criteria important to each stakeholder group and communicate it, at least to the board. It would also be good to engage in an ongoing dialogue about these criteria with key stakeholders to actively influence expectations and perceptions. Such dialogue may enhance the development of shared understanding about expectations for performance and what constitutes effectiveness for a given organization. After all, social construction theory states that the on-going process involved in developing criteria may lead different constituencies to develop the same criteria and evaluate in the same way the information relevant to those criteria.

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APPENDIX 1

Summary of Results of "Multiple Constituencies and the Social Construction of Nonprofit Organization Effectiveness" (Herman and Renz, 1997)

Sample	
Nonprofit Organizations (64)	Stakeholders <ul style="list-style-type: none"> • Board members of NPO (35) • Funders of organization (39) • Senior management staff (60)
Sample source	
Sample is from two populations of nonprofit organizations in Kansas City – health and welfare charities that receive funding from the local United Way and charities that provide services to customers with developmental disabilities.	
Research questions	Results
1. What objective criteria do practitioner-experts agree are meaningful indicators of nonprofit charitable organizational effectiveness?	Practitioner-experts do not rely on bottom-line outcomes as indicators of effectiveness. They prefer evidence of following correct procedure or doing things right.
2. Do different stakeholders report similar judgments of the effectiveness of specific NPOs?	Correlations show low or no agreement. Each group creates effectiveness on the basis of criteria and impressions mostly relevant to it.
3. Is board effectiveness related to both objective organizational effectiveness and organizational effectiveness judgments?	Strong correlation (.64). Organizations with effective boards are also likely to be effective organizations. Board effectiveness is the most important determinant of organizational effectiveness for all 3 types of stakeholders. All stakeholders seem to use some socially constructed evidence of board effectiveness in forming judgments of organizational effectiveness.

<p>4. Are organizations that use more of the correct procedures also judged to be more effective?</p>	<p>Global correlation is .09: doing things right does not seem to affect stakeholders' judgments of organizational effectiveness, at least when considering all 3 types of stakeholders together.</p>
<p>5. Are there differences among different stakeholders in the relation between objective effectiveness and judgments of effectiveness?</p>	<p>Stakeholders with in-depth knowledge of organization (board members and senior management staff) are more likely to base effectiveness judgments on substantive outcomes in relation to their own expectations. Outsiders (funders) are more likely to rely on evidence that an organization does things right.</p>
<p>6. What organizational characteristics are correlated with the objective indicators of or stakeholder judgments of NPO effectiveness?</p>	<p>Organizations that do things right are not universally judged to be effective. Evidence of following correct procedures is a limited and incomplete indicator of organizational effectiveness. Effectiveness is correlated with organizational age, size, and surplus.</p>

APPENDIX 2

QUESTIONNAIRE for Nonprofit Organization Study

In making judgments of nonprofit organizational effectiveness different individuals may emphasize different aspects or elements of an organization. We have selected nine elements that practicing managers and scholars generally agree are important to overall organizational effectiveness.

We ask you to give us your judgment of how effective [NAME OF ORGANIZATION] is on each of the nine elements. Next we ask you to respond to a few additional questions about how [NAME OF ORGANIZATION] is performing. Your responses to this questionnaire are anonymous; no one will ever be able to identify who provided which returned questionnaire. Thank you for your help.

JUDGMENTS OF EFFECTIVENESS. Indicate your assessment of the effectiveness of [NAME OF ORGANIZATION] on each element that follows. Please circle the number of the most appropriate response.

1. Financial Management – refers to adequacy of budgeting practices, thoroughness and accuracy in documenting financial transactions, efficiency in managing money and the like.

- 1 Highly effective
- 2 Effective
- 3 Somewhat effective
- 4 Ineffective
- 5 Very ineffective

2. Fund Raising – refers to performance in raising private donations (for instance, from individuals, foundations, corporate foundations, corporations and businesses, clubs and through special events).

- 1 Highly effective
- 2 Effective
- 3 Somewhat effective
- 4 Ineffective
- 5 Very ineffective

3. Program Delivery – refers to ability to assess need for, design and implement programs that advance mission accomplishment.

- 1 Highly effective
- 2 Effective
- 3 Somewhat effective
- 4 Ineffective
- 5 Very ineffective

4. Public Relations – refers to performance in getting the organization’s “story” known in the community and by funders, legislators, and public officials.

