EFFECTIVE NETWORKED NONPROFIT ORGANIZATIONS: DEFINING THE BEHAVIOR
AND CREATING AN INSTRUMENT FOR MEASUREMENT


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**Abstract**

This correlational research design, which included a convenience sample of 157 nonprofit staff and board member responses to a Likert-type survey, was used to conduct a principle components analysis (PCA) to develop subscales related to networked nonprofits. As defined in the study, a networked nonprofit has a set of intentionally built trusting relationships and has systems and strategies that engage various stakeholders in meaningful conversations. They achieve their missions by developing strong partnerships where they invest in the goals of other organizations to mobilize resources for a common shared mission and values. While there were correlations between the level respondents rated their organization as a networked nonprofit, or "networkedness," and effectiveness reported by respondents, the two networked nonprofit subscales revealed as a result of PCA (Stakeholder/External and Systems Vision/Internal) included elements found in effective as well as networked nonprofits. Also, the Maturity of Practice items were narrowed and reviewed through bivariate correlation. While they correlate to one another, they did not correlate to the "networkedness" or effectiveness measures. This seems to indicate a disconnect between the actual practice of "networkedness" as evidenced through social media and evaluation measures and the networked mindset or organizational culture. In other words, the way respondents perceive their levels of effectiveness and "networkedness" may indeed not align with actual behaviors.

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| CorrelationTable | .xslx | 78 KB | |

## Chapter I: Introduction

In Chapter I, I define my epistemological stance as a researcher and how it relates to the overall study. I also give a brief overview of the purpose of the study and acknowledge the gap in literature in reference to organizational effectiveness and networked nonprofits. Lastly, I give a brief description of the specific opportunity and review what the research will cover in the rest of the dissertation. This study reviews the importance of literature and theory within the nonprofit organizational development sector, including organizational effectiveness, organizational assessment, organizational culture, and networked organizations. It also addresses how an organization could examine where they are on a continuum to becoming more networked in hopes of being most effective to meet their mission.

### Researcher Positioning

In my position as a program officer and now executive director for two geographically dispersed family foundations, I work with a variety of nonprofit organizations. Regardless of size or capacity, based on my experience as a nonprofit staff, board member, and consultant, I have an affinity for those that are more open, transparent, engaging of stakeholders, and collaborative. I know what a hard job it is to juggle all the various nonprofit roles including programming, administrative, fundraising, finances, marketing and communications, and board development. To illustrate this, I will share the story of a past grantee, CAMP. CAMP's executive director asked me to sit down and talk with her and her board chair about a variety of issues impacting their organization. Through a grant I had championed, CAMP was in the process of hiring a consultant to help them complete their first ever strategic plan. CAMP has been in existence for over 15 years and operates on a limited budget to plan and execute a camp for underprivileged children. They fundraise to give scholarships to any child who cannot afford

the fee to attend. The founding director is one of the most passionate people I know, becoming emotional anytime she tells the stories of the children's lives she has been able to help impact. She would do her job for free if she could and, consequently, has been sorely underpaid over the years. As she reaches retirement age, she is beginning to consider the need to find a replacement. The current board president has been on the board since the inception of the organization and was thrust into the positional leadership role when the business-minded board chair that had pushed for the strategic plan moved out of town because of a job opportunity. As we visited, they began to enumerate the issues they are facing:

- They have to complete a financial audit to keep their camp certification. It is at least a $5,000 expense they were financially not prepared to take on.

- They are having challenges recruiting volunteers for the camp. They need people who can take an entire week off work to be a counselor and are finding that businesses are not willing to give the time off and people (especially young professionals) are less willing to make the commitment.

- Because they only have one full-time staff member, the board has to do a significant amount of the work for the organization. They are having a hard time identifying prospective board members who are willing to commit to this level of work.

- The board president lamented that she is not sure how to balance the work that the board needs to do with their governing responsibilities. The board has to fundraise and is just not doing it.

- Both are unsure what steps they need to take to position the organization to transition from the founding director.

- While the organization to date has operated as a "family affair," they would like to know how to begin transitioning the organization to a more professional look and feel.

- They know that they need to be reaching out and promoting themselves in traditional and non-traditional ways but are not sure how to begin and who should do this. They also question if the time spent on social media is worth it.

Most nonprofit organizations, especially small to medium ones like CAMP, are experiencing similar issues. It is not always this blatant, but these issues are the reality of many nonprofits in their struggle to achieve their mission. Unless one is embedded in a nonprofit, as a staff or key volunteer, these issues will rarely be seen. The sector is not overly keen about sharing the issues that I think will and should define their work, especially in the future. The leadership and culture shift needed to successful navigate these changes to embrace becoming more networked is monumental and can be very overwhelming. To help organizations like CAMP, I am interested in the behaviors of nonprofit organizations that are using networked practices to be most effective.

As a practitioner in the nonprofit and philanthropic sector, I am interested in how I can connect my experience to scholarly literature and research so that it can be brought back to the field to help nonprofits make the most impact for good. I believe that nonprofits can be most effective through the incorporation of networked principles—understanding systems thinking, working transparently and collaboratively, embracing innovation and a culture of learning, and using tools to help encourage conversations and build relationships. Networked for me means opening yourself up to opportunities you may not know even existed. It means meeting new people and letting their energy, creativity, and generosity benefit your mission. It means ensuring your supporters know what is happening and feel a part of it. I am inspired and

energized when I connect with organizations that excel at being networked. They feel authentic and compelling. In many ways, I am aligned with the culture of networked nonprofits as defined by Wei-Skillern and Marciano (2008),

> By mobilizing resources outside of their immediate control, networked nonprofits achieve their missions far more efficiently, effectively, and sustainably than they could have by working alone. They forge long-term partnerships with trusted peers to tackle their missions of multiple fronts and think of their organizations as nodes within a broad constellation that revolves around shared missions and values (p. 2).

Over the past three years, I have spent a significant amount of time volunteering with a small, local homeless shelter. This is a grassroots effort that over the years has had a tense reputation in the community as they bring guests in at night but there are no services provided during the day so guests end up loitering. They hired a new executive director around the time I started volunteering and he was interested in finding ways to build better relationships with the community to best serve their clients. In other words, to become more networked as an organization. This process led him to bring together other nonprofits and interested community members to talk about how they could best serve the community and clients of the homeless shelter. When everyone came together, it was amazing! Each and every person there offered a way they could help or to research how they could help—from continuing education to life skills classes to field trips to meals to leading a focus group with homeless shelter guests for input to writing an article for the local paper. Within six months of the first meeting, with no extra funding, the homeless shelter and its partners launched a day program to serve the guests of the homeless shelter. Outside of this incredible success, the shelter has also experienced an increase in fundraising because of this positive step to engage the community and has inspired their board to think bigger for the future. Being involved in this effort has further affirmed for me that nonprofits can become more effective through becoming more networked. Part of being more

networked in this example was taking an asset-based approach—appreciating the assets of a community and bringing people together to celebrate the assets and find new ways to use them to solve an issue (Block & McKnight, 2012). Through building relationships, assets are uncovered that can benefit the organization and cause it stands for. Using the asset-based approach is an important behavior for networked nonprofits.

Nonprofit organizational effectiveness is socially constructed so different stakeholders will judge it differently over time (Herman & Renz, 2008). Therefore, there is not definitive agreement in the field on the meaning of organizational effectiveness so it should be viewed through a multiplicity of criteria. This aligns well with my constructivist worldview. I support Murphy and Cifuentes (2001) assertion that knowledge is constructed by my interactions with the environment and that knowledge and reality do not have an objective or absolute value. While I have planned a quantitative study that will have a tangible measurable end result, I see it as a step along the path in my reflective process and future knowledge creation working with individual organizations. Through this inquiry, I hope to develop further meaning or factors that could be helpful to nonprofits in understanding behaviors of an effective networked nonprofit.

**Gap in Literature**

With nearly 1 million public charities operating that account for 9.2% of all wages and salaries paid in the United States (National Center for Charitable Statistics, 2012), the nonprofit sector is important and is being defined by a number of major trends. Through their convergence these trends have serious organizational and leadership implications. These trends include demographic shifts that are redefining participation; technological advances; networks that enable new ways to organize work; increased interest in civic engagement and volunteerism; and, the blurring of sector boundaries (Gowdy, Hildebrand, La Piana, & Campos, 2009).

Similarly, these have also been defined as "disruptive forces," including: purposeful experimentation; information liberation; integrating science; uncompromising demand for impact; branding causes, not organization; and attracting investors, not donors (Alliance for Children & Families, 2011). In order to fully grasp the implications of these trends, it is important to more deeply describe the trend and implications for each.

Firstly, demographic shifts redefine participation. With the shift of younger generations increasing in the workplace with new expectations around work, nonprofit leaders need to determine how the generations can work together effectively (Gowdy et al., 2009). Brinkerhoff (2007) suggests these nonprofit leaders should ask lots of questions and include generations issues in planning for the organization, mentoring among generations, and meet technology expectations. Nonprofit leaders need to be prepared for board and staff succession planning and be agile at strategizing and implementing ways generations can work together.

Secondly, technological advances abound. The continued growth of social media and its uses for social change challenges nonprofit to engage in new ways of connecting and communicating in multiple channels. "This demands a greater openness and transparency which can pose a cultural challenge for many nonprofit leaders, who have long been taught that an organization must speak with one voice and that it should seek to control the message" (Gowdy, et al., 2009, p. 10). It is hard for nonprofits, and any organization for that matter, to control who says what about their organization. Everyone on staff, as a volunteer, and as a customer or stakeholder has a voice (Godin, 2008). Technical advances will only continue to grow and nonprofits need to be ready (Kanter & Fine, 2010). Nonprofit leaders need to be prepared to encourage strategic adoption and utilization of these new tools for communicating and producing efficiencies. And instead of trying to control the voice of the organization, empower others with

information and bring their authentic self to personal use of the technologies.

Thirdly, networks enable work to be organized in new ways. Nonprofits are uniquely positioned in that they have always relied at some level on building relationships in business and government as well as cultivating relationships with those that support them as volunteers or donors. These "networks" must grow and be activated in new ways (Gowdy et al., 2009). Katcher (2010) found that "openness and flexibility are necessary components for networks to learn, adapt, and change" (p. 54). Nonprofit leaders need to consciously and systemically map and activate networks for their organizations. This includes being more intentional about collaborations with others and internally (Gowdy et al., 2009).

The fourth trend is the fact that interest in civic engagement and volunteerism is on the rise. Volunteerism is a defining feature of the nonprofit sector. In light of the other trends already discussed, volunteers are of all ages and are able to be activated in innovative ways through technology. According to the Corporation for National and Community Services (2010), research shows that despite all the additional stresses of a difficult economy, volunteers are answering President Obama's call to service by pitching in to help others in need. In fact, 1.6 million more Americans served in 2009 than in 2008—the largest increase in service since 2003. It is great to have a national spotlight on volunteerism but most are not equipped to take on large numbers of new volunteers and maintain them. Nonprofit leaders need to understand the diverse variety of volunteers available and creatively strategize how to recruit, utilize, manage, and recognize them in their work.

Finally, sector boundaries are blurring. "As donor demands for accountability and evidence of impact intensify, regulations that once preserved the unique role of nonprofits are coming under fire. This blurring of sector boundaries creates opportunities for a growing

number of public-private and corporate-nonprofit collaborations to share learning and innovation" (Gowdy et al., 2009, p 16). This issue continues to make headlines as nonprofits in competition with business are being held to different standards of accountability. Nonprofit accountability has arisen from "a framework that is almost always missing in the technical discussions regarding certification, self-regulation, and other operational accountability mechanisms" (Jordan & Tuijl, 2007, pp. 4-5). The movement for more accountability and transparency in the sector is not refuted but presents financial and capacity challenges for many nonprofit organizations, as they have to complete annual audits or present more in-depth reporting. Nonprofit leaders need to be aware of their competition in and outside of the nonprofit sector. This will demand being very clear and committed to the mission and vision of the organization. Innovative cross-sector partnerships for programming or revenue diversification is also critical (Gowdy et al., 2009). This also calls for advocacy leadership to keep accountability and transparency regulations reasonable.

The convergence of these trends demands heightened awareness of nonprofit leaders and their skills. One strategy recommended to exist within this evolving environment is to use networks to achieve effectiveness. "Networks can be formed, restructured and disassembled as needed, drawing on dispersed resources that may themselves bring access to new and different networks" (Gowdy et al., 2009, p 12).

Two definitions have emerged around the term: "networked nonprofit." Kanter and Fine (2010) described a networked nonprofit as one that is "easy for outsiders to get in and insiders to get out and engages people in shaping and sharing their work in order to raise awareness of social issues, organize communities to provide services, or advocate for legislation" (p. 3). Valuing openness, transparency, and communication is emphasized in this definition. Kanter

and Fine emphasize the use of social media as a vehicle for exhibiting these values. The other definition is:

> By mobilizing resources outside of their immediate control, networked nonprofits achieve their missions far more efficiently, effectively, and sustainably than they could have by working alone. They forge long-term partnerships with trusted peers to tackle their missions of multiple fronts and think of their organizations as nodes within a broad constellation that revolves around shared missions and values. (Wei-Skillern & Marciano, 2008, p. 1)

While both definitions emphasize working with others to activate resources for organizational effectiveness, the Wei-Skillern and Marciano definition emphasizes an organization's awareness of their role in the larger systems in which they provide their service. This systemic view provides the lens for the partnerships and engagement of others in conversations. In light of the convergence of sector trends, this emphasis is imperative.

Kanter and Paine (2012) build on Kanter and Fine's (2010) work and list seven viral characteristics of networked nonprofits. Networked nonprofits:

- Know their organizations are part of a much larger ecosystem of organizations and individuals that provides valuable resources;

- Know that relationships are the result of all the interactions and conversations they have with their networks;

- Experiment and learn from experience;

- Have data-informed cultures;

- Know how to inspire people;

- Work differently by inspiring a social culture; and

- Are masters at using social media.

These characteristics are helpful and can be used to develop behaviors of networked nonprofits. However, they do not differentiate how an effective networked nonprofit differs from that of an

effective nonprofit. A revised description of a networked nonprofit that bridges the gap between the two reviewed is proposed as follows: "A networked nonprofit has a set of intentionally built trusting relationships and has systems and strategies that engage various stakeholders in meaningful conversations. They achieve their missions by developing strong partnerships where they invest in the goals of other organizations to mobilize resources for a common shared mission and values." This definition can be used to develop a set of behaviors of an effective networked nonprofit that can then be compared to that of effective nonprofits.

If an effective networked nonprofit is indeed unique and important to the sector, the factors that can help identify and move organizations toward being more networked would be useful. According to Shumate, "Empirically robust research has been hampered by a variety of NGO capacity assessments that lack empirical validation and the operationalization of networking as reputation" (personal communication, April 25, 2011). I am eager to contribute to the field by determining factors that can help nonprofits assess and grow networked behaviors to increase their effectiveness.

**Definitions of Relevant Terms and Concepts**

For initial clarity, the following array of definitions of terms and concepts (see Table 1.1) will help orient the work. A more detailed discussion of theory follows in Chapter II.

Table 1.1

*Definitions of Terms and Concepts Used in This Research*

| Term and Concept | Definition |
|---|---|
| Organizational Effectiveness | The implementation of an idea, service, process, procedure, system, structure or product new to prevailing organizational practices (Jaskyte, 2004; Shilbury & Moore, 2006). Synonyms include effectiveness, performance, productivity, efficiency, health, excellence, quality, competitiveness, or success (Baruch & Ramalho, 2006). |
| Nonprofit Organizational Effectiveness | This is a multidimensional social construct that is influenced by the Board of Directors.  Effective nonprofits likely use correct management practice and are responsive  (Herman & Renz, 2008).  Nonprofit effectiveness is determined by organizations meeting their double-bottom line: financial solvency and advancing a social good (Collins, 2005). |
| Organizational Capacity | The ability for nonprofit organizations to fulfill their missions in an effective manner (Leake et al., 2007). |
| Learning Organization | One that changes and is supportive of learning, adaptation, and continuous improvement.  It is one that acquires and transfers knowledge and uses evaluative inquiry to stimulate and support the ongoing process of asking questions, the collection and analysis of data, and using what is learned from |

| | |
|---|---|
| | an inquiry to act on important organizational issues (Botcheva, White, & Huffman, 2002). |
| Capacity Building | The ability of individuals, organizations or systems to perform appropriate functions effectively, efficiently, and sustainably; the goal of capacity building is to enable organizations to be adaptable and solve problems to achieve sustainability (Bates et al., 2011). |
| Nonprofit | While the name applies to its tax-exempt status, a nonprofit is an organization that has a mission to have a positive social impact. |
| Networked | Organizational power derived from intentional strategic and informal relationships that exist among those in leadership roles in the various centers of activity to cause action or support (Holley, 2011; Renz, 2010). |
| Networked Nonprofit | A networked nonprofit has a set of intentionally built trusting relationships and has systems and strategies that engage various stakeholders in meaningful conversations. They achieve their missions by developing strong partnerships where they invest in the goals of other organizations to mobilize resources for a common shared mission and values (Study definition). |

**Purpose of the Study**

The purpose of this study is to determine unique effective networked nonprofit factors and validate a scale to measure these factors. This is important because many nonprofit leaders, like CAMP or the homeless shelter, are struggling with how to change the culture of their organizations to grow in the behaviors employed by effective networked nonprofits. There are very few resources available to help these organizations and their leaders consider the concept of a networked nonprofit and what it means for their organization so this research is needed. In order for organizations to identify behaviors and strategically plan for growth, it is important to identify behaviors unique to effective networked nonprofits.

**The Research Question**

The research question is: While certain factors may characterize effective nonprofits in general, what factors, if any, distinguish *networked* nonprofits? If unique factors of effective networked organizations can be determined, nonprofits can begin to strategically plan for and build behaviors to support their development as effective networked nonprofits. These are the organizations for which I want to be a part of and share my time, talent, treasure, and ties—those that engage others in meaningful ways to make a positive change in the world. This is where my research question derives from.

**Research Design**

The study used Principle Components Analysis to develop subscales related to areas of effective networked nonprofits. Items with Likert-type response options were used from both an instrument focused on competencies of networked nonprofits and another focused on maturity of social media practice. The validity of the constructs was investigated as was the relationship between effectiveness and networkedness.

The instruments were administered to voluntary participants who responded to various recruitment strategies and who self reported as staff or board members of nonprofits. The study controlled for ethnicity, gender, age, organization size, mission area, and tenure in position.