- 1 Highly effective
- 2 Effective
- 3 Somewhat effective
- 4 Ineffective
- 5 Very ineffective

5. Community Collaboration – refers to the organization’s contributions to and participation in multi-organization projects.

- 1 Highly effective
- 2 Effective
- 3 Somewhat effective
- 4 Ineffective
- 5 Very ineffective

6. Working with Volunteers – refers to ability to attract, train, develop and retain volunteers who carry out useful work for the organization while satisfying their needs.

- 1 Highly effective
- 2 Effective
- 3 Somewhat effective
- 4 Ineffective
- 5 Very ineffective

7. Human Resources Management – refers to ability to attract, develop and retain competent employees.

- 1 Highly effective
- 2 Effective
- 3 Somewhat effective
- 4 Ineffective
- 5 Very ineffective

8. Government Relations – refers to abilities to manage contracts with various government agencies, to achieve licensing (if necessary) and meet other regulatory requirements, and to advocate with (lobby) elected officials and government administrators in regard to organizational and client interests.

- 1 Highly effective
- 2 Effective
- 3 Somewhat effective
- 4 Ineffective
- 5 Very ineffective

9. Board Governance – refers to how well the board of directors carries out its governance responsibilities, including, for example, mission determination, program and budget review and approval, active participation by members in board and committee meetings and in defining and achieving fund raising expectations.

- 1 Highly effective
- 2 Effective
- 3 Somewhat effective
- 4 Ineffective
- 5 Very ineffective

ADDITIONAL QUESTIONS

10. Overall, to what extent is this organization performing the way you would like it to perform? Check one:

- ☐ a Not at all
- ☐ b To a very small extent
- ☐ c To a small extent
- ☐ d To a medium extent
- ☐ e To a substantial extent
- ☐ f Almost entirely
- ☐ g Entirely

11. To what extent has this organization met your own expectations of it?
Check one:

- ☐ a Not at all
- ☐ b To a very small extent
- ☐ c To a small extent
- ☐ d To a medium extent
- ☐ e To a substantial extent
- ☐ f Almost entirely
- ☐ g Entirely

12. If you had your way, to what extent would you change the manner in which this organization is run? Check one:

- ☐ a Not at all
- ☐ b To a very small extent
- ☐ c To a small extent
- ☐ d To a medium extent
- ☐ e To a substantial extent
- ☐ f Almost entirely
- ☐ g Entirely

To help us understand how your responses to the above questions were formed, please answer the following.

13. Are interactions with different individuals from this organization generally consistent? Check one:

- ☐ a Interactions were highly consistent
- ☐ b Interactions were fairly consistent
- ☐ c Interactions were fairly varied
- ☐ d Interactions were highly varied

Comments

14. How much time did you spend doing something for or with this organization in the last three months, approximately?

_____ hours

15. Is that amount of time more or less than usual? Check one:

- ☐ a Less than usual
- ☐ b Typical
- ☐ c More than usual
- ☐ d Other (please explain)

16. Approximately how many different members of this organization did you interact with in the last three months?

_____ individuals

COMMENTS?

THANKS for your help! (Please return in enclosed business reply envelope.)

APPENDIX 3

Centraide Funding Criteria

1st Basic criteria:

- Be a private nonprofit organization
- Be recognized as a charity (have a charitable registration number)
- Offer services and programs within the territory served by Centraide of Greater Montreal
- Be controlled by a board of directors composed of volunteers who are representative of the community served by the agency
- Be completely unrelated to any political party

2nd Social criteria:

- Not duplicate government programs
- Actively work on lasting solutions to social problems
- Serve a disadvantaged group, especially one not covered by existing services
- Make maximum use of volunteers in every aspect of its operations
- Encourage the people it helps to become self-reliant, responsible and learn how to take care of themselves

3rd Management criteria:

- Set realistic, measurable program objectives based on people's real needs
- Establish suitable recruitment, evaluation, participation and supervisory policies for its staff and volunteers
- Practice sound financial management
- Supply audited financial statements

APPENDIX 4

English Cover Letter



Montreal, April 22, 2004

Dear ,

The John Molson School of Business, Concordia University, is conducting a survey of Quebec non-profit organizations. We are currently researching effectiveness measurements of Quebec non-profit organizations and the survey focuses on different stakeholders' judgments of effectiveness.

We would like to ask four different stakeholders of your organization to answer the enclosed questionnaire. Would you be kind enough to distribute the questionnaire to one board member, one paid staff member, a funder (representative of a funding organization or an individual funder), and a beneficiary of your organization? As stated in the introduction to the questionnaire, the responses will remain anonymous. The results of this survey will be used for independent research and individual names will be kept confidential. Analysis of the results will be sent to those who wish to receive a copy. While it is primarily intended to contribute to the academic exploration of the Quebec non-profit sector, you may find the general data of value to you.

We are asking the respondents for a few minutes of their time to complete the enclosed questionnaire and then to return it in the enclosed pre-paid envelope. If the respondents prefer to have the questionnaire in French, we would be very happy to provide it.

Please feel free to call me at home at 450-763-5507, at my office at 514-286-9069 ext. 335, or to send e-mail to jdlsantos@fce.net, if you have any questions or concerns. You can also contact the project leader, Dr. Rick Molz, at the Management Department, John Molson School of Business, Concordia University (514-848-2424 ext. 2933; email: molz1@vax2.concordia.ca).

Thank you for your cooperation,

Joselette de los Santos
M.Sc. Administration (Management)
John Molson School of Business
Concordia University



APPENDIX 5

English Questionnaire



Dear Sir/Madam:

The John Molson School of Business, Concordia University, is conducting a survey of Quebec nonprofit organizations. We are currently researching effectiveness measurements of Quebec nonprofit organizations.

In making judgments of nonprofit organizational effectiveness different individuals may emphasize different aspects or elements of an organization. We have selected nine elements that practicing managers and scholars generally agree are important to overall organizational effectiveness. We would like to ask you to give us your judgment of how effective your organization is on each of the nine elements. Next we ask you to respond to a few additional questions about how your organization is performing.

Answering the attached questionnaire will take around 15 minutes. You are free to withdraw your consent and discontinue your participation at anytime without any negative consequences. Your responses to this questionnaire are anonymous; no one will ever be able to identify who provided which returned questionnaire. Analysis of the results will be sent to those who wish to receive a copy. You may contact the researcher, Joselette de los Santos, (514-286-9069 ext. 335; e-mail: jdlsantos@fcs.net) or the project leader, Dr. Rick Molz (514-848-2424 ext. 2933; email: molz1@vax2.concordia.ca), if you have any questions or concerns.

If at any time you have questions about your rights as a research participant, please contact Adela Reid, Research Ethics and Compliance Officer, Concordia University, at (514) 848-7481 or by email at areid@alcor.concordia.ca.

Thank you for your help.

I HAVE CAREFULLY STUDIED THE ABOVE AND UNDERSTAND THIS AGREEMENT. I FREELY CONSENT AND VOLUNTARILY AGREE TO PARTICIPATE IN THIS STUDY.

NAME (please print) _____

SIGNATURE _____



JUDGMENTS OF EFFECTIVENESS. Indicate your assessment of the effectiveness of your organization on each element that follows. Please circle the number of the most appropriate response.

1. Financial Management – refers to adequacy of budgeting practices, thoroughness and accuracy in documenting financial transactions, efficiency in managing money and the like.

- 1 Highly effective
- 2 Effective
- 3 Somewhat effective
- 4 Ineffective
- 5 Very ineffective

2. Fund Raising – refers to performance in raising private donations (for instance, from individuals, foundations, corporate foundations, corporations and businesses, clubs and through special events).

- 1 Highly effective
- 2 Effective
- 3 Somewhat effective
- 4 Ineffective
- 5 Very ineffective

3. Program Delivery – refers to ability to assess need for, design and implement programs that advance mission accomplishment.

- 1 Highly effective
- 2 Effective
- 3 Somewhat effective
- 4 Ineffective
- 5 Very ineffective

4. Public Relations – refers to performance in getting the organization's "story" known in the community and by funders, legislators, and public officials.

- 1 Highly effective
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- 5 Very ineffective

5. Community Collaboration – refers to the organization's contributions to and participation in multi-organization projects.