**Limitations of the Study**

Some limitations of this research design include lack of survey access, social desirability, and a lack of deeper understanding beyond quantitative data. In order to participate in the surveys, participants needed a computer with internet access. Those without access were excluded from participation. Participants learned about this study through funders or nonprofit networks that support them. Participants may have responded in a way that is socially desirable or in a manner where they may be likely to be regarded positively as nonprofits have an obligation to the community to be effective for their mission. This may have led to results on what organizations think an organization should be versus how they are currently behaving. As no qualitative aspect was incorporated into this design, I do not know the stories or deeper reasons why participants responded as they did.

**Description of Chapters**

In Chapter I, I have laid out the purpose and reason for this research study. Chapter II includes a literature review and discusses the importance of various nonprofit organizational effectiveness and network theories. In Chapter III, I present and discuss the methodology procedures specifically related to instrument validation and analysis, and the research protocol I implemented. An overview of each instrument is provided along with a description of Principle Components Analysis and why it is my chosen methodology. Data collection and analysis procedures used are described along with a rationale for use. Chapter IV includes the findings

and results as well as an analysis of the findings.  Finally, Chapter V presents the conclusions, a

discussion, and the implications for leadership and change management.

**Chapter II: Literature Review**

Use of the words "effectiveness" and "networked" is a common occurrence in the nonprofit sector. Nonprofit organizations use these terms to describe themselves without having a shared agreement on how they are defined and represented by behaviors. Chapter II reviews the primary aspects of the literature on effective networked nonprofit organizations, including nonprofit organizational effectiveness, nonprofit organizational culture, networked organizational effectiveness and behavior, and nonprofit organizational evaluation literature. It will also explore nonprofit capacity dimensions as well as the categories used in the Nonprofit Social Media Maturity of Practice Instrument, as a chosen methodological tool.

**Effective Nonprofit Organizations**

Cameron and Whetten (1983) found that multiple models of organizational effectiveness exist for all types of organizations for three reasons: (1) there are multiple models of an organization, (2) organizational effectiveness is a construct so that it cannot be definitively known, and (3) the best criteria to measure this construct are also unknown. Forbes (1998) reviewed 20 years (1977-1997) of empirical studies of nonprofit effectiveness and found five approaches to organizational effectiveness that included: goal attainment or effective to the extent it is able to attain the goals it has set for itself or set by another agent acting on behalf of the recipients of service or the community, system resource, reputational, multidimensional, and emergent approached.

Herman and Renz (2008) found that nonprofit organizational effectiveness is socially constructed so different stakeholders will judge it differently over time. Therefore, there is not definitive agreement in the field on the meaning of organizational effectiveness. Most authors agree that organizational effectiveness necessitates evaluation of various organizational aspects

using different characteristics (Shilbury & Moore, 2006). Baruch and Ramalho (2006) discuss

terminology issues within nonprofit organizational effectiveness or organizational performance

that further compound the inconclusiveness that include words such as: "effectiveness,

performance, productivity, efficiency, health, excellence, quality, competitiveness, or success"

(p. 41). Another issue that impacts the nonprofit effectiveness conversation is the sector's lack

of a financial measure as the bottom line as well as intangible goals or services (Forbes, 1998).

Organizational effectiveness should be viewed through a multiplicity of criteria. Since

the nonprofit world does not rely solely on financial measures to determine performance, it has

to rely on setting mission-related goals and finding ways to assess the organization and its

supporting components related to those goals (Herman & Renz, 2000). In past studies the

determinants of nonprofit organizational efficiency vary. These have included the need for

strong leadership (Andersson, 2011; Kimberlin, Schwartz, & Austin, 2011) the presence of

shared goals (Gazley, 2010; Sawhill & Williamson, 2001), and intentionality in collaboration

and planning (Shilbury & Moore, 2006). Herman and Renz (2008) developed a number of

theses on nonprofit effectiveness that have merit in helping to determine competencies of

effective networked nonprofits. According to their theses, nonprofit organizations will be

compared to one another to determine effectiveness although the unique nature of each and the

mission area served should be recognized and evaluated through multiple indicators.

**Nonprofit Capacity**

Nonprofit capacity encompasses the organizational knowledge, systems, processes, and

people that contribute to the organization's ability to produce, perform, or deploy resources to

achieve its mission at an optimal level (Kapucu, Healy, & Arslan, 2011). This builds on

previous definitions of capacity building as activities the organization does to improve and fulfill

its mission (Backer, 2000; Connolly & Lukas, 2002; Eisinger, 2002). Much like effectiveness, capacity building definitions and approaches are divergent and wide-ranging and there is not one approach. Capacity building activities can range from a small to large outcome; discrete internal visibility to explicit external visibility; or short-lived versus long-term (Light & Hubbard, 2002). Milen (2001) found a fundamental element of capacity building should be to meet the demands of change. In this sense, capacity building, like effectiveness, is multidimensional and an ongoing process of improvement that must be context specific to fit the cultural, political, historical, and economic context of the individual organization (Loza, 2004). Milen (2001) identified six key factors for successful capacity building programs:

(1) *Build local ownership and self-reliance.* Organizations must invest in their capacity building programs, formulate their own plans and agenda's, and coordinate donors according to those plans.
(2) *Practice genuine partnership.* Creative partnerships, alliances, and networks are set up that involve a mutual sharing of goals and of decision-making processes.
(3) *Understand the context specificity of capacity and its development.* Clearly define the question: capacity for what? Ensuring it is relevant to the mission statement of the organization and integral to the goals and activities of the organization.
(4) *Examine capacities in a context of systems and strategic management.* This includes systems and strategic thinking.
(5) *Have a long-term commitment of partners.* This requires that there is a clear understanding of existing and future capacities required and that capacity building initiatives are designed with flexibility and adapted during implementation.
(6) *Exercise the process thinking in all phases of capacity building.* This includes setting objectives, strategic planning, action and monitoring, and evaluating results. (p. 2)

Light (2004) divided capacity building activities into four groups:

(1) external relations: collaboration, mergers, strategic planning, fundraising, and media relations
(2) internal structure: reorganizations, team building, adding staff, staff diversity, rainy day fund, and fund for new ideas
(3) leadership: board development, leadership development, succession planning, change in leadership, and greater delegation
(4) management systems: information technology, accounting systems, personnel system, staff training, evaluation, organizational assessment, and outcomes measurement. (p. 8)

These encompass areas identified by other researchers as needed for high performance nonprofits: mission, vision, and strategy; governance and leadership; administration; program delivery and impact; strategic relationships, resource development; program development, fundraising, human resources, systems and infrastructure, culture, and internal operations (Connolly & Lukas, 2002; Linnell, 2003; McKinsey & Company, 2001).

By increasing organizational capacity, organizational performance is enhanced, which enables a nonprofit to more effectively and efficiently achieve its mission (Eisinger, 2002; Kapucu et al., 2011). Therefore, nonprofit effectiveness should be related to any valid measure of nonprofit capacity. Nonprofits have sought to measure their capacity as a way to continuously improve their quality in a relatively short, self-administered, and valid way (Shumate, Cooper, Pilny, & Pena-y-Lillo, 2012). In response, Shumate et al. (2012) developed The Nonprofit Capacity Instrument. Based upon their review of existing instruments, they developed a list of the 11 dimension measures of nonprofit capacity: (1) mission, aspirations, and values, (2) board leadership, (3) financial management, (4) strategic planning, (5) program evaluation, (6) culture, (7) external communication, (8) management of staff and volunteers, (9) systems and operations, (10) collaboration, and (11) absorptive capacity. As these dimensions will be important to help answer the research question, it is important to explore each dimension. Building on Table 1.1 from Chapter I, the following are definitions of dimensions discussed in Chapter II.

Table 2.1

*Definitions of Dimensions*

| Term | Definition |
| --- | --- |
| Nonprofit Mission | The emotional and psychological drive for nonprofits' organizational members and stakeholders (Bart & Hupfer, 2004; S. E. Kim & Lee, 2007). |
| Board Leadership | Boards provide the governance oversight of the organization on behalf of the community at large (BoardSource, 2010). |
| Financial Management | Financial capacity is the ability of a nonprofit to competently manage their accounting practices and is measured by the resources that allow an organization to adjust to internal pressures in strategy with respect to the external environment (Bowman, 2011). |
| Strategic Planning | A "deliberative, disciplined approach to producing fundamental decisions and actions that shape and guide what an organization is, what it does, and why" (Bryson, 2011, p. 8). |
| Program Evaluation | "The systemic collection of information about the activities, characteristics, and outcomes of programs to make judgments about the program, improve program effectiveness and/or |

| | |
|---|---|
| | inform decisions about future programming" (Patton, 1987, p. 426). |
| Culture | "A pattern of basic assumptions—invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation or internal integration—that has worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems" (Schein, 2004, p. 17). |
| External Communications | The ability of a nonprofit to engage stakeholders (Balser & McClusky, 2005). |
| Collective Leadership | Shared leadership that empowers others. |
| Human Resource Management | "Designing and implementing a set of internally consistent policies and practices that ensure a firm's human capital contributes to the achievement of its business objectives" (Huselid, Jackson, & Schuler, 1997, p. 172). |
| Nonprofit Collaboration | "What occurs when different nonprofit organizations work together to address problems through joint effort resources, and decision making and share ownership of the final product or service" (Guo & Acar, 2005, pp. 342-343). |

| | |
|---|---|
| Absorptive Capacity | "The ability to recognize the value of new information, assimilate it, and apply it to commercial ends" (Cohen & Levinthal, 1990, p. 128). |
| Transparency | Regularly and openly conveying information to the public about the organization's missions, activities, accomplishments, and decision-making processes with the goal of building public understanding and trust in the organization (Minnesota Council of Nonprofits, 2013). |
| Networked Mindset | Characterized by principles of openness, transparency, decentralizes decision-making, and distributed action. This has emerged as networks are fundamentally changing the way we live and work" (Scearce, Kasper, & McLeod Grant, 2009, p. 1). |
| Impact | Benchmarking an organization's connections compared with peers and national indexes and measuring the tangible results and/or social change created in light of your organization's mission (Kanter, 2012). |

**Mission, aspirations, and values.** These aspects, usually found in the mission statement, are the base for any nonprofit's existence and explain their main motivation. Nonprofit organizations are unique in that their mission is incorporated in the organization's accountability and public trust, which sets them apart from other sectors (Jeavons, 1994). Drucker (1990)

stressed the connection between an organization's mission and the performance of the organization in meeting the goals that arise from the mission. An organization's mission, aspirations, and values serve as the emotional and psychological drive for nonprofits' organizational members and stakeholders (Bart & Hupfer, 2004; S. E. Kim & Lee, 2007). Literature suggests that effective mission statements are linked with positive organizational outcomes, like innovation (McDonald, 2007). Other nonprofit organizational studies have linked mission statements to increases in contributions (Nolan & Nolan, 2010), financial performance (K. W. Green & Medlin, 2003), and perceived influence (Bart & Hupfer, 2004).

**Board leadership**. Boards provide the governance oversight of the organization on behalf of the public trust or community at large (BoardSource, 2010). Studies (Brown, 2005; J. C. Green & Greisinger, 1996; Herman & Renz, 2004; Jackson & Holland, 1998) have consistently shown that board effectiveness is correlated with organizational effectiveness. Board effectiveness is the accomplishments of the board as they related to the strategic plans of the organization while board performance is the actual activities board members do in management of the organization. While it is important for board leadership to be effective, Jansen and Kilpatrick (2004) found that only 17% of executives and directors of nonprofit social-service organizations thought their boards were effective. This may have to do with the lack of assessment of board member performance (Sonnenfield, 2002). Kezar (2006) identified the following seven elements of high performing governing boards: leadership agenda including common vision/purpose and strategic planning; influential individuals such as the board chair, CEO, and other staff, board structure including roles and responsibilities, committees, and working groups; professional culture such as assumptions, beliefs, and values; education including orientation and ongoing training; internal relationships; and, external relations.

Chait, Ryan, and Taylor (2005) found that a board becomes more effective as the trustees become more proficient in three modes of governance including fiduciary or the stewardship of tangible assets, strategic partnership with management, and generative leadership for the organization. One aspect of generative governance is engagement of stakeholders. Freiwirth's (2011) Community-Engagement Governance™ approach is based on participatory principles and moves beyond the board of directors as the sole locus of governance as responsibility for governance is shared across the organization and its key stakeholders. By becoming more responsive to stakeholder needs, through this approach the organization becomes more adaptive to its changing environment.

**Financial management**. Financial capacity is the ability of a nonprofit to competently manage their accounting practices and is measured by the resources that allow an organization to adjust to internal pressures in strategy with respect to the external environment (Bowman, 2011). Significant differences in financial management practices are likely as organizations vary in their ability to manage their financial responsibilities. The IRS Form 990 is the source of the required information that nonprofits must report. This information may not be completely accurate, or at least comparable, across all nonprofits (Wing, Pollak, & Rooney, 2004). Yet it is the main source of data to compare organizations by rating services for nonprofits, like Charity Navigator. According to Ritchie and Kolodinsky (2003), financial performance factors include fundraising efficiency, public support, and fiscal performance. Brown (2005) found that higher financial performance is a sign of more strategic contribution from the board.

**Strategic planning.** Strategic planning helps nonprofits plan for and achieve specific goals and objectives. Nonprofit strategic planning is a "deliberative, disciplined approach to producing fundamental decisions and actions that shape and guide what an organization is, what

it does, and why" (Bryson, 2011, p. 8). Organizations tend to engage in strategic planning when they are asked to respond to external pressures (Larson, 1998). For nonprofits, these external pressures could include declining funds and heightened pressures from major stakeholders. At times key stakeholders, like funders, expect the organizations they support to undertake strategic planning, with the hope it will improve the organization's effectiveness (Inglis, 2001). In order to survive and be effective, organizations must optimize performance by shifting their focus and strategies (Bryson, 2004). Strategic planning, therefore, has become a major feature in nonprofits to improve organizational effectiveness (Bryson, 2004).

There has been movement in the nonprofit field to be more nimble with planning processes that allow organizations to respond to issues and opportunities in real-time (La Piana, 2007). Bryson (2011) argues that good strategic plans relate to six benefits: (1) strategic thinking, acting, and learning, (2) improved decision making, (3) organizational effectiveness, responsiveness, and resilience, (4) enhanced organizational legitimacy, (5) enhanced effectiveness of broader societal systems, and (6) benefits the people involved.

**Program evaluation**. Program evaluation is defined as "the systemic collection of information about the activities, characteristics, and outcomes of programs to make judgments about the program, improve program effectiveness and/or inform decisions about future programming" (Patton, 1987, p. 426). Bozzo (2000) identifies three categories of evaluation systems used in the nonprofit sector as: (1) balanced scorecard—focusing on measuring and improving organizational performance through examining different components of an organization and its programs, (2) participatory, empowerment, and collaborative models—based on the participation of program staff, volunteers, and other stakeholders in determining a program's performance and in setting future goals of the program, and (3) outcome measurement

models—recognizing the relationships between aspects of their programs and results. Common measures used by nonprofits include workload and output indicators, unit cost and efficiency measures, outcomes and effectiveness measurers, client or customer satisfaction, external audits, and industry standards and benchmarks (Carman, 2007).

Evaluation plan quality has been defined as the feasibility, usefulness, and validity of a system designed to measure program services (Poole, Nelson, Carnahan, Chepenik, & Tubiak, 2000). Considering that evaluation systems are adapted by each organization in an effort to evaluate its unique services, it is difficult to assess, in a systematic manner, the capacity of the evaluation systems to accurately measure services results (Poole, Davis, Reisman, & Nelson, 2001). Furthermore, nonprofits have been established to address complex social issues and evaluating the success of their work can be problematic (Gronbjerg, Martell, & Paarlberg, 2000). Regardless, evaluation can be linked to a nonprofit's effectiveness and capacity (Eisinger, 2002; Shilbury & Moore, 2006).

**Culture.** Nonprofit culture can be defined through organizational culture as

> a pattern of basic assumptions—invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation or internal integration—that has worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems. (Schein, 2004, p. 17)

Nonprofit organizational culture, which has a positive impact on an organization's performance, should not be defined differently but is influenced by the context of their formation (Teegarden, Hinden, & Sturm, 2011). "Organizational culture is inalterably bound to the solutions to challenges, issues or questions—particularly those solutions formed early on in the organization's life or during times of challenge and crisis" (Teegarden et al., 2011, p. 31). Three

key measurable aspects to nonprofit organizational culture include shared values, orientation toward innovation/performance, and style of conflict resolution (Shumate et al., 2012).

Kotter and Heskett (1992) identified three theories on organizational culture. The first, Strong-Culture Theory, found that organizations that have a strong culture outperform economically those associated with a weaker culture. The Cultural-Context Fit Theory found that an organization's culture must fit the context in which it is present. So, the better the fit, the higher the performance on long-term economic indicators. The final theory, Adapt Theory, found that cultures that can help organizations anticipate and adapt to environmental changes will demonstrate superior long-term performance. If a particular culture is associated with higher economic performance, to re-create that culture in other organizations would, according to these theories, lead to improved performance. While this research was not conducted in the nonprofit sector, the theories are helpful as they show the importance of context and the ability to adapt culture to effectiveness. Jim Collins' (2005) monograph for the social sector also suggests that certain aspects of an organization's culture lead to improved success.

Another aspect that impacts the culture of an organization is its stages of growth and change or organizational life cycle theory (S. Stevens, 2002). These typically cycle from a "start up" phase to a "maturing" phase depending on the transitions or changes an organization experiences internally or externally. An organization's capacity, or ability to fulfill their missions in an effective manner, will differ according to life stage. This in turn will impact how their effectiveness should be assessed.

**External communications.** External communications is the ability of a nonprofit to engage stakeholders (Balser & McClusky, 2005). Communication can influence the reputation of an organization. Reputation is a key factor in the in the research that has been conducted on

nonprofit effectiveness (Herman & Renz, 1997, 2004; Jackson & Holland, 1998). Effective external communication includes a public relations strategy, including online and through social media, and advocacy related to the organization's mission (Child & Gronbjerg, 2007). Social media has become an incredibly important part of the communication strategy for US charities (Barnes & Mattson, 2009). The 2012 Nonprofit Social Networking Benchmark Report (NTEN, 2012) confirmed the continued growth in importance in social networking for the sector and continued growth in pay off for resources invested. Lovejoy and Saxton (2012) identified information, community, and action as the three key functions of microblogging updates from nonprofits noting that "the adoption of social media appears to have engendered new paradigms of public engagement" (p. 337). Crutchfield and McCleod Grant (2008) found that high-impact nonprofits pursue both advocacy and direct service.

**Management of staff and volunteers.** Nonprofit organizations rely on the dedicated work of their employees—and volunteers—to achieve their social missions, and yet they often experience difficulties in recruiting and retaining top-quality workers (Ban, Drahnak-Faller, & Towers, 2003). Nonprofits, as mission-driven organizations, use their missions as recruiting tools to attract employees who identify with their purpose and values and commit themselves to achieving the organization's vision of the future (Harrison, 1987). A major challenge of nonprofits is attracting and retaining employees whose compensation and benefits might not be competitive with those of employees of many for-profits firms (Brown & Yoshioka, 2003).

Alignment of a leader's, volunteer or staff, character, skills, style, values and person objectives with an organization's processes, structures, values, and culture leads to effectiveness (Dym & Hutson, 2005). Crutchfield and McLeod Grant (2008) found collective or shared leadership—leadership that empowers others—in the high-impact nonprofits they studied.

**Systems and operations.** Systems and operations include documented procedures and structures for human resource management and other administrative functions, as well as specialized staff to manage and allow for proactive decision making (Schuh & Leviton, 2006). Human resource management (HRM) focuses on "designing and implementing a set of internally consistent policies and practices that ensure a firm's human capital contributes to the achievement of its business objectives" (Huselid et al., 1997, p. 172). Delery and Doty (1996) identified seven core strategic HRM practices: internal career opportunity, formal training systems, appraisal measures, profit sharing, employment security, voice mechanisms, and job definition. Strategic HRM has been found as essential to organizational performance (Farazmand, 2004). Crutchfield and McCleod Grant (2008) found that high-impact nonprofits they studied were guided by their mission and hired people with passion for the mission and a strong cultural fit.

**Collaboration**. Nonprofit collaboration is "what occurs when different nonprofit organizations work together to address problems through joint effort resources, and decision making and share ownership of the final product or service" (Guo & Acar, 2005, pp. 342-343). Collaboration has a role in capacity building for nonprofits (Stone, Crosby, & Bryson, 2010). If nonprofit leaders are going to maintain and generate funding in an environment of rapid economic shifts, globalization, and other changes impacting nonprofit stability, they must not compete but collaborate and pull together resources to stabilize all those involvement (Mann, 2012). As nonprofits collaborate, build relationships, and discuss ideas, facilitation or resource sharing can happen. Austin (2000) identified four categories of benefits of successful collaborations among nonprofit organizations: (1) cost savings, (2) economies of scale and scope, (3) synergies, and (4) revenue enhancement. Larger projects, programs, and goals may be

accomplished at a smaller cost per organization within a group of nonprofits where the leaders are focused on collaborative efforts.  Further, these collaborations will find access to greater resources and expertise.  The synergy created among the diverse background of the collaboration leaders outweighs the risks.  This potential shared risk and success that leads to higher satisfaction and revenue outweighs potential external pressures and loss.

A collaborative leader uses inclusion and engagement in a group of people to open up opportunities for greater expertise and services to be shared for the development, growth, and survival of their own organization and other organizations (Goldman & Kahnweiler, 2000).  A collaborative leader believes "if you bring the right people together in constructive ways with good information, they will crease authentic visions and strategies for addressing the shared concerns of the organization or network" (Chrislip & Larson, 1994, p.14).

Selden, Sowa, and Sandfort (2006) found that collaboration has a clear impact on management, program and client outcomes.  For example, it can increase the resources available to a nonprofit from partner organizations (Cairns & Harris, 2011).

**Absorptive capacity.**  Absorptive capacity is the capacity of an organization to learn.  It is defined as "the ability to recognize the value of new information, assimilate it, and apply it to commercial ends" and can be observed by examining the structures of communication between the organization and its environment externally and internally (Cohen & Levinthal, 1990).  Systems theory and organizational learning theory are conceptual foundations of the absorptive capacity phenomenon.  Systems theory provides a framework that views organizations as open, living systems adaptable to changing environments.  Organizational learning theory offers a linear and systemic process by which organizations improve performance through the integration of new knowledge.  Zahara and George (2002) found that (1) acquisition—the ability to identify

and acquire beneficial knowledge, (2) assimilation—the ability to absorb the new knowledge, (3) transformation—the ability to refine the knowledge, and (4) exploitation—the ability to transform the new knowledge to create an incremental change or refinement are the four dimensions of absorptive capacity.

The ability of an organization to convert knowledge through absorptive capacity is believed to influence its performance and competitive advantage including flexibility, innovation, and performance (Todorova & Durisin, 2007; Zahara & George, 2002). Crutchfield and McCleod Grant (2008) found that high-impact nonprofits they studied mastered the art of adaptation, the ability to respond to environment and continuously innovate by listening to internal cues, experiment with responses, evaluate the new programs, and modify as necessary. Kanter and Fine (2010) described the importance of learning loops for effective networked nonprofits—a process of tracking, monitoring, and reflecting on results in real-time.

**Networks and Organizations**

"For the most critical and substantive community issues and problems, single organizations can no longer appropriately match the scale of these issues and problems" (Renz, 2010). Networks of organizations are becoming the new shape of governance for nonprofits as they bring more opportunities to increase the capacities of communities (Gazley, 2008; Koliba, Meek, & Zia, 2010; Provan & Kenis, 2008). The field has turned to a variety of structures to help address these issues including inter-organizational alliances, coalitions, collaborations, and partnerships. These can be based across sectors, place-based or issue/topic based. All are based on the premise of the "network effect"—that the overall value is increased with the addition of others (Brafman & Beckstrom, 2006). "Networks are structures involving multiple nodes— agencies and organizations—with multiple linkages" (McGuire, 2003, p. 4). Milward and

Provan (2006), identify four types of public networks: (1) service implementation networks—

consisting of intergovernmental programs that provide services directly to clients,

(2) information diffusion networks—focused on sharing and disseminating information, (3)

problem solving networks—that solve a problem or crisis or lead to policy change, and (4)

community capacity building networks—that build social capital to make communities more

resilient. Regardless of the purpose or strength of these linkages, value is derived (Granovetter,

1973).

Renz (2010) described Luther Gerlach's emerging system of governance, which has the

following characteristics: segmentary—comprised of multiple groups or organizations, each of

which is only one segment of the whole working to address an issue; polycentric—multiple

centers of activity and influence to influence an issue, through each does its own work;

networked—multiple centers of activity linked through a web of strategic relationships; and

integrated—connected by a core that crosses organizational boundaries to address an issue. In

the networked stage, organizational power comes from the web and the informal relationships

that exist among those in leadership roles in the various centers of activity (Renz, 2010). June

Holley (2011) advanced this by defining four aspects of networks: relationship—connects

people; intentional—focuses on an opportunity; problem or issue, action—encourages people to

take initiative; and support—sets up systems. The effectiveness of these networks of nonprofits

relies on the effectiveness of the individual organizations involved. The aspects of networks

explored above provide behaviors related to each which could be important to effective

networked nonprofits.

**Networked Nonprofits**

To begin to differentiate what makes a networked nonprofit different from an effective one that is most likely participating in some sort of network, Wei-Skillern and Marciano (2008) shared "networked nonprofits focus on mission, not their organization; on trust, not control; and on being a node, not a hub" (p. 40). This means investing time and intentional care in developing the relationships within their networks that support their mission.

Kanter and Paine (2012) build on Kanter and Fine's 2010 work and list seven viral characteristics of networked nonprofits. Networked nonprofits:

- Know their organizations are part of a much larger ecosystem of organizations and individuals that provides valuable resources;

- Know that relationships are the result of all the interactions and conversations they have with their networks;

- Experiment and learn from experience;

- Have data-informed cultures;

- Know how to inspire people;

- Work differently by inspiring a social culture; and

- Are masters at using social media.

These characteristics are helpful and can be used to develop behaviors of networked nonprofits. They do not differentiate how an effective networked nonprofit differs from that of an effective nonprofit. A revised description of a networked nonprofit that bridges the gap between the two reviewed is proposed. "A networked nonprofit has a set of intentionally built trusting relationships and has systems and strategies that engage various stakeholders in meaningful conversations. They achieve their missions by developing strong partnerships where they invest in the goals of other organizations to mobilize resources for a common shared mission and

values." This definition can be used to develop a set of behaviors of an effective networked nonprofit that can then be compared to that of effective nonprofits.

Interestingly, this movement in the field toward networked nonprofits could be likened to that of social entrepreneurship, which is "a fetish, an object of desire—more important for what it symbolizes than for its substance" (Helm & Andersson, 2010, p. 65). Much like effectiveness, "every organization must discover and continually seek to improve its practices, consistent with its values, mission, and stakeholders' expectations. Practices are effective because of their value within the context of the organization and to the extent they work together" (Herman & Renz, 2004, p. 702). Kapucu and Demiroz (2013) found that organizational factors such as leadership and the level of an organizations' engagement with the community have a statistically significant relationship with the adaptive capacity of the organizational network.

**Assessing Networked Nonprofits**

A number of assessments or evaluation tools have been developed which identify aspects of effective organizations that could be helpful in determining effective networked nonprofits (Table 3.1). The assessment, although not evaluated empirically, that is most pertinent to my inquiry into effective networked nonprofits is the Nonprofit Social Media Maturity of Practice Model, which provides indicators of movement along the continuum of crawl, walk, run, and fly (Table 2.2) according to internal (culture, capacity, and measurement), external (listening, sharing, engagement, content, and network), and impact (reach, engagement, influencers, thought leadership, and results). These three areas are further defined below. Many of the areas encompassed within this model are also found in the Nonprofit Capacity Instrument dimensions explored earlier in this chapter.

Table 2.2

*Nonprofit Social Media Maturity of Practice Model Overview*

| Crawl | Walk | Run | Fly |
|---|---|---|---|
| Time Investment | Link Social to Communications Objective | Integrated Content Strategy | Integrated Multiple Channels |
| Culture Change | Social Media Policy | Engage Influencers and Partners | Network Building |
| Basics | Small Pilots for Insights and Practice | Best Practices in Tactics Tangible Results | Reflection, Continually Improve Results |

**Internal.** Kanter (2012) describes a networked nonprofit's culture as

a leadership style characterized by greater openness, transparency, decentralized
decision-making, and collective action.  Operating with an awareness of networks you are
embedded in, and listening to and cultivating these networks to achieve the impact you
care about.  It means exercising leadership through active participation**.** (p. 8)

This is supported by senior staff and trustees who support and strategically lead a communication

or external communication strategy, including the organization's participation on social networks

and ensure the staff capacity to do it well.  The other internal component is appropriate

measurement or evaluation across the organization and its programs and a system for reviewing,

applying data, and analyzing the data collected for strategic purposes.  Many of these internal

elements including culture, staff management, board leadership, program evaluation,

collaboration, and absorptive capacity have been explored earlier in this chapter specific to

effective nonprofit organizations. Transparency and a networked mindset are explored below as characteristics unique to the networked nonprofit as defined by Kanter (2012).

The increased attention to transparency and accountability in the nonprofit sector comes from fraud in the sector and the impact of the Sarbanes Oxley Act on the nonprofit sector (Gustafson, 2006). There are demands from funders, taxpayers, and concerned citizens and clients for nonprofits to be more transparent about fundraising and spending, how they are governed, and what they have achieved with the resources given to them in trust (Ebrahim & Rangan, 2010). The words "transparent" and "transparency" have evolving meaning as a public value or norm of behavior to counter corruption (Ball, 2009). When citizens have information, governance improves. Since transparency is along a continuum, it is complex to measure, just like nonprofit organizational effectiveness and efficiency (Ball, 2009). Nineteen states have adopted principles of nonprofit excellence. The Minnesota Council on nonprofits is one of the states. Their principles are based on the fundamental values of quality, responsibility, and accountability. In the Minnesota principles, they define nonprofit transparency as regularly and openly conveying information to the public about the organization's missions, activities, accomplishments, and decision-making processes with the goal of building public understanding and trust in the organization (Minnesota Council of Nonprofits, 2013). Normally paired with transparency is the need for accountability or being responsible to stakeholders by (1) complying with all legally required reporting procedures, (2) responsibly using its resources, financial and otherwise, toward its mission and to benefit the community, (3) establishing and regularly determining clear performance measurements and sharing those with the public, and (4) adhering to the established industry standards that apply to its activity area (Minnesota Council of

Nonprofits, 2013). Much like effectiveness, there is no clear definition of accountability or clear

formula for attaining it (Brody, 2002).

"A new, networked mindset is characterized by principles of openness, transparency,

decentralizes decision-making, and distributed action. This has emerged as networks are

fundamentally changing the way we live and work" (Scearce et al., 2009, p. 1). While this

emergence is greatly influenced by social media and increase of access to information and people,

it demands embracing a new way of working or being. Kanter and Paine (2012) describe this as:

(1) understanding networks, network weaving, and the value of social capital, (2) creating social

culture, (3) listening, engaging, and building relationships, (4) building trust through

transparency, and (5) embracing simplicity. Network weaving brings together people for

projects so they can learn to collaborate. Through that collaboration they strengthen the

community and increase the knowledge available along a pyramid of network weaving

involvement (Krebs & Holley, 2006).

**External.** Building on the external communications definition earlier in this chapter,

networked nonprofits listen by monitoring the organization's brand, mapping its network of

individual and organizationally partners, and using processes to identify and evaluate

"influencers" or "brand ambassadors." Though this listening, they engage people in their

network from awareness to engagement to action along a ladder of engagement. Arnstein (1969)

originally name the ladder of engagement for citizen participation. There is an emerging body of

research in the nonprofit sector related to stakeholder engagement and participation in decision-

making processes as a critical dimension of organizational accountability. Saxton and Guo

(2011) found stakeholder dialogue as a critical dimension of accountability for nonprofits that is

not being utilized to its full potential. Additionally, Guo and Saxton (2010) found that the scope

and intensity of nonprofit advocacy tend to increase with constituent board membership, communication with constituents, and the level of constituent involvement in strategic decision-making.

Also as a part of an external communications strategy, nonprofits use their absorptive capacity to create, curate, and coordinate content for its audiences.  To do this well, it means collaborating with others in their networks.

**Impact.** Kanter (2012) defines impact as benchmarking an organization's connections compared with peers and national indexes and measuring the tangible results and/or social change created in light of your organization's mission.  This gives a specific context for the strategic planning and thinking for the organization building on what was shared earlier in this chapter.  Not surprisingly, impact is also a contested term for the overall difference an organization makes (Ní Ógáin, Lumley, & Pritchard, 2012).

The emphasis on impact is driven both by funders who want to know whether their funds are making a difference, committed nonprofit leaders and social entrepreneurs looking for solutions to complex social issues, and an increasing professionalization of the sector (Ebrahim & Rangan, 2010).  Recent research has shown that nonprofits, while driven by funders, are now acknowledging that measuring their impact is of vital importance if they are to understand and develop their work, and communicate its results to those they need to reach (Ní Ógáin et al., 2012).

Kanter (2012) acknowledges that it is a complex and lengthy process to become networked. While the Social Media Maturity of Practice Model includes the importance of organizational culture to being a networked nonprofit, its emphasis is on the use of social media

or emerging technologies and measurement of these tools and the interactions they provide as it relates to organizational capacity and success.

**Conclusion**

Overall, there is a lack of breadth in the nonprofit organizational effectiveness arena, especially related to networked behaviors. Sobeck (2008) identified the need for organizational effectiveness models to be applied and tested for the sustainability of smaller, grassroots organizations. Brown (2005) suggested future research is needed to create tools to help boards and key staff identify their effectiveness.

The next chapter reiterates the research question and describes the development of a useful tool to measure behaviors of effective networked nonprofits, as well as the methodology and data analysis that were used in this study.

**Chapter III: Methodology**

**Research Study Opportunity**

The two definitions of networked nonprofits provide a basis of thinking about the behaviors of a networked nonprofit but do not identify what is unique to an effective *networked* nonprofit.

I reviewed numerous existing scales to investigate the availability of instruments that identify the behaviors of effective nonprofits along with the newly developed one specific to networked nonprofits. The purpose of this study is to determine factors unique to effective networked nonprofits and to validate a scale to measure these factors.

**Research Design and Justification**

Although a number of qualitative and quantitative studies look at nonprofit organizational effectiveness, performance, evaluation, and capacity building, there is an absence of research specific to networked nonprofits. A quantitative design was chosen to statistically evaluate the responses of hundreds of nonprofits so it can more likely apply to the general population. This quantitative inquiry used Principal Components Analysis (PCA).

A survey was developed using two existing scales. One was based on a Delphi study of networked nonprofit behaviors I completed that utilizes Likert type responses ranging from Not doing well at all = 1 to Highly excels = 5. The Nonprofit Social Media Maturity of Practice Model uses four indicators on a continuum of "crawl," "walk," "run," and "fly." Through the online survey, participants were asked to respond to statements about their organizational effectiveness and networked competencies and behaviors.

**Research Question**

The research question is: While certain factors may characterize effective nonprofits in general, what factors, if any, distinguish *networked* nonprofits?

The research question was addressed using descriptive statistics and PCA. The following describes the procedures used to address the stated question.

**Research Procedures**

This section covers the research procedures I employed in this study, which include survey development, scale development, the sampling and recruitment plan, and data collection and reporting procedures. The methods of statistical analyses are also described.

**Survey.** The data collection instrument was an online survey administered through www.SurveyMonkey.com. It included the introduction, questions from the two identified instruments, and demographic questions. A pilot survey was administered to five nonprofit colleagues that generated feedback providing additional face validity, and insights for final revisions to the survey items. The two identified scales are found in supplemental file: Survey instrument and specific demographic questions included:

- A networked nonprofit has a set of intentionally built trusting relationships and has systems and strategies that engage various stakeholders in meaningful conversations. They achieve their missions by developing strong partnerships where they invest in the goals of other organizations to mobilize resources for a common shared mission and values. With this definition in mind, rate your organization as a networked nonprofit on a scale of 1-5 (5 = very networked).

- While a nonprofit's effectiveness can be determined in many ways, effective nonprofits likely use correct management practices and are responsive to meeting both their financial solvency and advancing a social good. Dimensions taken into account in determining effectiveness include commitment to mission, healthy board and staff leadership and human resource practices, sound financial practices, strategic planning and evaluation, engagement of stakeholders through appropriate communications, and collaboration with like-minded organizations. With these dimensions in mind, rate the effectiveness of your organization on a scale of 1-5 (5=very effective).