- 1 Highly effective
- 2 Effective
- 3 Somewhat effective
- 4 Ineffective
- 5 Very ineffective

6. Working with Volunteers – refers to ability to attract, train, develop and retain volunteers who carry out useful work for the organization while satisfying their needs.

- 1 Highly effective
- 2 Effective
- 3 Somewhat effective
- 4 Ineffective
- 5 Very ineffective

7. Human Resources Management – refers to ability to attract, develop and retain competent employees.

- 1 Highly effective
- 2 Effective
- 3 Somewhat effective
- 4 Ineffective
- 5 Very ineffective

8. Government Relations – refers to abilities to manage contracts with various government agencies, to achieve licensing (if necessary) and meet other regulatory requirements, and to advocate with (lobby) elected officials and government administrators in regard to organizational and client interests.

- 1 Highly effective
- 2 Effective
- 3 Somewhat effective
- 4 Ineffective
- 5 Very ineffective

9. Board Governance – refers to how well the board of directors carries out its governance responsibilities, including, for example, mission determination, program and budget review and approval, active participation by members in board and committee meetings and in defining and achieving fund raising expectations.

- 1 Highly effective
- 2 Effective
- 3 Somewhat effective
- 4 Ineffective
- 5 Very ineffective

10. Overall, to what extent is this organization performing the way you would like it to perform? Check one:

- ☐ a Not at all
- ☐ b To a very small extent
- ☐ c To a small extent
- ☐ d To a medium extent
- ☐ e To a substantial extent
- ☐ f Almost entirely
- ☐ g Entirely

11. To what extent has this organization met your own expectations of it? Check one:

- ☐ a Not at all
- ☐ b To a very small extent
- ☐ c To a small extent
- ☐ d To a medium extent
- ☐ e To a substantial extent
- ☐ f Almost entirely
- ☐ g Entirely

12. If you had your way, to what extent would you change the manner in which this organization is run? Check one:

- ☐ a Not at all
- ☐ b To a very small extent
- ☐ c To a small extent
- ☐ d To a medium extent
- ☐ e To a substantial extent
- ☐ f Almost entirely
- ☐ g Entirely

To help us understand how your responses to the above questions were formed, please answer the following.

13. Are interactions with different individuals from this organization generally consistent? Check one:

- ☐ a Interactions were highly consistent
- ☐ b Interactions were fairly consistent
- ☐ c Interactions were fairly varied
- ☐ d Interactions were highly varied

14. How much time did you spend doing something for or with this organization in the last three months, approximately?

_____ hours

15. Is that amount of time more or less than usual? Check one:

- ☐ a Less than usual
- ☐ b Typical
- ☐ c More than usual
- ☐ d Other (please explain)

16. Approximately how many different members of this organization did you interact with in the last three months?

_____ individuals

To give us an idea about your organization, please answer the following.

17. How old is the organization?

- ☐ a 1 – 10 years
- ☐ b 11 – 20 years
- ☐ c 21 – 30 years
- ☐ d 31 – 40 years
- ☐ e 41 and more years

18. What was the total revenue of the organization in 2003?

- ☐ a \$250,000 or less
- ☐ b \$250,001 - \$500,000
- ☐ c \$500,001 - \$750,000
- ☐ d \$750,001 - \$1,000,000
- ☐ e more than \$1,000,001

19. How many board members does the organization have?

- ☐ a 7 or less
- ☐ b 8 - 15
- ☐ c 16 - 20
- ☐ d 21-25
- ☐ e more than 25

20. How many full-time employees does the organization have?

- ☐ a 5 or less
- ☐ b 6 - 10
- ☐ c 11-15
- ☐ d 16-20
- ☐ e more than 20

21. Please state your position in the organization:

- ☐ a board member
- ☐ b employee
- ☐ c funder
- ☐ d beneficiary

THANKS for your help! (Please return in enclosed business reply envelope.)

APPENDIX 6

French Cover Letter



Montréal, le 27 avril 2004

Madame,

L'École de gestion John-Molson, de l'Université Concordia, réalise une enquête auprès d'organismes à but non lucratif du Québec afin d'évaluer leurs mesures d'efficacité d'après le point de vue de divers intervenants.