- What is your Role or Title in Organization? Executive Director/CEO/President, VP, Program Director, Advancement Director, Board President, Board Member, Other (please specify).

- How many years total have you worked in the nonprofit sector? less than one year, 1-2 years, 3-5 years, 6-10 years, 11-20 years, 21+, Other (please specify).

- Which of the following best describes your organization's mission area? Education, Health and Human Services, Arts, Economic Development, Environmental, Other (please specify).

- What social media tools does your organization use at least weekly? Choose all that apply. Facebook, Twitter, LinkedIn, Blog, YouTube, Other (please specify).

- Select the range that best describes your Facebook and Twitter Reach combined. 0, 1-299, 300-999, 1,000-9,999, 10,000+.

- What category represents your organization's annual budget? $0-$249,999, $250,000-$999,999, $1M-$299,999, $3M+.

- What is your gender? Male, Female, Transgender, Prefer to Not Disclose.

- Fill in your information below if you would like to receive a copy of the final report. Please be aware that doing so will make your survey responses not anonymous to the researcher. If you would like to maintain your anonymity, you can visit www.anniehernandez.com for the report or send an email to ahernandez1@antioch.edu with the subject line: I would like to receive the report.

**Scale development.** The first phase of the development took place in early 2012 in the process of completing learning achievements for the Antioch University Ph.D. in Leadership and Change program. This included a review of the literature covering theoretical frameworks, concepts, and existing research on areas of nonprofit organizational effectiveness and networked organizations along with identifying a number of assessments or evaluation tools that identify aspects of effective organizations that could be helpful in determining effective networked nonprofits. Table 3.1 gives a brief description of the scales identified through the literature review.

Table 3.1

*Review of Scales*

| Name of Scale | Source | Description |
|---|---|---|
| Helm and Andersson Nonprofit Entrepreneurship Instrument | Helm and Andersson (2010) | Behavioral instrument that measures social entrepreneurship in nonprofit organizations based on the factors of innovation, proactiveness and risk taking. This instrument could be helpful in determining overlap between entrepreneurial and networked |

| | | effectiveness behaviors. |
|---|---|---|
| Capacity Assessment Tool from Venture Philanthropy Partners (VVP) | McKinsey and Company (2001) | An assessment tool to measure the operational capacity and identify areas that need improvement.  It is widely used in the field (accessed online ~1200 times per month) and its organizational elements (organizational structure, systems and infrastructure, human resources, organizational skills, strategies, aspirations, culture) provide a helpful framework for evaluation. |
| The Performance Accountability Quality Scale (PAQS) | Poole et al. (2000) | It provides a structure for obtaining expert opinions based on a theory-driven model about the quality of a proposed measurement system in a nonprofit. The instrument is useful for assessing organizational needs for technical assistance and for evaluating progress in the development of performance measurement systems.  This could be helpful for organization's progressing toward being more networked. |
| Wilder Collaboration Factors Inventory | Mattessich, Murray-Close, and | Assesses nonprofit collaborations based on twenty success factors.  These factors include behaviors tied to effective networked nonprofit |

| | Monsey (2001) | organizations. |
|---|---|---|
| CCAT/Sustainability Formula | TCC Group | Measures a nonprofit organization's effectiveness in relations to four core capacities—leadership, adaptability, management, and technical capacities. The tool also helps organizations identify their lifecycle stage and provides a capacity-building plan. |
| Baldrige Performance Excellence Criteria | Baldrige Performance Excellence Criteria (2009) | Assesses an organization's improvement efforts, diagnoses their overall performance management system, and identifies their strengths and opportunities for improvement. It is a set of questions the focus on the following aspects of management: leadership; strategic planning; customer focus; measurement, analysis, and knowledge management; workforce focus; operations focus; and, results. |
| Nonprofit Social Media Maturity of Practice Model | Kanter and Paine (2012) | Provides indicators of movement along the continuum of crawl, walk, run, and fly according to internal (culture, capacity, and measurement), external (listening, sharing, engagement, content, and network), and impact (reach, engagement, influencers, thought |

| | | |
|---|---|---|
| | | leadership, and results). These indicators have an emphasis on social media for social change. |
| Nonprofit Capacity Instrument | Shumate et al. (2012) | A self-reported, multi-dimensional measure of nonprofit capacity around 11 dimensions: (1) mission, aspirations, and values, (2) board leadership, (3) financial management, (4) strategic planning, (5) program evaluation, (6) culture, (7) external communication, (8) management of staff and volunteers, (9) systems and operations, (10) collaboration, and (11) absorptive capacity |

Many of the identified scales have elements that could help answer my research question but none directly address effective networked nonprofits.  Therefore, it became apparent that two scales could be used in combination—one addressing the general competencies of networked nonprofits and another addressing networked behaviors through social media. These are the competencies I identified through a Delphi study and the Nonprofit Social Media Maturity of Practice Model.  Both are newly developed scales that had not been validated, so will add to the field of research for both instruments.

The Delphi study that developed the networked nonprofit competencies was completed as a learning achievement for the Antioch University Ph.D. in Leadership and Change program. Through a Delphi study of peer-nominated effective nonprofits, the following competencies of

networked nonprofits were identified (Table 3.2). There were 18 participants in round one of the study, representing six US states and one in Canada. Dalkey and Helmer (1963) stated that the reliability was greater than .80 when the group size was larger than 13. The study used three web-administered questionnaires. The first round of the study used a questionnaire with the open-ended statements. The statements were formulated based on current definitions and writing about networked nonprofits and trying to determine relevant networked nonprofit competencies and indicators. Responses were categorized to produce items for a second round questionnaire. In the second questionnaire, respondents were asked to rate the competencies and indicators according to their perception of importance for an organization beginning and advanced as a networked nonprofit using a five point Likert-type scale (1 = Not Important, 3 = Important, 5 = Essential). In addition, respondents were asked to rate their level of agreement with the capacity building skills or areas that could help an organization improve in being more networked. In the third and final questionnaire, respondents were asked to state their level of comfort with the group's rating for a new definition of networked nonprofit as well as for the top competencies (11) and indicators (6) of networked nonprofits as modified from rounds one and two. All questionnaires were reviewed and validated using a content and instrumentation specialist. Consensus was reached when 70 percent of the Delphi subjects' votes were three or higher and the median was 3.5 or higher (Hsu & Sanford, 2007). Based on the findings of this study, competencies of networked nonprofits may vary between small to medium sized, local organizations and large, nationally affiliated organizations due to capacity and scale.

Table 3.2

*Review of Competencies*

| Competency |
| --- |
| Actively pursues collaborations with key stakeholders |
| Converses meaningfully with key stakeholders |
| Appreciates collaboration as a part of the organizational culture |
| Forges long term partnerships with trusted peers |
| Shares credit with partners |
| Has a clear vision for the organization |
| Understands the bigger system their organization operates in |
| Communicates open and honestly |
| Values and trains board and staff |
| Values longevity of relationships that build trust |
| Is culturally competent |

The Nonprofit Social Media Maturity of Practice model is a tool Beth Kanter (2013) has been experimenting with over the years in her trainings and peer learning projects. The assessment tool builds on and adapts the work of Ash Shepherd's (2014) integrated communications audit, which includes best practice areas related to social media. It is a self-assessment that a nonprofit or trainer could use to determine the current level of practice and then use to think about how to proceed to the next step.

Once approved, the draft survey was administered to a group of 5 nonprofit executive directors who are leaders in nonprofit networks where the survey was marketed. The group was asked to provide feedback regarding the items including length of the survey, areas for

clarification of directions and/or terms, and advice for positioning the survey. Based on their

feedback and input, minor modifications were made.

**Selection of participants.** Nonprofit networks, membership organizations, and

foundations were contacted to market this survey to their members. The states of Illinois and

California were targeted for my existing research relationships and experiences in each state.

Recruitment notices were also posted to known nonprofit listservs and communities as well as

through my Twitter and Facebook pages. Table 3.3 outlines the recruitment plan.

Table 3.3

*Recruitment Plan and Summary*

| Organization | Rationale | Plan |
|---|---|---|
| Good Works Connect | 2,300 nonprofit members in the state of IL. | The study description and URL were emailed to Executive Directors within the network to encourage them to participate. |
| Institute for Conservation Leadership | National network of conservation leaders who are alumni of their leadership development programs. | The study description and URL were sent in a special invitation to alumni encouraging them to participate. |
| Leading from Within | 200 executive director alumni in Santa Barbara County, CA from their nonprofit leadership development program. | The study description and URL were sent in a special invitation to alumni encouraging them to participate. |
| T.H.R.I.V.E. | Nonprofit network serving nonprofits in San Mateo County, California. | The study description and URL were sent in a special invitation to network |

| | | members encouraging them to participate. |
|---|---|---|
| Other Nonprofit Consultants/Professionals | Many different people have access to nonprofits that may be interested in this research. | Individuals who received an email with the study description and URL link forwarded it to friends, family and colleagues. This also happened with those who completed the survey. |
| Personal Invitation | I have personal relationships with many nonprofits in the target areas and will reach out to also invite those nonprofits. | I forwarded the study description and URL to nonprofits in the target area as well as promoted the information on my personal Facebook and Twitter account. |

Care was taken to respect the privacy of all human participants and to ensure that no harm came from this work. Since many of the recruiting organizations seek funding and organizational development support from the nonprofits I want to participate, I worked to ensure participants did not feel unduly influenced by the recruiting organizations to participate or respond in a certain way. The recruitment advertisement read as follows:

> I am writing to ask for your assistance with my dissertation research study that will identify the competencies and behaviors of a networked nonprofit. As a former nonprofit executive director and current foundation director, I am interested in using this information to help nonprofits become more networked.
>
> In the study, a networked nonprofit is defined as one that has a set of intentionally built trusting relationships and has systems and strategies that engage various stakeholders in meaningful conversations. They achieve their missions by developing strong partnerships where they invest in the goals of other organizations to mobilize resources for a common shared mission and values.
>
> In the survey, you will be asked to provide some demographic information, which will be used in aggregate form to analyze the information. The time commitment to

complete this survey is 20 minutes.

      Your responses will remain confidential and kept in a secured place for possible further research purposes.

      If you are willing to participate in this research study and consent to the terms below, please complete the survey here: https://www.surveymonkey.com/s/networkednonprofits2

      It would also be helpful if you would share this survey with others you feel work in networked nonprofits.  If you would like to share this survey with others, please use the same link:  https://www.surveymonkey.com/s/networkednonprofits2

      This research study is part of my doctoral dissertation work in Antioch University's Ph.D. Program in Leadership and Change.  If you require any additional information, do not hesitate to contact me at 317.460.6200 or ahernandez1@antioch.edu.

      Thank you in advance for participating in this survey.

The potential respondents were automatically directed to the survey link by clicking on

the URL.  The survey instructions read:

Thank you for your willingness to participate in this study.

      This research study will identify the competencies and behaviors of a networked nonprofit. As a former nonprofit executive director and current foundation director, I am interested in using this information to help nonprofits become more networked.

In the study, a networked nonprofit is defined as one that has a set of intentionally built trusting relationships and has systems and strategies that engage various stakeholders in meaningful conversations. They achieve their missions by developing strong partnerships where they invest in the goals of other organizations to mobilize resources for a common shared mission and values.

      Since you have received this email through a nonprofit network, I have identified you as working in a networked nonprofit.

      You will be asked to provide some demographic information, which will be used in aggregate form to analyze the data collected. The time commitment to complete this survey is 20 minutes.

      If you would like to receive the final report from this study, please share your contact information at the end of the survey. Please note that sharing this information will make your responses not anonymous to the researcher. If you wish to maintain your anonymity, the data will be available online at www.anniehernandez.com or you can email the researcher for the report at ahernandez1@antioch.edu.

      Your responses will remain confidential and kept in a secured place for possible further research purposes.

      This research study is a part of my doctoral dissertation work in Antioch University's Ph.D. Program in Leadership and Change.

      If you have any questions, do not hesitate to contact me at 317.460.6200 or ahernandez1@antioch.edu.

Best regards,

Annie Hernandez

Doctoral Student

Antioch University
PhD Program in Leadership and Change
about.me/anniehernandez

At the conclusion of the survey, the participants were told that the aggregate results will

be posted on: www.anniehernandez.com and were instructed to bookmark the site if they were

interested in the analysis of data and conclusions.

Ethics approval for the study was obtained from Antioch University Institutional Review

Board.

**Data collection procedures.** Data results were collected through

www.SurveyMonkey.com. The survey was tested and edited prior to dissemination and opening

for the study participants. SurveyMonkey reports were checked daily to review responses. Data

were then uploaded into Statistical Package for the Social Sciences (SPSS) software, where the

data were reviewed and analyzed.

**Data analysis.** The analysis addressed the research question using descriptive statistics

and PCA. Using SPSS, descriptive statistics summarized the factual and demographic responses,

as well as the effectiveness and networked items. Mean scores were used, as well as percentage

of responses to the various scales to show measures of central tendency, dispersion, distribution,

and the existence and impact of outliers.

**Principle Components Analysis.** Principle Components Analysis (PCA) was used to

identify the areas of effective networked nonprofit behavior components (subscales) and help

decide which items to exclude. PCA identifies "underlying factors or latent variables present in

the patterns of correlations among a set of measures" (Blaikie, 2003, p. 220). When the number

of latent variables are explored rather than indicated by a theory in the test development process,

construct validity is evaluated through the use of exploratory PCA (J. Kim & Mueller, 1978).

PCA identifies clusters of inter-correlated variables items (Abell, Springer, & Kamata, 2009).

The PCA literature includes a range of recommendations for minimum sample size. It is

dependent on several aspects including the level of communality of the variables and the level of

over-determination of the factors (MacCallum, Widaman, Zhang, & Hong, 1999, p. 84).

MacCallum et al. reviewed the sample size literature which recommends sample sizes from 100-

500 and PCA studies to find that it is desirable for the mean level of communality to be at least

.7 and that a higher sample is needed if the communalities are low. My goal was to have at least

200 participants so I will not need to use the Kaiser-Meyer-Oklin Measure of Sampling

Adequacy sample size adequacy test.

SPSS was used to calculate the coefficient alpha, the measure of the internal consistency

or the reliability of the scale. Alpha should be at least .70 for a scale to demonstrate internal

consistency (Nunnally, 1978).

**Research Design Limitations**

Some limitations of this research design included lack of survey access, social

desirability, and a lack of deeper understanding beyond the quantitative data. In order to

participate in the surveys, participants needed a computer with Internet access. Those without

access were excluded from participation. Participants learned about this study through funders

or nonprofits networks that support them. Participants responded in a way that is socially

desirable or in a manner where they may be likely to be regarded positively as nonprofits have an

obligation to the community to be effective for their mission. This may have led to results on

what organizations think their organization should be versus how they are currently behaving.

As no qualitative aspect was incorporated into this design, I do not know the stories or

deeper reasons why participants responded as they did.

**Summary**

Data was collected through an online survey utilizing two scales. The research question was addressed using descriptive statistics. Results of the descriptive statistics, PCA, and narrative responses are shared in Chapter IV: Results.

## Chapter IV: Results

**Research Question**

This chapter describes the respondents' demographics and examines the existence of

subscales of networked nonprofit competencies through Principle Components Analysis and

descriptive statistics as well as correlations among the "maturity of practice" items.  The results

are organized around the three parts of the survey, (1) demographic information, (2) networked

nonprofit competencies, and (3) "maturity of practice" items and what they lend to the research

question:  While certain factors may characterize effective nonprofits in general, what factors, if

any, distinguish *networked* nonprofits?

**Recruitment of Participants**

Participants in this study were individuals who responded to a survey posted on

SurveyMonkey.com.  Participants were recruited through several nonprofit networks including

the Institute for Conservation Leadership, Leading from Within, Good Works Connect,

T.H.R.I.V.E, and through my personal invitation and those invited sharing with others through

use of social media and email.  Using SurveyMonkey.com, a total of 161 individuals began the

survey.  These data were downloaded to SPSS.

**Data Cleaning**

Of the 161, 4 respondents aborted the survey after question one and two.  These were

reviewed and deleted if the participant did not continue the survey after the second item.  Once

the sample size of 157 was established (N = 157), the data were cleaned.  Question 1 and 2

included a comments field.  I reviewed the responses, which gave insights into why respondents

rated themselves the way they did.  These comments did not add anything of significance to the

survey data so have not been included.  Some of the respondents marked "other" to question 26, "Which of the following best describes your organization's mission area?"  I examined the other category responses to determine the best "fit."  Most responses fell within the provided categories except those stating "foundation," so a sixth category for "foundations" was added. Some of the respondents replied "other" to question 29, "What category represents your organization's annual budget?"  I reviewed the data and recoded the narrative accordingly.

**Participant Demographics**

Prior to testing the data, descriptive statistics regarding the survey respondents were run. The majority of the respondents were female (72.9%) and reported being staff of the nonprofit (72.9%) with 49.6% being the Executive Director, CEO, or President (See Figure 4.1).  76% of respondents reported 6 or more years working in the nonprofit sector.
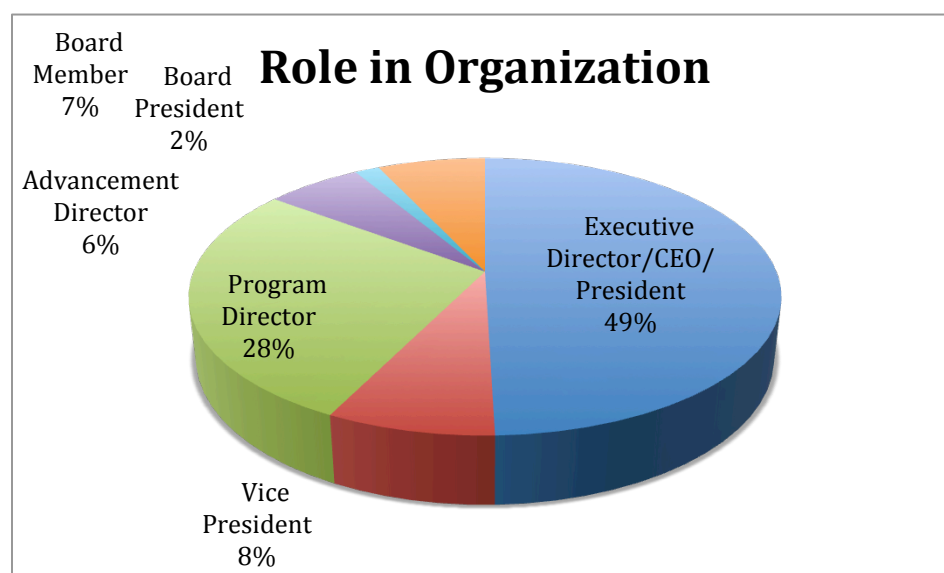


*Figure 4.1*. Role in organization pie chart.

A variety of nonprofit mission areas were represented.  The three largest mission areas represented were Health and Human Services (40.3%), Education (20.9%), and Environmental (19.4%) (see Figure 4.2).  Environmental was likely so high as nearly 20% of the respondents

were from the Institute for Conservation Leadership network which focuses on building the

capacity of environmental and sustainability leaders.

**Organization Mission Area**

Foundation/Other 11%

Education 21%

Environmental 19%

Economic Development 4%

Arts 5%

Health and Human Services 40%
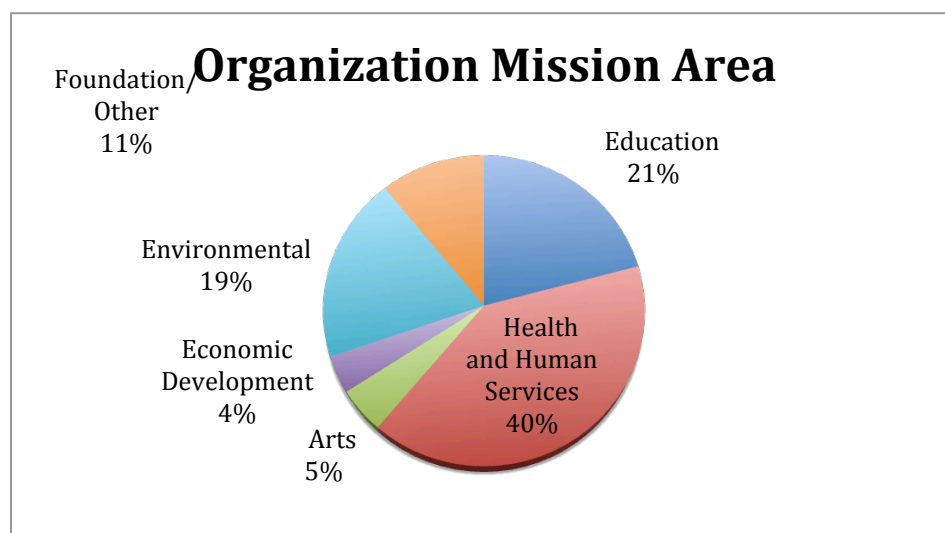
*Figure 4.2.* Organization mission area pie chart.

A majority of the respondents are from nonprofits with smaller budgets (27.0% reported a

budget of less than $249,000 and 36.5% reported $250,000-999,999). Of those who chose to

share their contact information (n = 61), 14 states were represented, including Illinois (n = 22),

Indiana (n = 9), California (n = 9), Ohio (n = 5), New York (n = 4), Maryland (n = 2), Colorado

(n = 2), Michigan (n = 2), Kansas (n = 1), Florida (n = 1), Vermont (n = 1), Iowa (n = 1),

Kentucky (n = 1), and Minnesota (n = 1).

Respondents reported the following use of social media tools at least monthly: Facebook

(98.3%), Twitter (64.2%), LinkedIn (50.8%), Blogs (32.5%), and YouTube (28.3%). A number

(n = 4) also mentioned Pinterest. The majority (51.6%) reported between 1-999 combined

Facebook and Twitter reach while 36.5% reported a 1,000-9,999 reach. 7.94% reported not using

Facebook or Twitter.

Table 4.1

*Respondent Percentages*

| Category | Percentages |
|---|---|
| Gender | |
| Male | 24.0% |
| Female | 72.9% |
| Transgender | .8% |
| Prefer not to disclose | 2.3% |
| N = 129* | |
| Role or Title in Organization | |
| Executive Director/CEO/President | 49.6% |
| Vice President | 7.8% |
| Program Director | 27.9% |
| Advancement Director | 6.2% |
| Board President | 1.6% |
| Board Member | 7.0% |
| N = 129* | |
| Years Worked in Nonprofit Sector | |
| Less than one year | 2.3% |
| 1-2 years | 2.3% |
| 3-5 years | 19.4% |
| 6-10 years | 21.7% |
| 11-20 years | 33.3% |
| 21+ | 20.9% |
| N = 129* | |
| Organization Mission Area | |
| Education | 20.9% |
| Health and Human Services | 40.3% |
| Arts | 4.7% |
| Economic Development | 3.9% |
| Environmental | 19.4% |
| Foundation/Other | 10.9% |
| N = 129* | |
| Social Media Tools Used at Least Monthly | |
| Facebook | 98.3% |
| Twitter | 64.2% |
| LinkedIn | 50.8% |
| Blog | 32.5% |
| YouTube | 28.3% |
| N = 120* | |
| Facebook and Twitter reach combined | |
| 0 | 7.9% |

| | |
|---|---|
| 1-299 | 25.4% |
| 300-999 | 26.2% |
| 1,000-9,999 | 36.5% |
| 10,000+ | 4.0% |
| N = 126* | |
| Organization Annual Budget | |
| $0-249,999 | 27.0% |
| $250,000-999,999 | 36.5% |
| $1,000,000-$2,999,999 | 15.1% |
| $3,000,000+ | 21.4% |
| N = 126* | |

*Note.* *Some respondents did not report their demographic characteristics.

**Analyses**

To address the research question, descriptive statistics, bivariate correlations, and factor and reliability analyses were run.

**Descriptive Statistics**

Descriptive statistics including the means, standard deviations, measures of skewness, and kurtosis for each of the items were run. Likert type survey items offered participants choices of how to respond to items, ranging from Not doing well at all = 1, Doing moderately well = 3, and Highly excels = 5 for questions shown in Table 4.2. For those shown in Table 4.3, a four-point scale was used indicating Crawl = 1, Walk = 2, Run = 3, and Fly = 4. All items had acceptable levels of skewness and kurtosis of less than or equal to plus or minus 1.50 (Kline, 2011). Table 4.2, Networked Competencies Descriptive Statistics, shows the mean, standard deviation, and measure of skewness and kurtosis for the networked competency items. Table 4.3, Maturity of Practice Descriptive Statistics, shows the mean, standard deviation, and measure of skewness and kurtosis for the "Maturity of Practice" items. The items presented indicate the order in which they were presented in the SurveyMonkey.com survey.

Table 4.2

*Networked Competencies Descriptive Statistics*

| Item | Mean | (SD) | Skewness | Kurtosis |
|---|---|---|---|---|
| Rate your organization as a networked nonprofit | 3.88 | .86 | -.135 | -.932 |
| Rate the effectiveness of your organization | 3.91 | .89 | -.326 | -.760 |
| Actively pursues collaborations with key stakeholders | 3.94 | .83 | -.227 | -.824 |
| Converses meaningfully with key stakeholders | 3.76 | .92 | -.261 | -.550 |
| Appreciates collaboration as a part of the organizational culture | 4.15 | .96 | -1.072 | .670 |
| Forges long term partnerships with trusted peers | 4.11 | .94 | -.959 | .500 |
| Shares credit with partners | 4.32 | .82 | -1.293 | 2.169 |
| Has a clear vision for the organization | 4.04 | .92 | -.849 | .257 |
| Understands the bigger system their organization operates in | 4.06 | .94 | -.787 | -.050 |
| Communicates openly | 4.00 | .96 | -.870 | .488 |
| Communicates honestly | 4.18 | .93 | -1.156 | 1.069 |
| Values board | 4.17 | .96 | -.933 | -.149 |

| | | | | |
|---|---|---|---|---|
| and staff | | | | |
| Trains board and staff | 3.39 | 1.00 | -.043 | -.610 |
| Values longevity of relationships that build trust | 4.26 | .86 | -1.145 | 1.118 |
| Is culturally competent | 3.82 | .93 | -.502 | -.115 |

Table 4.3

*Maturity of Practice Networked Descriptive Statistics*

| Item | Mean | (SD) | Skewness | Kurtosis |
|---|---|---|---|---|
| Networked Mindset | 2.92 | 1.01 | -.568 | -.783 |
| Institutional Support | 2.39 | .92 | .042 | -.836 |
| Communications Strategy | 1.89 | .99 | .917 | -.192 |
| Hours | 1.76 | .97 | 1.168 | .334 |
| Expertise | 2.52 | .84 | -.424 | -.511 |
| Social Channels | 1.83 | .70 | .522 | .188 |
| Analysis | 1.97 | .85 | .527 | -.434 |
| Tools | 2.15 | .87 | .640 | -.062 |
| Adjustment | 2.40 | .81 | .310 | -.334 |
| Brand Monitoring | 1.73 | .85 | 1.107 | .703 |
| Relationship Mapping | 2.02 | .87 | .436 | -.609 |
| Influencer Research | 1.75 | .98 | .990 | -.312 |
| Ladder of Engagement | 1.70 | .93 | 1.041 | -.115 |
| Responsiveness | 2.40 | .80 | .276 | -.308 |
| Integration | 1.74 | .91 | .918 | -.290 |
| Social Content Organization | 1.66 | .85 | 1.193 | .684 |
| Networking and Network Building | 1.55 | .78 | 1.325 | 1.036 |
| Collaboration with Partners | 2.03 | .83 | .615 | .046 |
| Social Fundraising | 1.83 | 1.00 | .921 | -.372 |
| Results | 1.46 | .77 | 1.58 | 1.605 |

**Principle Components Analysis for Networked Nonprofit Competencies**

Several analyses were done prior to Principal Components Analysis (PCA), including running bivariate correlations and sampling adequacy tests. Following these analyses, the PCA was run using varimax rotation.

Bivariate correlations of all the Likert type items were run with every other item to determine if the items represented the same overarching construct. Two separate bivariate analyses were run, one for the networked competencies and another for the "maturity of practice" items. All items had a statistically significant correlation of =>.30 with at least one other item in their construct group, demonstrating that all the items fit under the defined overarching construct. See supplemental file: Correlation Table. The Kaiser-Meyer-Olkin Measure of Sampling Adequacy was .899, showing that the sample size of 157 was sufficient for correlation and Principle Components Analysis. Given the bivariate correlation results and adequate sample size, the data were ready for factor and reliability analysis.

PCA was used to identify the areas of networked nonprofits by reducing the dimensionality of the data. SPSS was used to run PCA with the varimax rotation with a loading cutoff point of .217 (J. P. Stevens, 2009). Decision rules for item reduction included using .35 as a cutoff for component loadings and eigenvalue =>1. Items loading on more than one component with more than .35 were eliminated for the next iteration of the PCA. All items loaded at least a 2.17 for the components. Four (4) items were eliminated for the second PCA. One more was eliminated for the third and final round of PCA.

Two components were revealed and I named the categories: system vision/internal (6 items) and stakeholder/external (2 items). Table 4.4 shows the components and item loadings.

Table 4.4

*Networked Nonprofit Components with Item Loadings*

| Item | Stakeholder/External Total Variance = 24.1% | System Vision/Internal Total Variance = 43.5% |
|---|---|---|
| Actively pursues collaborations with key stakeholders | .870 | |
| Converses meaningfully with key stakeholders | .896 | |
| Has a clear vision for the organization | | .724 |
| Understands the bigger system their organization operates in | | .683 |
| Communicates openly | | .821 |
| Communicates honestly | | .837 |
| Values board and staff | | .780 |
| Is culturally competent | | .653 |

The scree plot indicated that two components were a good solution for this data set. The two components included in the solution were plotted on the line before the line turned sharply right. Together the two components accounted for 67.6% of the variance. Stakeholder/External accounted for 24.1% of the variance while System Vision/Internal accounted for 43.5% of the variance.

**Reliability of networked nonprofit competency scales.** Reliability of these two scales, or Cronbach's alpha of each component, was at least .70 for both scales (see Table 4.5).

Table 4.5

*Scale Reliability*

| Scale Type | Cronbach's Alpha |
|---|---|
| Scale 1 Stakeholder/External | .798 |
| Scale 2 System Vision/Internal | .872 |
| All Scales | .870 |

In summary, the research findings suggested that networked nonprofits have competencies related externally to stakeholders and internal to their organizational vision. According to the study definition, a networked nonprofit has a set of intentionally built trusting relationships and has systems and strategies that engage various stakeholders in meaningful conversations. They achieve their missions by developing strong partnerships where they invest in the goals of other organizations to mobilize resources for a common shared mission and values. If we compare the two factors resulting from PCA to this definition, they seem to support one another. However, the factors identified do not stand out as unique to just networked nonprofits. Based on the analysis so far, respondents do not seem to make a distinction in their own minds between effective and networked organizational behaviors.

**Proposed definitions of revealed components.** These areas, as a result of Principle Components Analysis, were identified into two subscales or components that I named. The component names and their proposed definitions related to the study definition of networked nonprofits are in Table 4.6.

Table 4.6

*Networked Nonprofit Component Definitions*

| Networked Nonprofit Component | Definition |
|---|---|
| Stakeholder/External | Where the organization engages meaningfully with key stakeholders, including through pursuit of collaborations. |
| System Vision/Internal | Where the organization has a clear vision and understanding for the bigger system in which they operate, and knows how to communicate in a culturally competent way through board and staff internally and externally. |

**Descriptive Statistics for Maturity of Practice**

These items were rated using a four point scale indicating behaviors in the continuum of

Crawl = 1, Walk = 2, Run = 3, and Fly = 4. Participants were instructed to leave the item blank

if it represented an activity they do not do at all. Table 4.7 shows the items in descending order

according to mean and includes frequency distribution percentages.

Table 4.7

*Descending Means and Frequency Distribution Percentages for Maturity of Practice Items*

| | Overall Mean | Frequency Distribution | | | |
|---|---|---|---|---|---|
| | | CRAWL | WALK | RUN | FLY |
| Networked Mindset N = 131 | 2.92 | 12.2 % Understanding of networks that are connected to organization | 18.3% Listening to and cultivating relationships with networks based on mapping networks. | 34.4% Comfort level with greater organizational openness and transparency. Leadership is using social networks and comfortable with showing personality. | 35.1% Leadership is comfortable using decentralized decision-making and collective action with networks. Considers people inside and outside of the organizations as assets in strategy. |
| Expertise N = 129 | 2.52 | 14.7% Social media is delegated to a volunteer, inexperienced staffer or intern. | 26.4% Social media is part of mid-level staff job description, with additional | 51.2% Senior level staff participate in strategy oversight or development. | 7.8% Organizational leadership and boards get regular reports and ask good questions. |

| | | | intern time | | |
|---|---|---|---|---|---|
| Adjustment N = 128 | 2.41 | 10.2% Does not use data to make planning decisions. | 49.2% Uses data for decision-making but not a formal organizational process. | 30.5% Reports are discussed at staff meetings and used to make decisions that improve results. | 10.2% Formal process for analyzing, discussing, and applying results. Data visualization and formal reflection processes. |
| Responsive ness N = 129 | 2.40 | 10.1% Does not respond to comments posted on social networks or engage with networks | 48.8% Responds haphazardly to comments on networks or engages with networks around content. | 31.8% The communicatio ns team coordinates and consistently responds to comments on networks and engages with networks around content. | 9.3% The organization responds through organizationa lly branded accounts and staffers to comments and networks and engages with networks around contents. The organization is able mobilize its network to circumvent a social media crisis. |
| Institutiona l Support N = 112 | 2.39 | 18.8% Social media policy is drafted and gaining support through "road | 34.8% Social media policy has been discussed and approved by leadership. | 34.8% Social media staff position includes facilitating training other staff to use social networks. | 11.6% All staff use social media effectively to support organization objectives. The social media policy |

| | | | | |
|---|---|---|---|---|
| | | shows" with departments | | | includes a social media work flow or crisis response flow chart and it is used. |
| Tools N = 131 | 2.15 | 21.4% Not using or not using fully. | 52.7% Using free or low cost analytics tools to collect metrics and analyze further in spreadsheets if required for actionable insights. | 16.0% Using free/low cost analytics tools to collect metrics and analyze further in spreadsheets if required for actionable insights. Uses social media management/ metrics professional tool to collect data. | 9.9% Uses professional measurement and analytics tools. Provides training or uses expert consultants to assist in data/analysis. |
| Collaboration with Partners N = 130 | 2.03 | 26.2% Has partners but is not collaborating on social networks. | 50.8% Connects and collaborates with aligned partners in a haphazard way, not consistent or strategic. | 16.9% Consistent conversations and connections with aligned partners on social media platform(s) and implements small pilots. | 6.2% Consistent collaborations with aligned partners on social channels with activities that are mutually aligned with objectives. |
| Relationship Mapping N = 120 | 2.02 | 31.7% Lists organizations or partners but has not visualized | 40.0% Uses low tech methods (drawings and sticky notes) to | 23.3% Uses low tech methods and free social network analysis tools | 5.0% Uses low tech methods and free and paid social network |

| | | | | | |
|---|---|---|---|---|---|
| | | or identified new ones. | visualize networks of individuals and organizations | to visualize networks of individuals and organizations. Uses data to inform strategy and tactics. | analysis tools and uses resulting visualizations to inform strategy and/or measure results. |
| Analysis N = 127 | 1.97 | 33.1% Lacks consistent data collection or formal reporting. Draws conclusions from incomplete data or "drive by" analysis. | 41.7% Data collection is consistent, but not shared between departments. Not all data is linked to decision-making for better results. | 20.5% Data is from multiple sources and shared across departments through a dashboard. Does not collect data it doesn't use. Measurable objectives are based on benchmarking. | 4.7% Establishes organizational KPIs and tracks in organizational dashboard with different views for departments or levels. May have data analyst on staff. |
| Communications Strategy N = 110 | 1.89 | 43.6% Consideration of communications strategy with SMART objectives and audiences and strategies for branding and web presence. | 34.5% Strategic plan with SMART objectives and audiences, including strategy points for integrated social media. | 10.9% Includes an integrated content, social fundraising, and engagement strategy. There is a formal influencer support program if appropriate. | 10.9% Strategy includes working with align partners to implement. |
| Social Channels N = 127 | 1.83 | 32.3% Actively using one social media channels, but may | 53.5% Actively using 2-3 social media channels that connect with | 12.6% Actively using 4 social media channels that connect with | 1.6% Actively using more than 4social media channels that |