Nous vous prions de demander à quatre intervenants distincts au sein de votre organisme de répondre au questionnaire ci-joint : un membre du conseil d'administration, un employé rémunéré, un bailleur de fonds (représentant d'un organisme ou particulier) et un bénéficiaire de votre organisme. Tel qu'indiqué dans la présentation du questionnaire, les réponses demeureront anonymes. Les résultats de l'enquête serviront à des travaux de recherche indépendants et leur confidentialité sera respectée. L'analyse des résultats sera envoyée aux personnes qui en feront la demande. Bien qu'elle s'inscrive dans le contexte de travaux universitaires sur le secteur sans but lucratif québécois, les données globales qu'elle contiendra pourraient vous être utiles.

Nous prions les répondants de prendre quelques minutes pour répondre au questionnaire sous pli et de nous le renvoyer dans l'enveloppe affranchie ci-jointe. Nous nous ferons un plaisir de fournir aux personnes qui en feront la demande la version anglaise du questionnaire.

Pour toute question ou préoccupation, n'hésitez pas à communiquer avec moi à la maison au (450) 763-5507, au bureau au (514) 286-9069, poste 335, ou par courriel au jdlsantos@fce.net. Vous pouvez également joindre le chef du projet, M. Rick Molz, au département de gestion de l'École de gestion John-Molson, Université Concordia, au (514) 848-2424, poste 2933, ou au molz1@vax2.concordia.ca.

En vous remerciant à l'avance de votre collaboration, je vous prie d'agréer, Madame, mes salutations distinguées.

Joselette de los Santos
M.Sc. Administration (gestion)
École de gestion John-Molson
Université Concordia



APPENDIX 7

French Questionnaire



Madame, Monsieur,

L'École de gestion John-Molson, de l'Université Concordia, réalise auprès d'organismes sans but lucratif du Québec une enquête sur les mesures d'efficacité.

Lorsqu'il s'agit d'évaluer l'efficacité d'un organisme à but non lucratif, chacun pense à des aspects ou à des éléments différents. Nous avons retenu neuf éléments que les gestionnaires et les universitaires trouvent généralement importants pour assurer l'efficacité organisationnelle. Nous vous prions de nous donner votre avis sur l'efficacité de votre organisme en ce qui concerne chacun des neuf éléments proposés. Puis, nous vous demandons de répondre à quelques questions sur le rendement de votre organisme.

Il faudra environ 15 minutes pour répondre au questionnaire. Vous pouvez retirer votre consentement et interrompre votre participation à tout moment, sans conséquences négatives. Vos réponses sont anonymes et personne ne pourra identifier la provenance des questionnaires qui nous seront renvoyés. L'analyse des résultats sera envoyée aux personnes qui en feront la demande. Pour toute question ou préoccupation, n'hésitez pas à communiquer avec la chercheuse responsable du projet, Joselette de los Santos, au (514) 286-9069, poste 335, ou par courriel au jdlsantos@fce.net, ou avec le chef du projet, M. Rick Molz, au (514) 848-2424, poste 2933, molz1@vax2.concordia.ca.

Si vous avez des questions concernant vos droits en tant que participants à l'étude, veuillez communiquer avec Adela Reid, agente d'éthique en recherche/conformité, Université Concordia, au (514) 848-2424, poste 7481, ou par courriel au areid@alcor.concordia.ca.

Nous vous remercions à l'avance de votre collaboration.

J'AI LU ATTENTIVEMENT CE QUI PRÉCÈDE ET JE COMPRENDS LA NATURE DE L'ENTENTE. JE CONSENS LIBREMENT ET VOLONTAIREMENT À PARTICIPER À CETTE ÉTUDE.

NOM (caractères d'imprimerie) _____

SIGNATURE _____



ÉVALUATION DE L'EFFICACITÉ. Veuillez évaluer l'efficacité de votre organisme pour chacun des éléments ci-dessous et encercler la réponse la plus appropriée.

1. Gestion financière – pratiques budgétaires adéquates, transactions financières notées de façon détaillée et exacte, efficience dans la gestion pécuniaire, etc.