| | | have presence on others. | target audiences, but has a presence on others. | target audience and has a process to research, experiment, and adopt new tools/channels. | connect with target audience. Uses processes to research, experiment, and adopt new tools/channels. |
|---|---|---|---|---|---|
| Social Fundraising N = 128 | 1.83 | 50.8% Aware but not using. | 25.0% Has set up a presence on a social fundraising platform. | 14.8% Testing a social fundraising platform with a small pilot and campaign and measuring engagement and dollars as success metrics. | 9.4% Routinely implements social fundraising activity as part of integrated fundraising or stand-alone. Uses engagement and dollars as success metrics. Leverages influencers relationships. Learns to improve campaigns with data. |
| Hours N = 130 | 1.76 | 51.5% 5 hours or less per week of staff time is invested | 30.8% 5-19 hours per week of staff time is invested in one position. Other staff or intentions implement social media. | 7.7% 20-29 hours per week of staff time in a dedicated social media position. Other staff or interns or influencers implement social media strategy. | 10.0% 30-40 hours of staff time is invested in a dedicated social media position with support staff. Other staff or interns or influencers implement social media. |

| | | | | |
|---|---|---|---|---|
| Influencer Research N = 124 | 1.75 | 56.5% Not using | 19.4% Uses online systems and "desk research" to identify, but is not monitoring. | 16.9% Uses online systems and "desk research" to identify, monitor, and cultivate. | 7.3% Uses online systems and "desk research" to identify, monitor, and cultivate and to build an influencer strategy. |
| Integration N = 125 | 1.74 | 52.8% Posts content that may be relevant to audience, but not consistently. | 24.8% Uses an editorial calendar to align content strategy with objectives and audiences and publish content across channels on a regular schedule. | 17.6% Has an editorial process to brainstorm content, curates content regularly, and uses an editorial calendar to consistently publish. Is able to balance planned content with spontaneous postings that leverage its network. | 4.8% Uses online collaborative editorial calendar or other mechanisms to share the content process across its network and with partner organizations or influencers. |
| Brand Monitoring N = 108 | 1.73 | 47.2% Observing conversations and receiving Google Alerts, but not doing analysis | 38.0% Tracking keywords, influencers, or conversations using free tools, but does not have a formal organizational process for | 9.3% Tracking keywords, influencers, and conversations using free tools and weekly/monthly reporting and synthesis. | 5.6% Tracking keywords, influencers, and conversations using free and paid tools and weekly/monthly reporting and synthesis. |

| | | | synthesis and reporting. | | Capacity to use "real-time" information to respond. Uses both to make decisions, avoid social media crisis before escalating. |
|---|---|---|---|---|---|
| Ladder of Engagemen t N = 128 | 1.70 | 57% Not using | 21.1% Informal description of different levels of engagement on different platforms or across platforms, but doesn't align with strategy or measurement . | 16.4% Formal description of different levels of engagement based on survey or qualitative research. Aligns with strategy, but does not measurement process for all steps. | 5.5% Formal description of different levels of engagement based on survey or qualitative research. Aligns with strategy and collects data and reports organized by engagement and conversion levels. |
| Social Content Organizatio n N = 124 | 1.66 | 54% Does not use measuremen t or research to identify and refine optimization techniques. | 30.6% Adopts best practices for social content optimization for frequency, time/day, type of content, length, and other variables. | 10.5% Uses measurement processes to evaluate the performance of content on a regular basis and make improvements . Uses platform features to maximize content | 4.8% Uses measurement to evaluate the performance and this knowledge is built into the editorial decision-making process. |

| | | | | |
|---|---|---|---|---|
| | | | | performance. |
| Networking and Network Building N = 117 | 1.55 | 60.7% Is aware of social events, but doesn't host or participate. Does not solicit feedback or ideas from its followers . Staff do not leverage professional networks. | 26.5% Participants in selected social online events. Had formal policy and operational manual for staff to use their professional networks on behalf of organization. | 10.3% Hosts online social events with aligned partners but not regularly. Provides training and support for staff to leverage their professional online networks on behalf of the organization. | 2.6% Hosts regular online social events with aligned partners or others as part of the overall strategy. Staff (and board) use of online professional networks is institutionalized. |
| Results N = 74 | 1.46 | 68.5% Not tracking | 18.9% Shows a logic path in a theory of change from social media activity to social change results | 10.2% Has an analytics or metrics tracking system to capture conversion rate from reach or engagement | 2.4% Captures conversion rate is able to translate into financial value for organization. |

Bivariate correlations of the Maturity of Practice items were run to determine which items had the most statistically significant correlations and which had the lowest and could be eliminated for further analysis and future use of the survey instrument. Items with the highest correlations are shown in Table 4.8. Integration and Social Content Organization had the strongest correlation to one another (.728) as well as the most highly significant number of correlations with others including Hours, Tools, Brand Monitoring, Influencers, Ladder of Inference, and Results. The items that had 10 or fewer moderately significant correlations of .30 or less were eliminated. These included: Network Mindset (n = 2), Institutional Support (n = 2),

Communications Strategy (n = 5), Expertise (n = 7), and Adjustment (n = 8).  Based on this analysis, if respondents are spending time (Hours) and utilizing a number of tools to engage in social media, they are likely to intentionally monitor their brand in a number of ways to that leads to successful results or organizational learning.

Table 4.8

*Maturity of Practice Statistically Significant Correlations*

| Item/ # of Stat Sig (>.30) | H | SC | A | T | BM | RM | IR | LE | R | I | SCO | N | C | SF | Re |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Hours (H) 15 | - | .405 | .302 | .482 | **.521** | .381 | .417 | .387 | .463 | **.504** | **.583** | .379 | .439 | .346 | .473 |
| Social Channels (SC) 14 | .405 | - | | .499 | .438 | .344 | .495 | .451 | .440 | .473 | .431 | .327 | .372 | .415 | .459 |
| Analysis (A) 11 | .302 | .499 | - | **.530** | .485 | .492 | .358 | .350 | | .374 | .388 | .389 | | | .349 |
| Tools (T) 16 | .482 | | **.530** | - | **.606** | .413 | **.597** | **.591** | .347 | **.521** | **.524** | .417 | .376 | .389 | .441 |
| Brand Monitoring (BM) 14 | **.521** | .438 | .485 | **.606** | - | .497 | **.557** | **.570** | .434 | **.578** | **.709** | .311 | .354 | | **.507** |
| Relationship Mapping (RM) 16 | .381 | .344 | .492 | .413 | .497 | - | **.520** | .458 | .327 | .434 | **.540** | .419 | .329 | .303 | .316 |
| Influencer Research (IR) 14 | .417 | .495 | .358 | **.597** | **.557** | **.520** | - | **.692** | | **.548** | **.608** | .418 | .478 | .359 | .492 |
| Ladder of | .387 | .451 | .350 | **.591** | **.570** | .458 | **.692** | - | | **.506** | **.595** | .313 | .455 | .304 | **.562** |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Engagement (LE) 14 | | | | | | | | | | | | | | | |
| Responsiveness (R) 12 | .463 | .440 | | .347 | .434 | .327 | | | - | **.535** | .449 | | .338 | .380 | .374 |
| Integration (I) 16 | **.504** | .473 | .374 | **.521** | **.578** | .434 | **.548** | **.506** | **.535** | - | **.728** | .425 | .495 | .471 | **.534** |
| Social Content Org (SCO) 16 | **.583** | .431 | .388 | **.524** | **.709** | **.540** | **.608** | **.595** | .449 | **.728** | - | .445 | **.520** | .348 | **.579** |
| Networking (N) 13 | .379 | .327 | .389 | .417 | .311 | .419 | .418 | .313 | | .425 | .445 | - | .492 | .466 | .467 |
| Collaboration (C) 13 | .439 | .372 | | .376 | .354 | .329 | .478 | .455 | .338 | .495 | **.520** | .492 | - | .349 | **.507** |
| Social Fundraising (SF) 13 | .346 | .415 | | .389 | | .303 | .359 | .304 | .380 | .471 | .348 | .466 | .349 | - | **.511** |
| Results (Re) 15 | .473 | .459 | .349 | .441 | **.507** | .316 | .492 | **.562** | .374 | **.534** | .579 | .467 | **.507** | **.511** | - |

*Note.* Correlations bolded indicate a statistical significance of <.50. Reliability of these items, or Cronbach's alpha, was .925.

**Effectiveness and Networkedness Related to Maturity of Practice**

In the first question of the survey, respondents were asked to rate their organization as a networked nonprofit, or level of "networkedness," and in the second question to rate their organizational effectiveness overall. Both questions were on a scale of 1-5 (1 = not networked/effective at all; 3 = moderately networked/effective; 5 = very networked/effective).

Question one and two have a moderately significant correlation of .373. Bivariate correlations of the "Maturity of Practice" items along with question one and two were run to determine which items had the most statistically significant correlations. A total Maturity Score was calculated for each respondent by calculating the average of their responses over the 20 "Maturity of Practice" questions. The overall mean of the Maturity Scores was 1.86 ($N = 133$). There was not a statistically significant correlation between question one or two and all of the maturity of practice items in Table 4.8 (above) or the Maturity Score (both were .176 or lower). See supplemental file: Correlation Table. Based on this analysis, respondents do not seem to connect their social media actions or maturity with their reported level of "networkedness" or effectiveness.

To further explore correlations related to question 1 and 2, the items from the two factors determined previously were run. Table 4.9 shows the results. The research findings further suggest that the networked nonprofit components are more significantly correlated with effectiveness. The two components most correlated with "networkedness" are those from the Stakeholder/External factor. This analysis further supports that respondents don't seem to make a distinction in their own minds between effective and networked organizational behaviors.

Table 4.9

*Networkedness and Effectiveness Correlated to Networked Nonprofit Components*

| Component | Item | Networkedness Correlation | Effectiveness Correlation |
|---|---|---|---|
| Stakeholder/ External | Actively pursues collaborations with key stakeholders | **.537** | .418 |
| Stakeholder/ External | Converses meaningfully with key stakeholders | **.573** | .437 |
| System Vision/ Internal | Has a clear vision for the organization | .301 | .494 |
| System Vision/ Internal | Understands the bigger system their organization operates in | .289 | **.508** |
| System Vision/ Internal | Communicates openly | .312 | .446 |
| System Vision/ Internal | Communicates honestly | .225 | .414 |
| System Vision/ Internal | Values board and staff | .260 | .495 |
| System Vision/ Internal | Is culturally competent | .176 | .190 |

*Note.* Correlations bolded indicate a statistical significance of >.50.

**Summary**

Through the analysis in this chapter, no factors were identified that distinguished effective networked nonprofits from those of effective nonprofits in general. While there were correlations between the level of "networkedness" and effectiveness reported by respondents, the two networked nonprofit subscales revealed as a result of PCA (Stakeholder/External and Systems Vision/Internal) include elements found in effective as well as networked nonprofits like Board Leadership (Brown 2005; J. C. Green & Greisinger, 1996; Herman & Renz, 2004; Jackson & Holland, 1998), External Communications (Balser & McClusky, 2005; Child & Gronbjerg, 2007), Nonprofit Collaboration (Guo & Acar, 2005; Stone et al, 2010), and

Absorptive or Adaptive Capacity (Kapucu & Demoiroz, 2013; Todorova & Durisin, 2007; Zahara & George, 2002). Also, the Maturity of Practice items were narrowed and reviewed through multivariate correlation. While they correlate to one another; they did not correlate to the "networkedness" or effectiveness measures.

The next chapter will discuss the unique contributions of this research, as well as theoretical and practical consequences of these results. Implications for leadership and change are also discussed and future research recommended is offered.

**Chapter V: Discussion**

This chapter summarizes the findings, implications, and unique contributions of this study. Theoretical and practical consequences of the results, as well as for leadership and change, are discussed. Future research recommendations are also described.

**Findings Overview**

This correlational research design, which included a convenience sample of 157 nonprofit staff and board member responses to a Likert type survey, was used to conduct a principle components analysis to develop subscales related to networked nonprofits. While there were correlations between the level of "networkedness" and effectiveness reported by respondents, the two networked nonprofit subscales revealed as a result of PCA (Stakeholder/External and Systems Vision/Internal) included elements found in effective as well as networked nonprofits. Also, the Maturity of Practice items were narrowed and reviewed through bivariate correlation. While they correlate to one another, they did not correlate to the "networkedness" or effectiveness measures. This seems to indicate a disconnect between the actual practice of "networkedness" as evidenced through social media and evaluation measures and the networked mindset or organizational culture. In other words, the way respondents perceive their levels of effectiveness and "networkedness" may indeed not align with actual behaviors. See Figure 5.1 for an infographic of the research findings and interpretations designed using Piktochart.
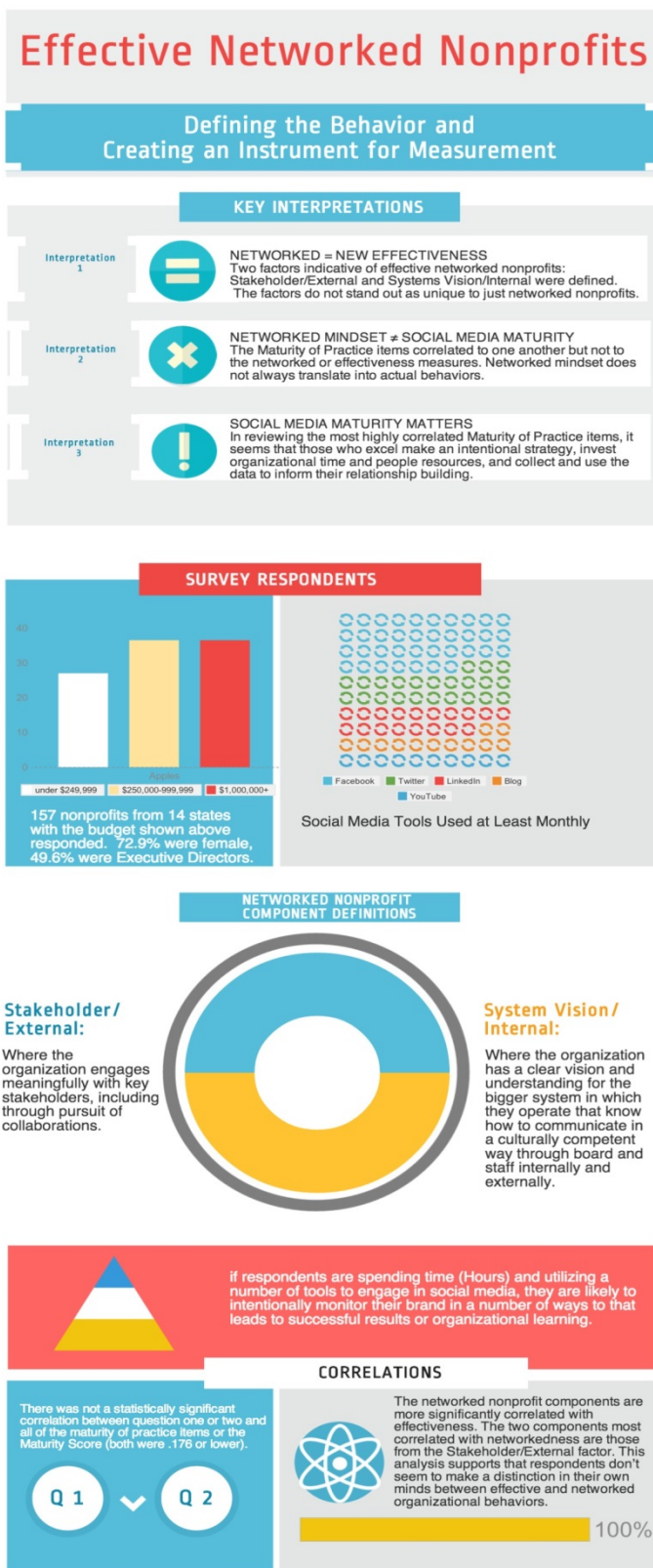
*Figure 5.1.* Infographic of findings and interpretations designed using Piktochart.

**Previous Research**

Herman and Renz (2008) found that nonprofit organizational effectiveness is socially constructed so different stakeholders will judge it differently over time. As the concept of networked nonprofits is newer to the field (Kanter & Fine, 2010; Wei-Skillern & Marciano, 2007), it makes sense that networked behaviors are becoming measures of effectiveness. Or "networkedness" is becoming the new measure of effectiveness. In past studies, the determinants of nonprofit organizational efficiency have varied. These have included the need for strong leadership (Andersson, 2011; Kimberlin et al., 2011), the presence of shared goals (Gazley, 2010; Sawhill & Williamson, 2001), and intentionality in collaboration and planning (Shilbury & Moore, 2006). In reviewing the items included in the two factors resulting from PCA, effective networked nonprofits intentionally collaborate, communicate, and build relationships with stakeholders, have a clear vision (shared goals) for both their organization and the larger system in which they operate, and value strong leadership of board and staff. According to the study definition, a networked nonprofit has a set of intentionally built trusting relationships and has systems and strategies that engage various stakeholders in meaningful conversations. They achieve their missions by developing strong partnerships where they invest in the goals of other organizations to mobilize resources for a common shared mission and values. If we compare the two factors resulting from PCA to this definition, they seem to support one another. The one aspect missing in the definition is that of a strong leadership of board and staff to support the organization's networked behaviors.

The Maturity of Practice items offered a continuum of how nonprofit practices change as they become more mature as networked nonprofits, mostly through social media. Effective external communication includes a public relations strategy, including online and through social

media, and advocacy related to the organization's mission (Child & Gronbjerg, 2007). Social media has become an incredibly important part of the communication strategy for US charities (Barnes & Mattson, 2009). While the Maturity of Practice items correlated to one another, they did not correlate to the networked or effectiveness measures. This seems to indicate a disconnect between the actual practice of networked nonprofit behaviors and the networked mindset. Or, that the networked mindset does not always translate into practice. Much of this could be attributed to organizational technology acceptance or the nonprofit culture, which includes an organization's orientation toward innovation (Shumate et al., 2012).

In reviewing the most highly correlated Maturity of Practice items, those that excel at the Maturity of Practice make an intentional strategy, invest organizational time and people resources, and collect and use the data to inform their relationship building. This is not a surprise as nonprofits who engage in strategic planning, "a deliberative, disciplined approach to producing fundamental decisions and actions that shape and guide what an organization is, what it does, and why" (Bryson, 2011, p. 8), can improve their effectiveness (Bryson, 2004). While not asked in the survey, this maturity can parallel that of organizational life cycle theory (S. Stevens, 2002), which typically cycle from a "start up" phase to a "maturing" phase depending on the transitions or changes an organization experiences internally or externally. An organization's capacity, or ability to fulfill their missions in an effective manner, will differ according to life stage. Therefore, an organization may not be as sophisticated in their "networkedness," especially their use of data (Kanter & Paine, 2012), depending on their life cycle stage. This in turn impacts how their effectiveness should be assessed.

**Unique Contributions**

There were unique findings of this study. Effective networked nonprofit scales were developed: Stakeholder/External and Systems Vision/Internal. The correlation analyses results highlighted that networked mindset does not necessarily translate to practice. And, that those who use the social media tools in a networked, strategic way, will most likely collect and use data in a way that informs the organization.

**Scale development.** A unique contribution of this study was the development of a scale that included components of networked behaviors, as well as social media "maturity of practice." This is the first scale I have discovered that produces data to analyze both the effective networked mindset as well as behaviors of practice. The scale is internally reliable as determined by Cronbach alpha and cohesive, based on PCA and bivariate correlation. The scale can be used again with similar or difference nonprofit populations to evaluate their maturity of networked effectiveness. In addition, confirmatory PCA could be facilitated with another sample to support the validity of the scales.

**Interpretation 1: Networked = new effectiveness**. This research identified two factors indicative of effective networked nonprofits that I named: Stakeholder/External and Systems Vision/Internal and defined in Table 5.1. The factors identified do not stand out as unique to just networked nonprofits as they include elements of effective nonprofits like Board Leadership (Brown 2005; J. C. Green & Greisinger, 1996; Herman & Renz, 2004; Jackson & Holland, 1998), External Communications (Balser & McClusky, 2005; Child & Gronbjerg, 2007), Nonprofit Collaboration (Guo & Acar, 2005; Stone et al, 2010), and Absorptive or Adaptive Capacity (Kapucu & Demoiroz, 2013; Todorova & Durisin, 2007; Zahara & George, 2002). Herman and Renz (2008) found that nonprofit organizational effectiveness is socially constructed so different

stakeholders will judge it differently over time.  As the concept of networked nonprofits is newer

to the field (Kanter & Fine, 2010; Wei-Skillern & Marciano, 2007), it makes sense that these

data could be interpreted to mean that networked behaviors are becoming measures of

effectiveness.  Or "networkedness" is becoming the new measure of effectiveness.

Table 5.1

*Networked Nonprofit Component Definitions*

| Networked Nonprofit Component | Definition |
|---|---|
| Stakeholder/External | Where the organization engages meaningfully with key stakeholders, including through pursuit of collaborations. |
| System Vision/Internal | Where the organization has a clear vision and understanding for the bigger system in which they operate that know how to communicate in a culturally competent way through board and staff internally and externally. |

Therefore, there seems to be a shift in what effectiveness of nonprofits looks like in

today's environment that calls for a more networked mindset (Gowdy et al., 2009).  It is

important to note that the shift of younger generations increasing in the nonprofit workplace and

as volunteers will have more networked mindset  (Brinkerhoff, 2007).  This means that, to

involve these younger generations as staff, volunteers, and donors, nonprofits will need to

engage these stakeholders in networked ways.  Dunn Saratovsky and Feldmann (2013) suggested

the following pertinent strategies through their Millennial Engagement Platform, which focuses

on the leadership potential of Millennials through transparency, social connectivity, and

solutions:

- Be unified as an organization in working with this generation by helping all leaders

   understand and agree on the need to engage Millennials;

- Understand the complexities of this generation's environment by appreciating what they experienced growing up, and how the rapid advancements of technology and culture have shaped their involvement with organizations;

- Identify Millennials who are seeking to make a difference and work with them to make change happen;

- Lead through engagement rather than participation by focusing on conversational and relationship involvement with your organization; and

- Create realistic and incremental goals for what Millennial success looks like for your organization.

The findings suggest that effectiveness behaviors like engaging with key stakeholders or intentional collaboration are becoming more important as a networked mindset is demanded by the sector and society.

**Interpretation 2: Networked mindset ≠ social media.** The Maturity of Practice items correlated to one another but not to the networked or effectiveness measures. This seems to indicate that the networked mindset does not always translate into actual behaviors. It is understandable, as effectiveness is socially constructed, that the way respondents perceive their levels of effectiveness and networkedness may indeed not align with behaviors. However, I believe this finding is important as nonprofit organizations need to start with an intentional, shared network mindset that is embedded within the entire organization in order to reap the learning and impact benefits that can come from networked behaviors, the use of social media being one. It was interesting to me and perhaps a paradox, that the mean of question 23 Results was the lowest at 1.46. Additionally, 68.6% of respondents reported not tracking at all a theory of change from social media activity to social change results to financial value for their

organization. For the large social change issues nonprofits are working on, I would hope, especially as a grantmaker, that they have clear strategy for how their various activities tie to social change as well as financial value for the organization. This finding seems to point to the need for significant work in this space. Kanter and Paine (2012) identified two processes key to success for nonprofits as: becoming networked and using measurement to improve and refine its systems. Organizations can be intentional about building relationships and engaging with stakeholders in many ways off-line. Intentional shared meaning making between the board and staff about what an effective networked mindset means for each nonprofit is important, regardless if it includes social media.

**Interpretation 3: Social media maturity matters.** In reviewing the most highly correlated Maturity of Practice items, it seems that those who excel at the Maturity of Practice are those who make an intentional strategy, invest organizational time and people resources, and collect and use the data to inform their relationship building. While this makes logical sense, most nonprofits are in a constant struggle to have the financial and human resources to effectively support their organization, as the mission or work of the nonprofit takes precedent. What makes this unique to nonprofits is the focus on mission versus financial returns of for-profit organizations. The capacity of a nonprofit can be compounded by staff size, organizational budget, and stage in organizational life cycle. It is important to note that the majority of respondents for this study came from small nonprofits with budgets under $1,000,000. Therefore, there needs to be the investment of executive staff and board members to support the time and resources needed to intentionally plan, execute, grow, and learn from its networked use of social media tools if they chose to use them.

**Interpretation Through Theoretical Frameworks**

The practical applications regarding theories are discussed in the context of the research results. Practical suggestions for nonprofit staff and board are offered.

**Learning organization.** A learning organization is one that facilitates the learning of its members and continuously transforms itself (Pedler, Burgogyne, & Boydell, 1997; Senge, 1990). Absorptive capacity is the capacity of an organization to learn (Cohen & Levinthal, 1990). This study identified two-way communication with stakeholders as an important behavior of networked nonprofits. It also found that those most mature in their social media were learning from it by monitoring their brand, tracking and analyzing data, and discussing and applying the results. Kanter and Fine (2010) described the importance of learning loops for effective networked nonprofits—a process of tracking, monitoring, and reflecting on results in real-time.

A learning organization has five features including systems thinking, personal mastery, mental models, shared vision, and team learning (Senge, 1990). Systems theory and organizational learning theory are conceptual foundations of the absorptive capacity phenomenon. Systems theory provides a framework that views organizations as open, living systems adaptable to changing environments. Organizational learning theory offers a linear and systemic process by which organizations improve performance through the integration of new knowledge. "By mobilizing resources outside of their immediate control, networked nonprofits achieve their missions far more efficiently, effectively, and sustainably than they could have by working alone. They forge long-term partnerships with trusted peers to tackle their missions of multiple fronts and think of their organizations as nodes within a broad constellation that revolves around shared missions and values" (Wei-Skillern & Marciano, 2007). This study

identified that having a clear vision for the organization and understanding the broader system that an organization operates in is a factor of effective networked nonprofits.

**Organizational culture.** The Adapt Theory, one of the three of Kotter and Heskett's (1992) theories of organizational culture, found that cultures that can help organizations anticipate and adapt to environmental changes will demonstrate superior long-term performance (Kotter & Heskett, 1992). The continued growth of social media and its uses for social change challenges nonprofit to engage in new ways of connecting and communicating in multiple channels. "This demands a greater openness and transparency which can pose a cultural challenge for many nonprofit leaders, who have long been taught that an organization must speak with one voice and that it should seek to control the message" (Gowdy et al., 2009, p. 10). This study identified the need for effective networked nonprofits to communicate openly and honestly. For some nonprofits this is already a part of their culture. For other nonprofits, this is a culture shift. Nonprofit leaders need to be prepared to encourage strategic adoption and utilization of these new tools for communicating and producing efficiencies. And instead of trying to control the voice of the organization, empower others with information and bring their authentic self to personal use of the technologies.

**Network effect**. The "network effect" is that the overall value is increased with the addition of others (Brafman & Beckstrom, 2006). "Networks are structures involving multiple nodes—agencies and organizations—with multiple linkages" (McGuire, 2003, p. 4). In the networked stage, organizational power comes from the network web and the informal relationships that exist among those in leadership roles in the various centers of activity (Renz, 2010). The effectiveness of these networks of nonprofits relies on the effectiveness of the individual organizations involved. Nonprofit collaboration is "what occurs when different

nonprofit organizations work together to address problems through joint effort resources, and decision making and share ownership of the final product or service" (Guo & Acar, 2005, p. 342). As nonprofits collaborate, build relationships, and discuss ideas, facilitation of resource sharing can happen. This study found that diversity of meaningful stakeholder engagement was a statistically stronger indicator of effective networked nonprofits than collaborations or long-term partnerships. This could be attributed to the fundamental need to build relationships as the base on which partnerships or collaborations come in the future. This could also be attributed to the more networked mindset that supports that social change can happen in many ways, which do not always need organizational partnerships or collaboration. While collaboration has a clear impact on organizational outcomes and effectiveness (Selden, Sowa, & Sandfort, 2006), it does not have to be a part of a networked nonprofit.

**Implications for Leadership and Change**

The following includes a discussion regarding the implications for leadership and change. Nonprofit capacity, staff leadership, stakeholder voice, and other ideas are presented.

**Nonprofit capacity.** Nonprofit capacity encompasses the organizational knowledge, systems, processes, and people that contribute to the organization's ability to produce, perform, or deploy resources to achieve its mission at an optimal level (Kapucu et al., 2011). Capacity building on the behaviors found in effective networked nonprofits is needed for both board and staff. It is important to build a shared strategy for what being an effective networked nonprofit means from the board and executive staff down. One idea I have is for the organization to revisit its strategic and business plans to identify how they could increase their impact through intentionally built, trusting relationships with various stakeholders and strong partnerships with other organizations. The organization may want to map these relationships and then reach out to

those stakeholders and partners to have them help inform their strategy. One way I have done this with organizations is to have board members interview stakeholders. For example, interviewing two current stakeholders with different perspectives (i.e., a client or recipient of services and a donor) and someone who is not a stakeholder but could be one on their views and knowledge about the work of the organization, as well as their ideas for how the organization could have a deeper impact for the cause they care about. This could also be accomplished through social media interactions or through surveys. The information gleaned would help provide a larger picture for the organization and its leaders about their current reputation and offer insights to inform future strategy. It is important to note that this increased knowledge and strategy in networked nonprofit behaviors will likely necessitate a change in organizational culture. By increasing organizational capacity, organizational performance is enhanced, which enables a nonprofit to more effectively and efficiently achieve its mission (Eisinger, 2002; Kapucu et al., 2011).

**Staff leadership.** Given that staff normally in charge of social media range from the executive director or an intern in smaller organizations to a communications team in larger organizations, it is important to align the overall networked nonprofit strategies of an organization to its social media plan and work. Training for these staff in new ideas and practices surrounding social media technology and building their professional network, could lead to their growth as organizational and sector leaders and voices of authority in the various nonprofit mission areas. This training should be grounded in network theory and the culture of the nonprofit organization, along with information about how nonprofits are creatively and effectively using social media and specific network building tools. I have found an important first step is helping leaders visualize their networks through low-tech ways like creating a

network map with sticky notes or using various online social network tools like Bubble.us or Kumu.  Using this knowledge, they can align this with where they are on the Social Media Maturity of Practice items and make plans for where they want to focus efforts.  It is important to point out additional competencies needed in these staff including knowing how to share information and connect people, facilitate meaningful discussions in-person and online, how to motivate others, and work across sectors and organizations.  Crutchfield and McLeod Grant (2008) found that high-impact nonprofits have learned that "true power comes not from concentrating authority and responsibility at the top, but rather from spreading it as widely as possible.  It comes from a culture of leadership that permeates the organization, one that freely gives power away" (p. 177).

**Stakeholder voice.**  One of the aspects I find most promising for nonprofits implementing a networked mindset is the opportunity to build relationships with and engage various stakeholders in meaningful ways in their organizations.  This could be sharing information with their networks in-person or online about the organization or cause; volunteering for the organization on a regular basis including board service or through specific, even pro bono projects; donating funds through recurring gifts or through creative crowd-sourced fundraising opportunities; or through advocating for needed policy changes.  Stakeholders are looking for ways to support causes, not just organizations, they care about.  Nonprofits who understand and offer creative ways for individuals to make a difference can increase their capacity through use of these stakeholders.  This is the true power of shared or collaborative leadership.

**Implications for Researcher**

The research findings were helpful to me in a variety of ways.  As I work frequently with nonprofits and nonprofit networks providing grants, trainings, and consultations on

organizational and leadership development, being able to share the connection between the networked mindset, effectiveness, and social media is critical due to its timeliness in the field. I believe that the vast majority of nonprofit board and staff care deeply about the mission and cause of the nonprofits they serve; however, they do not always understand the history, current culture, and network of the organization and how it impacts their ability to think and act in a networked way to accomplish their mission. From my experience, having executive staff and boards working together on intentional networked strategy around the two component areas identified could be very powerful. Since board effectiveness and impact has been correlated to actual time spent on board business (Bhagat & Kehoe, 2014) and organizational effectiveness (Brown 2005; J. C. Green & Greisinger, 1996; Herman & Renz, 2004; Jackson & Holland, 1998), board development is critical. Kezar's (2006) seven elements of high performing governing boards included the networked components: common vision/purpose and internal relationships; and, external relations, which relate to networked competencies. As an organization becomes more proficient in generative thinking, or leadership of the organization that produces a sense of what knowledge, information, and data mean, they, in turn, become more effective (Chait et al., 2005). Therefore, working with boards and executive staff to build capacity in generative thinking, especially around the networked mindset, should help them to become more effective as an overall organization. I plan to use the scale developed through this research with nonprofit boards and staff along with a question guide including the following questions to help guide strategic planning for future action:

1. What is our participation in networks/collaborations/alliances? What is our reputation among our peer organizations?

2. What are examples of programmatic victories that are the result of shared efforts for our organization?

3. How do we mobilize people to achieve program and fundraising goals?

4. What are the networks our board and senior staff have in the community? How could we more effectively leverage these for the organization's mission?

5. What do we DO with our current network and how many people take action when asked?

6. Where would we like to be more networked as an organization (e.g., marketing, resource development, governance)?

7. How do we define networked for our organization? What are the measures we use or will use to know if we are being effective according to our definition?

8. What plans need to be put in place to become more networked as an organization?

As a grantmaker, there is an art to identifying the organizations or efforts you think will yield the most impact for the difference your foundation wants to make. When that impact is stymied due to an organization's board or staff's lack of a networked mindset, it is frustrating. I hope to use these findings and this scale to help myself and fellow grantmakers identify and support organizations that invest in strong relationships with stakeholders and mobilize resources for a common shared mission and values. This could be measured through the scale created or through conversations with a variety of stakeholders related to the organization.

As a past facilitator, and current member, of a number of nonprofit networks, it has been fascinating to see what happens when you bring a number of nonprofits together around a shared cause or vision. In my experience, tension is created at various points in the network due to the culture of the organizations coming together. Some share all, others choose to keep information

private. Some want to invite anyone who is interested to join, others want to limit invitations to known entities. In other words, some of the nonprofits in the network are more networked than others. These research findings could help those forming and participating in nonprofit networks have a conversation about each organization's culture and current maturity of practice as networked nonprofits. The scale could be used as a way to test readiness of new members or the current state of network members.

As a consultant to nonprofits focused on nonprofit organizational development, I have identified the need to help, especially boards, define what networked means to them and then develop the strategy for how that will help them accomplish their work. This may or may not include social media. In my experience, nonprofits want to be effective but most do not have a shared definition or "measuring stick" to help them see how they are doing on their path to effectiveness. The results of this research will help me connect effectiveness and networkedness for my grantees and clients and help align strategy to where they ideally want to be.

**Implications for Future Research**

The competencies related to networked nonprofits and the scales explored in this study offer rich fodder for future research. Further analysis of the data collected, by organizational size and mission category, could yield interesting results. There is also an opportunity to look at how nonprofit effectiveness is shifting as society and our economy continue to change and to compare ratings of effectiveness of networked and non-networked nonprofits to see if there are noteworthy differences or relationships. This study had an adequate sample size of 157 respondents. A larger sample of nonprofits would provide further validation through additional populations and confirmatory PCA. Future analysis utilizing effectiveness measures with the components tested could provide further insights into the relationship between "networkedness"

and effectiveness. I would be interested to learn more about the relationship of accountability and transparency in networked nonprofits.

Also, different research designs might bring more depth of understanding into how effectiveness is shifting to include more networked qualities. It could be interesting to find out how individual nonprofits define network effectiveness and integrate it into their organizational culture, strategy, and online presence. Perhaps a qualitative method that involves interviewing and evaluating thematic concepts would bring additional understanding of the individual nonprofit experience. Implementing a quantitative study that uses the survey as a pre-test and calculates a total maturity score prior to a training and/or coaching about building a network mindset and capacities, followed by a post-test, could also be useful. Additionally, a longitudinal study looking at a total maturity score over time of individual organizations or those within a nonprofit network could also be helpful to see behaviors shift over time.

Future research could utilize the scales within the organizations of a specific nonprofit network. It would be interesting to add an element of peer review, asking those in the network to rate others on their perceived level as an effective networked nonprofit. Additional tools, such as Social Network Analysis could be utilized to investigate the strengths of relationships among the members.