- 1 Très efficace
- 2 Efficace
- 3 Plus ou moins efficace
- 4 Inefficace
- 5 Très inefficace

2. Financement – capacité d'obtenir des dons du secteur privé (provenant, par exemple, de particuliers, de fondations, de fondations d'entreprises, de sociétés et d'entreprises ou de clubs philanthropiques, ou reçus à l'occasion d'activités spéciales)

- 1 Très efficace
- 2 Efficace
- 3 Plus ou moins efficace
- 4 Inefficace
- 5 Très inefficace

3. Mise en œuvre de programmes – capacité d'évaluer les besoins, puis de concevoir et de mettre en œuvre des programmes appuyant la mission de l'organisme

- 1 Très efficace
- 2 Efficace
- 3 Plus ou moins efficace
- 4 Inefficace
- 5 Très inefficace

4. Relations publiques – capacité de faire connaître l'organisme au sein de la communauté et auprès de bailleurs de fonds, de législateurs et de représentants gouvernementaux

- 1 Très efficace
- 2 Efficace
- 3 Plus ou moins efficace
- 4 Inefficace
- 5 Très inefficace

5. Collaboration communautaire – apport et participation de l'organisme à des projets pluri-organisationnels

- 1 Très efficace
- 2 Efficace

- 3 Plus ou moins efficace
- 4 Inefficace
- 5 Très inefficace

6. Travail avec des bénévoles – capacité de recruter, de former, de perfectionner et de retenir des bénévoles qui font un travail utile pour l'organisme tout en satisfaisant leurs besoins

- 1 Très efficace
- 2 Efficace
- 3 Plus ou moins efficace
- 4 Inefficace
- 5 Très inefficace

7. Gestion des ressources humaines – capacité de recruter, de perfectionner et de retenir des employés compétents

- 1 Très efficace
- 2 Efficace
- 3 Plus ou moins efficace
- 4 Inefficace
- 5 Très inefficace

8. Relations gouvernementales – capacité de gérer des contrats avec divers organismes gouvernementaux, d'obtenir les permis nécessaires et de répondre à d'autres exigences réglementaires, ainsi que de promouvoir auprès de représentants élus et d'administrateurs publics les intérêts de l'organisme et de sa clientèle

- 1 Très efficace
- 2 Efficace
- 3 Plus ou moins efficace
- 4 Inefficace
- 5 Très inefficace

9. Direction assurée par le conseil d'administration – mesure dans laquelle le conseil d'administration assume ses responsabilités de direction, qui comprennent notamment la formulation de la mission, l'examen et l'approbation des programmes et du budget, la participation active des administrateurs aux réunions du conseil et de ses comités et l'établissement et la réalisation d'objectifs de financement

- 1 Très efficace
- 2 Efficace
- 3 Plus ou moins efficace
- 4 Inefficace
- 5 Très inefficace

10. Dans l'ensemble, dans quelle mesure le rendement de votre organisme répond-il à vos attentes? Cocher une réponse :

- ☐ a Pas du tout
- ☐ b Dans une très faible mesure
- ☐ c Dans une faible mesure
- ☐ d Dans une mesure moyenne
- ☐ e Dans une grande mesure
- ☐ f Presque entièrement
- ☐ g Entièrement

11. Dans quelle mesure votre organisme répond-il à vos attentes en général? Cocher une réponse :

- ☐ a Pas du tout
- ☐ b Dans une très faible mesure
- ☐ c Dans une faible mesure
- ☐ d Dans une mesure moyenne
- ☐ e Dans une grande mesure
- ☐ f Presque entièrement
- ☐ g Entièrement

12. S'il n'en tenait qu'à vous, dans quelle mesure changeriez-vous la façon dont cet organisme est dirigé? Cocher une réponse :

- ☐ a Pas du tout
- ☐ b Dans une très faible mesure
- ☐ c Dans une faible mesure
- ☐ d Dans une mesure moyenne
- ☐ e Dans une grande mesure
- ☐ f Presque entièrement
- ☐ g Entièrement

Pour nous aider à comprendre le motif de vos réponses, veuillez répondre aux questions suivantes.

13. Vos interactions avec diverses personnes au sein de cet organisme sont-elles généralement égales? Cocher une réponse :

- ☐ a Interactions très égales
- ☐ b Interactions assez égales
- ☐ c Interactions assez variées
- ☐ d Interactions très variées

14. Environ combien de temps avez-vous travaillé pour ou avec cet organisme au cours des trois derniers mois?

_____ heures

15. S'agit-il de plus ou de moins de temps que d'habitude? Cocher une réponse :

- ☐ a Moins que d'habitude
- ☐ b Habituel
- ☐ c Plus que d'habitude
- ☐ d Autre (veuillez préciser)

16. Avec environ combien de membres de cet organisme avez-vous eu des rapports au cours des trois derniers mois?

_____ personnes

Afin de nous permettre de mieux connaître votre organisme, veuillez répondre aux questions suivantes.

17. Depuis combien d'années l'organisme existe-t-il?

- ☐ a 1 – 10 ans
- ☐ b 11 – 20 ans
- ☐ c 21 – 30 ans
- ☐ d 31 – 40 ans
- ☐ e 41 ans ou plus

18. Quel a été le revenu total de l'organisme en 2003?

- ☐ a 250 000 \$ ou moins
- ☐ b 250 001 \$ - 500 000 \$
- ☐ c 500 001 \$ - 750 000 \$
- ☐ d 750 001 \$ - 1 000 000 \$
- ☐ e plus de 1 000 001 \$

19. Combien de membres siègent au conseil d'administration de l'organisme?

- ☐ a 7 ou moins
- ☐ b 8 - 15
- ☐ c 16 - 20
- ☐ d 21-25
- ☐ e plus de 25

20. Combien d'employés travaillent à plein temps pour l'organisme?

- ☐ a 5 ou moins
- ☐ b 6 - 10
- ☐ c 11-15
- ☐ d 16-20
- ☐ e plus de 20

21. Quel rôle jouez-vous au sein de l'organisme?

- ☐ a membre du conseil d'administration
- ☐ b employé ou employée
- ☐ c bailleur de fonds
- ☐ d bénéficiaire

MERCI pour votre aide! (Veuillez renvoyer le questionnaire dans l'enveloppe-réponse que vous trouverez sous ce pli.)

APPENDIX 8

Correlations of Each Stakeholder Group's Effectiveness Judgment on Specific Organization Function

Financial Management * Respondent's position Crosstabulation

			Respondent's position				Total
			board member	employee	funder	beneficiary	
Financial Management	Highly effective	Count	19	11	16	3	49
		Expected Count	14,6	16,4	10,8	7,2	49,0
	Effective	Count	24	34	13	16	87
		Expected Count	26,0	29,2	19,1	12,7	87,0
	Somewhat effective	Count	5	10	7	5	27
		Expected Count	8,1	9,1	5,9	4,0	27,0
	Ineffective	Count	1	0	0	0	1
		Expected Count	,3	,3	,2	,1	1,0
Total	Count	49	55	36	24	164	
	Expected Count	49,0	55,0	36,0	24,0	164,0	

Fund Raising * Respondent's position Crosstabulation

			Respondent's position				Total
			board member	employee	funder	beneficiary	
Fund Raising	Highly effective	Count	6	5	12	5	28
		Expected Count	8,2	9,1	6,0	4,7	28,0
	Effective	Count	26	21	12	16	75
		Expected Count	22,0	24,3	16,2	12,6	75,0
	Somewhat effective	Count	14	23	12	6	55
		Expected Count	16,1	17,8	11,9	9,2	55,0
	Ineffective	Count	2	4	0	1	7
		Expected Count	2,1	2,3	1,5	1,2	7,0
	Very ineffective	Count	1	1	0	0	2
		Expected Count	,6	,6	,4	,3	2,0
Total	Count	49	54	36	28	167	
	Expected Count	49,0	54,0	36,0	28,0	167,0	

Program Delivery * Respondent's position Crosstabulation

			Respondent's position				Total
			board member	employee	funder	beneficiary	
Program Delivery	Highly effective	Count	24	17	13	18	72
		Expected Count	20,4	22,9	15,0	13,7	72,0
	Effective	Count	19	36	20	11	86
		Expected Count	24,4	27,3	17,9	16,4	86,0
	Somewhat effective	Count	6	2	3	4	15
		Expected Count	4,2	4,8	3,1	2,9	15,0
Total	Count	49	55	36	33	173	
	Expected Count	49,0	55,0	36,0	33,0	173,0	