**Conclusion**

While the study itself or the content explored did not solve the large social issues influenced by nonprofits, they did move the research forward on the growing practitioner topic of networked nonprofits. Many nonprofits I come in contact with want to build the capacity of their boards and staff in this emerging shift of effectiveness to "networkedness" and are not sure how to and how much to invest in social media for the social change they wish to see. Through

engagement of my results, I hope to inspire these organizations to invest in conversations and strategies related to their networked mindset from a place of effectiveness. I also hope to inspire nonprofits to make the strategic choice to engage in social media as a stakeholder engagement strategy if they so choose. I am inspired by the momentum and energy for creative social change happening through our nonprofit sector that benefits our communities and world and am eager to influence the organizations and their leaders, young and old alike, involved in this change through building and growing their networked mindset. "Community offers the promise of belonging and calls for us to acknowledge our interdependence. To belong is to act as an investor, owner, and creator of this place. To be welcome, even if we are strangers. As if we came to the right place and are affirmed for that choice" (Block, 2008, p. 3).

**Appendix**

**Appendix A**

**Survey Instrument**

## Dissertation Survey

### Introduction

Thank you for your willingness to participate in this study.

This research study will identify the competencies and behaviors of a networked nonprofit. As a former nonprofit executive director and current foundation director, I am interested in using this information to help nonprofits become more networked.

In the study, a networked nonprofit is defined as one that has a set of intentionally built trusting relationships and has systems and strategies that engage various stakeholders in meaningful conversations. They achieve their missions by developing strong partnerships where they invest in the goals of other organizations to mobilize resources for a common shared mission and values.

Since you have received this email through a nonprofit network, I have identified you as working in a networked nonprofit.

You will be asked to provide some demographic information, which will be used in aggregate form to analyze the data collected. The time commitment to complete this survey is 20 minutes.

If you would like to receive the final report from this study, please share your contact information at the end of the survey. Please note that sharing this information will make your responses not anonymous to the researcher. If you wish to maintain your anonymity, the data will be available online at www.anniehernandez.com or you can email the researcher for the report at ahernandez1@antioch.edu.

Your responses will remain confidential and kept in a secured place for possible further research purposes.

This research study is a part of my doctoral dissertation work in Antioch University's Ph.D. Program in Leadership and Change.

If you have any questions, do not hesitate to contact me at 317.460.6200 or ahernandez1@antioch.edu.

Best regards,
Annie Hernandez
Doctoral Student
Antioch University
PhD Program in Leadership and Change
about.me/anniehernandez

**\*1. A networked nonprofit has a set of intentionally built trusting relationships and has systems and strategies that engage various stakeholders in meaningful conversations. They achieve their missions by developing strong partnerships where they invest in the goals of other organizations to mobilize resources for a common shared mission and values. With this definition in mind, rate your organization as a networked nonprofit on a scale of 1-5 (5=very networked).**

| 1=not networked at all | 2 | 3=moderately networked | 4 | 5=very networked |
|:---:|:---:|:---:|:---:|:---:|
| ◯ | ◯ | ◯ | ◯ | ◯ |

Comments (please specify)

## Dissertation Survey

**\*2. While a nonprofit's effectiveness can be determined in many ways, effective nonprofits likely use correct management practices and are responsive to meeting both their financial solvency and advancing a social good. Dimensions taken into account in determining effectiveness include commitment to mission, healthy board and staff leadership and human resource practices, sound financial practices, strategic planning and evaluation, engagement of stakeholders through appropriate communications, and collaboration with like-minded organizations. With these dimensions in mind, rate the effectiveness of your organization on a scale of 1-5 (5=very effective).**

| 1= not effective at all | 2 | 3= moderately effective | 4 | 5=highly effective |
|:---:|:---:|:---:|:---:|:---:|
| ◯ | ◯ | ◯ | ◯ | ◯ |

Comments (please specify)

# Dissertation Survey

## Networked Nonprofits Definition and Behaviors

**3. On a scale of 1-5 (1=not doing well at all; 5=highly excels), rate your organization according to the following competencies of networked nonprofits. If the item represents an activity you do not do at all, please leave blank and move to the next.**

| | Not doing well at all | | Doing moderately well | | Highly excels |
|---|---|---|---|---|---|
| Actively pursues collaborations with key stakeholders | ○ | ○ | ○ | ○ | ○ |
| Converses meaningfully with key stakeholders | ○ | ○ | ○ | ○ | ○ |
| Appreciates collaboration as a part of the organizational culture | ○ | ○ | ○ | ○ | ○ |
| Forges long term partnerships with trusted peers | ○ | ○ | ○ | ○ | ○ |
| Shares credit with partners | ○ | ○ | ○ | ○ | ○ |
| Has a clear vision for the organization | ○ | ○ | ○ | ○ | ○ |
| Understands the bigger system their organization operates in | ○ | ○ | ○ | ○ | ○ |
| Communicates openly | ○ | ○ | ○ | ○ | ○ |
| Communicates honestly | ○ | ○ | ○ | ○ | ○ |
| Values board and staff | ○ | ○ | ○ | ○ | ○ |
| Trains board and staff | ○ | ○ | ○ | ○ | ○ |
| Values longevity of relationships that build trust | ○ | ○ | ○ | ○ | ○ |
| Is culturally competent | ○ | ○ | ○ | ○ | ○ |

## Dissertation Survey

### Networked Nonprofit Maturity of Practice

This tool is adapted from the practice of Beth Kanter, focusing on social media maturity as a sign of networkedness along the scale of crawl, walk, run, and fly. The questions are based on the Crawl, Walk, Run, Fly maturity of practice model in "Measuring the Networked Nonprofit" by B. Kanter and KD Paine. Please rate your organization according to the indicators that best describe your organization for each area. If the item represents an activity you do not do at all, please leave blank and move to the next.

**4. Rate your organization according to the indicator that best describes your organization.**

| | Understanding of networks that are connected to organization. | Listening to and cultivating relationships with networks based on mapping networks. | Comfort level with greater organizational openness and transparency. Leadership is using social networks and comfortable with showing personality. | Leadership is comfortable using decentralized decision-making and collective action with networks. Considers people inside and outside of the organizations as assets in strategy. |
|---|---|---|---|---|
| Networked Mindset | ○ | ○ | ○ | ○ |

**5. Rate your organization according to the indicator that best describes your organization.**

| | Social media policy is drafted and gaining support through "road shows" with departments. | Social media policy has been discussed and approved by leadership. | Social media staff position includes facilitating training other staff to use social networks. | All staff use social media effectively to support organization objectives. The social media policy includes a social media work flow or crisis response flow chart and it is used. |
|---|---|---|---|---|
| Institutional Support | ○ | ○ | ○ | ○ |

**6. Rate your organization according to the indicator that best describes your organization. S.M.A.R.T. is an acronym that is used to guide the development of measurable goals. Each objective should be: Specific, Measurable w/Measurement, Achievable, Relevant, and Time-Oriented.**

| | Consideration of communications strategy with SMART objectives and audiences and strategies for branding and web presence. | Strategic plan with SMART objectives and audiences, including strategy points for integrated social media. | Includes an integrated content, social fundraising, and engagement strategy. There is a formal influencer support program if appropriate. | Strategy includes working with align partners to implement. |
|---|---|---|---|---|
| Communications Strategy | ○ | ○ | ○ | ○ |

**7. Rate your organization according to the indicator that best describes your organization.**

| | Less then 5 hours per week of staff time is invested. | 5-19 hours per week of staff time is invested in one position. Other staff or intentions implement social media. | 20-29 hours per week of staff time in a dedicated social media position. Other staff or interns or influencers implement social media strategy. | 30-40 hours of staff time is invested in a dedicated social media position with support staff. Other staff or interns or influencers implement social media. |
|---|---|---|---|---|
| Hours | ○ | ○ | ○ | ○ |

## Dissertation Survey

**8. Rate your organization according to the indicator that best describes your organization.**

| | Social media is delegated to a volunteer, inexperienced staffer or intern. | Social media is part of mid-level staff job description, with additional intern time. | Senior level staff participate in strategy oversight or development. | Organizational leadership and boards get regular reports and ask good questions. |
|---|---|---|---|---|
| Expertise | ◯ | ◯ | ◯ | ◯ |

**9. Rate your organization according to the indicator that best describes your organization.**

| | Actively using one social media channels, but may have presence on others. | Actively using 2-3 social media channels that connect with target audiences, but has a presence on others. | Actively using 4 social media channels that connect with target audience and has a process to research, experiment, and adopt new tools/channels. | Actively using more than 4 social media channels that connect with target audience. Uses processes to research, experiment, and adopt new tools/channels. |
|---|---|---|---|---|
| Social Channels | ◯ | ◯ | ◯ | ◯ |

**10. Rate your organization according to the indicator that best describes your organization.**

| | Lacks consistent data collection or formal reporting. Draws conclusions from incomplete data or "drive by" analysis. | Data collection is consistent, but not shared between departments. Not all data is linked to decision-making for better results. | Data are from multiple sources and shared across departments through a dashboard. Does not collect data it doesn't use. Measurable objectives are based on benchmarking. | Establishes organizational KPIs and tracks in organizational dashboard with different views for departments or levels. May have data analyst on staff. |
|---|---|---|---|---|
| Analysis | ◯ | ◯ | ◯ | ◯ |

**11. Rate your organization according to the indicator that best describes your organization.**

| | Not using or not using fully. | Using free or low cost analytics tools to collect metrics and analyze further in spreadsheets if required for actionable insights. | Using free/low cost analytics tools to collect metrics and analyze further in spreadsheets if required for actionable insights. Uses social media management/metrics professional tool to collect data. | Uses professional measurement and analytics tools. Provides training or uses expert consultants to assist in data/analysis. |
|---|---|---|---|---|
| Tools | ◯ | ◯ | ◯ | ◯ |

**12. Rate your organization according to the indicator that best describes your organization.**

| | Does not use data to make planning decisions. | Uses data for decision-making but not a formal organizational process. | Reports are discussed at staff meetings and used to make decisions that improve results. | Formal process for analyzing, discussing, and applying results. Data visualization and formal reflection processes. |
|---|---|---|---|---|
| Adjustment | ◯ | ◯ | ◯ | ◯ |

**Dissertation Survey**

### 13. Rate your organization according to the indicator that best describes your organization.

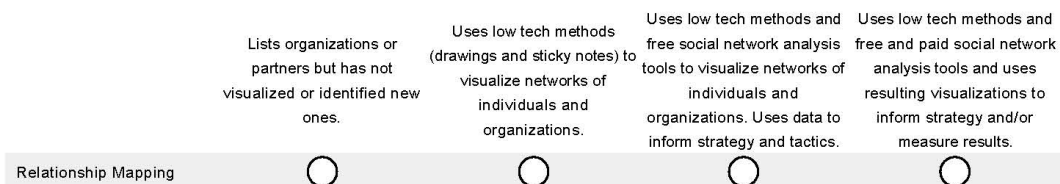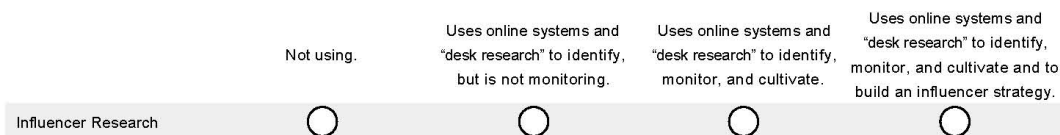| | Observing conversations and receiving Google Alerts, but not doing analysis. | Tracking keywords, influencers, or conversations using free tools, but does not have a formal organizational process for synthesis and reporting. | Tracking keywords, influencers, and conversations using free tools and weekly/monthly reporting and synthesis. | Tracking keywords, influencers, and conversations using free and paid tools and weekly/monthly reporting and synthesis. Capacity to use "real-time" information to respond. Uses both to make decisions, avoid social media crisis before escalating. |
|---|---|---|---|---|
| Brand Monitoring | ◯ | ◯ | ◯ | ◯ |

### 14. Rate your organization according to the indicator that best describes your organization.

| | Lists organizations or partners but has not visualized or identified new ones. | Uses low tech methods (drawings and sticky notes) to visualize networks of individuals and organizations. | Uses low tech methods and free social network analysis tools to visualize networks of individuals and organizations. Uses data to inform strategy and tactics. | Uses low tech methods and free and paid social network analysis tools and uses resulting visualizations to inform strategy and/or measure results. |
|---|---|---|---|---|
| Relationship Mapping | ◯ | ◯ | ◯ | ◯ |

### 15. Rate your organization according to the indicator that best describes your organization.

| | Not using. | Uses online systems and "desk research" to identify, but is not monitoring. | Uses online systems and "desk research" to identify, monitor, and cultivate. | Uses online systems and "desk research" to identify, monitor, and cultivate and to build an influencer strategy. |
|---|---|---|---|---|
| Influencer Research | ◯ | ◯ | ◯ | ◯ |

### 16. Rate your organization according to the indicator that best describes your organization.

| | Not using. | Informal description of different levels of engagement on different platforms or across platforms, but doesn't align with strategy or measurement. | Formal description of different levels of engagement based on survey or qualitative research. Aligns with strategy, but does not measure process for all steps. | Formal description of different levels of engagement based on survey or qualitative research. Aligns with strategy and collects data and reports organized by engagement and conversion levels. |
|---|---|---|---|---|
| Ladder of Engagement | ◯ | ◯ | ◯ | ◯ |

# Dissertation Survey

**17. Rate your organization according to the indicator that best describes your organization.**

| | Does not respond to comments posted on social networks or engage with networks. | Responds haphazardly to comments on networks or engages with networks around content. | The communications team coordinates and consistently responds to comments on networks and engages with networks around content. | The organization responds through organizationally branded accounts and staffers to comments and networks and engages with networks around contents. The organization is able mobilize its network to circumvent a social media crisis. |
|---|---|---|---|---|
| Responsiveness | ○ | ○ | ○ | ○ |

**18. Rate your organization according to the indicator that best describes your organization.**

| | Posts content that may be relevant to audience, but not consistently. | Uses an editorial calendar to align content strategy with objectives and audiences and publish content across channels on a regular schedule. | Has an editorial process to brainstorm content, curates content regularly, and uses an editorial calendar to consistently publish. Is able to balance planned content with spontaneous postings that leverage its network. | Uses online collaborative editorial calendar or other mechanisms to share the content process across its network and with partner organizations or influencers. |
|---|---|---|---|---|
| Integration | ○ | ○ | ○ | ○ |

**19. Rate your organization according to the indicator that best describes your organization.**

| | Does not use measurement or research to identify and refine optimization techniques. | Adopts best practices for social content optimization for frequency, time/day, type of content, length, and other variables. | Uses measurement processes to evaluate the performance of content on a regular basis and make improvements. Uses platform features to maximize content performance. | Uses measurement to evaluate the performance and this knowledge is built into the editorial decision-making process. |
|---|---|---|---|---|
| Social Content Organization | ○ | ○ | ○ | ○ |

**20. Rate your organization according to the indicator that best describes your organization.**

| | Is aware of social events, but doesn't host or participate. Does not solicit feedback or ideas from its followers . Staff do not leverage professional networks. | Participates in selected social online events. Had formal policy and operational manual for staff to use their professional networks on behalf of organization. | Hosts online social events with aligned partners but not regularly. Provides training and support for staff to leverage their professional online networks on behalf of the organization. | Hosts regular online social events with aligned partners or others as part of the overall strategy. Staff (and board) use of online professional networks is institutionalized. |
|---|---|---|---|---|
| Networking and Network Building | ○ | ○ | ○ | ○ |

## Dissertation Survey

**21. Rate your organization according to the indicator that best describes your organization.**

| | Has partners but is not collaborating on social networks. | Connects and collaborates with aligned partners in a haphazard way, not consistent or strategic. | Consistent conversations and connections with aligned partners on social media platform(s) and implements small pilots. | Consistent collaborations with aligned partners on social channels with activities that are mutually aligned with objectives. |
|---|---|---|---|---|
| Collaboration with Partners | ◯ | ◯ | ◯ | ◯ |

**22. Rate your organization according to the indicator that best describes your organization.**

| | Aware but not using. | Has set up a presence on a social fundraising platform. | Testing a social fundraising platform with a small pilot and campaign and measuring engagement and dollars as success metrics. | Routinely implements social fundraising activity as part of integrated fundraising or stand-alone. Uses engagement and dollars as success metrics. Leverages influencers relationships. Learns to improve campaigns with data. |
|---|---|---|---|---|
| Social Fundraising | ◯ | ◯ | ◯ | ◯ |

**23. Rate your organization according to the indicator that best describes your organization.**

| | Not tracking. | Shows a logic path in a theory of change from social media activity to social change results. | Has an analytics or metrics tracking system to capture conversion rate from reach or engagement. | Captures conversion rate is able to translate into financial value for organization. |
|---|---|---|---|---|
| Results | ◯ | ◯ | ◯ | ◯ |

# Dissertation Survey

## Demographic Information

**\*24. What best describes your role or title in your organization?**

○ Executive Director/CEO/President

○ Vice President

○ Program Director

○ Advancement Director

○ Board President

○ Board Member

Other (please specify)

[                    ]

**25. How many years total have you worked in the nonprofit sector?**

○ less than one year

○ 1-2 years

○ 3-5 years

○ 6-10 years

○ 11-20 years

○ 21+

Other (please specify)

[                    ]

**26. Which of the following best describes your organization's mission area?**

○ Education

○ Health & Human Services

○ Arts

○ Economic Development

○ Environmental

Other (please specify)

[                    ]

## Dissertation Survey

**27. What social media tools does your organization use at least monthly? Choose all that apply.**

- [ ] Facebook
- [ ] Twitter
- [ ] LinkedIn
- [ ] Blog
- [ ] YouTube

Other (please specify)

[                                                                ]

**28. Select the range that best describes your Facebook and Twitter Reach combined.**

- ( ) 0
- ( ) 1-299
- ( ) 300-999
- ( ) 1,000-9,999
- ( ) 10,000+

**29. What category represents your organization's annual budget?**

- ( ) $0-249,999
- ( ) $250,000-999,999
- ( ) $1,000,000-$2,999,999
- ( ) $3,000,000+

Other (please specify)

[                                        ]

**30. What is your gender?**

- ( ) Male
- ( ) Female
- ( ) Transgender
- ( ) Prefer not to disclose

## Dissertation Survey

**31. Fill in your information below if you would like to receive a copy of the final report. Please be aware that doing so will make your survey responses not anonymous to the researcher. If you would like to maintain your anonymity, you can visit www.anniehernandez.com for the report or send an email to ahernandez1@antioch.edu with the subject line: I would like to receive the report.**

Name:

Organization:

Address:

Address 2:

City/Town:

State:

ZIP:

Country:

Email Address:

Phone Number:

Thank you for your time to complete the survey!

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