Public Relations * Respondent's position Crosstabulation

			Respondent's position				Total
			board member	employee	funder	beneficiary	
Public Relations	Highly effective	Count	10	11	7	18	46
		Expected Count	13,0	14,6	9,6	8,8	46,0
	Effective	Count	29	24	24	11	88
		Expected Count	24,9	28,0	18,3	16,8	88,0
	Somewhat effective	Count	9	20	5	4	38
		Expected Count	10,8	12,1	7,9	7,2	38,0
	Ineffective	Count	1	0	0	0	1
		Expected Count	,3	,3	,2	,2	1,0
Total	Count	49	55	36	33	173	
	Expected Count	49,0	55,0	36,0	33,0	173,0	

Community Collaboration * Respondent's position Crosstabulation

			Respondent's position				Total
			board member	employee	funder	beneficiary	
Community Collaboration	Highly effective	Count	20	20	7	17	64
		Expected Count	18,2	20,5	13,4	11,9	64,0
	Effective	Count	23	26	24	13	86
		Expected Count	24,5	27,5	18,0	16,0	86,0
	Somewhat effective	Count	6	8	5	2	21
		Expected Count	6,0	6,7	4,4	3,9	21,0
	Ineffective	Count	0	1	0	0	1
		Expected Count	,3	,3	,2	,2	1,0
Total	Count	49	55	36	32	172	
	Expected Count	49,0	55,0	36,0	32,0	172,0	

Work with Volunteers * Respondent's position Crosstabulation

			Respondent's position				Total
			board member	employee	funder	beneficiary	
Work with Volunteers	Highly effective	Count	13	10	5	15	43
		Expected Count	12,1	13,3	9,1	8,5	43,0
	Effective	Count	28	29	22	16	95
		Expected Count	26,7	29,4	20,0	18,9	95,0
	Somewhat effective	Count	6	8	9	2	25
		Expected Count	7,0	7,7	5,3	5,0	25,0
	Ineffective	Count	1	6	0	1	8
		Expected Count	2,2	2,5	1,7	1,6	8,0
Total	Count	48	53	36	34	171	
	Expected Count	48,0	53,0	36,0	34,0	171,0	

Human Resources Management * Respondent's position Crosstabulation

			Respondent's position				Total
			board member	employee	funder	beneficiary	
Human Resources Management	Highly effective	Count	6	7	5	8	26
		Expected Count	7,4	8,3	5,4	5,0	26,0
	Effective	Count	35	25	24	21	105
		Expected Count	29,7	33,4	21,8	20,0	105,0
	Somewhat effective	Count	7	19	7	4	37
		Expected Count	10,5	11,8	7,7	7,1	37,0
	Ineffective	Count	1	4	0	0	5
		Expected Count	1,4	1,6	1,0	1,0	5,0
Total	Count	49	55	36	33	173	
	Expected Count	49,0	55,0	36,0	33,0	173,0	

Government Relations * Respondent's position Crosstabulation

			Respondent's position				Total
			board member	employee	funder	beneficiary	
Government Relations	Highly effective	Count	13	6	12	6	37
		Expected Count	10,8	12,3	8,1	5,8	37,0
	Effective	Count	30	35	17	16	98
		Expected Count	28,5	32,7	21,4	15,4	98,0
	Somewhat effective	Count	3	12	7	4	26
		Expected Count	7,6	8,7	5,7	4,1	26,0
	Ineffective	Count	2	2	0	0	4
		Expected Count	1,2	1,3	,9	,6	4,0
Total	Count	48	55	36	26	165	
	Expected Count	48,0	55,0	36,0	26,0	165,0	

Board Governance * Respondent's position Crosstabulation

			Respondent's position				Total
			board member	employee	funder	beneficiary	
Board Governance	Highly effective	Count	16	11	8	4	39
		Expected Count	11,6	13,0	8,3	6,1	39,0
	Effective	Count	22	17	15	13	67
		Expected Count	19,9	22,3	14,2	10,6	67,0
	Somewhat effective	Count	11	16	10	7	44
		Expected Count	13,1	14,7	9,3	6,9	44,0
	Ineffective	Count	0	10	2	2	14
		Expected Count	4,2	4,7	3,0	2,2	14,0
	Very ineffective	Count	0	1	0	0	1
		Expected Count	,3	,3	,2	,2	1,0
Total	Count	49	55	35	26	165	
	Expected Count	49,0	55,0	35,0	26,0	165,0	