

**NONPROFIT ACCOUNTABILITY: AN INSTITUTIONAL AND RESOURCE
DEPENDENCE LENS ON CONFORMANCE AND RESISTANCE**

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Submitted to the Graduate Faculty of
the School of Public and International Affairs in partial fulfillment
of the requirements for the degree of
Doctor of Philosophy

University of Pittsburgh
2009

UNIVERSITY OF PITTSBURGH
GRADUATE SCHOOL OF PUBLIC AND INTERNATIONAL AFFAIRS

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Dedication

For my family—Kristy, Sam and Katie—and in memory of Nonnie.

Nonprofit Accountability: An Institutional and Resource Dependence Lens on Conformance and Resistance

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University of Pittsburgh, 2009

This research examines to what extent and why nonprofit accountability mechanisms are adopted in human service organizations located in southwestern Pennsylvania. Its focus is twofold: 1) to assess the extent to which nonprofit leaders are familiar with and use the nonprofit accountability mechanisms that have been proposed in the literature and through nonprofit sector leadership organizations—to assess nonprofits’ “accountability competency” and 2) to explore the motivations or incentives for instituting or resisting the practices.

One hundred and fifty-six nonprofit human service executives in southwestern Pennsylvania participated in a mailed survey, and 20 of those respondents agreed to a follow-up personal interview. Results indicate that local nonprofits are more likely to adopt legal and financial accountability mechanisms, such as filing the IRS Form 990 and having a board approved operating budget, and less likely to adopt normative best practices, such as program evaluation, ethics codes and executive compensation policies. Further, study results examined through a dual lens of institutional and resource dependence theories, support the hypotheses that organizations are more motivated to adopt accountability mechanisms with greater degrees of organizational interconnectedness, external dependence on pressuring constituents, social legitimacy achieved, economic gain and legal coercion.

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CHAPTER 1: THE ACCOUNTABILITY PROBLEM

1.1 INTRODUCTION

For the past two decades, there have been a number of scholarly publications regarding nonprofit accountability in the United States, as well as widespread coverage in the news media and legislative hearings highlighting nonprofit accountability failures. (While it has been defined in a number of ways, “accountability” can be succinctly described as being held responsible for performance or reaching organizational goals.) These publications and stories have addressed various aspects of nonprofit accountability, including construct definitions, conceptual frameworks, prescriptions for improving nonprofit accountability and accountability failures. Stories about the lack of nonprofit accountability continue to appear regularly, and in some cases, reappear. Some of the scandals of the early 1990s seem hauntingly familiar in the 2000s—happening again within the same organizations, such as the United Way and the American Red Cross.

Many people readily recall scandals involving the United Way of America in the early 1990s when the executive director misused funds and spent lavishly on business trips and the very similar and more recent scandals at the United Way of the National Capital Area and United Way of the Carolinas, during which the former executives misappropriated funds by taking salary advances and inappropriate reimbursement of business expenses and arranged for excessive compensation and retirement benefits. The American Red Cross has also suffered

harsh criticism for not clearly communicating the use of contributions and for not deploying donor contributions for their intended purposes following 9/11 and Hurricane Katrina. Of course, we easily recall these incidents because the organizations involved have a long history and national profiles. However, accountability lapses appear to be much more widespread. Between 1995-2002, Freemont-Smith and Kosaras documented 152 criminal and civil incidents involving the theft or misappropriation of \$1.28 billion from nonprofit organizations.¹ The authors also suggest that this total may be under-reported due to lack of careful oversight in the sector.

Accountability is not just an issue of the contemporary nonprofit sector, but it is one that has its roots in the United States since its founding. Hammack contends that American nonprofits are open to criticism for failures of accountability because of the manner in which the sector developed and evolved historically.² He explains that the United States' belief in limited government and separation of church and state fueled the growth of nonprofit organizations. Oversight of the fledgling U.S. nonprofit sector was originally provided by various religious organizations, but as the sector became larger and more secularized, this oversight was either no longer adequate or present, leading to gaps in accountability.

It is important to note that accountability concerns are not unique to the nonprofit sector. Both the public and the private corporate sectors have struggled with how to hold government officials and corporate leaders accountable for their actions. Public administration scholars are familiar with the classic accountability debate that was sparked in the 1930s between Finer and

¹ Freemont-Smith, Marion R. and Kosaras, Andras. (September 2003). Wrongdoing by Officers and Directors of Charities: A Survey of Press Reports 1995-2002. The Hauser Center for Nonprofit Organizations, The Kennedy School of Government, Harvard University, Working Paper No. 20.

² Hammack, David C. (Winter 1995). Accountability in Nonprofit Organizations: A Historical Perspective. *Nonprofit Management & Leadership*, (6)(2), 127-139.

Friedrich. Finer strongly believed that public servants needed to be closely supervised through the courts and with disciplinary controls within the hierarchy of administrative departments to the “most minute degree that is technically feasible.” On the other hand, Friedrich believed that public servants should be guided by professional standards and personal responsibility to ensure that they best serve the public interest. Friedrich believed that the work of public officials was too technical and complex for official oversight.³

There are several corporate sector examples of accountability failures, including Enron, Adelphia and Tyco, which led to the passage of the Sarbanes-Oxley Act of 2002, legislation that introduced several new controls, such as audit committees, to increase corporate accountability. More recently, the large bonuses awarded to executives of AIG, following receipt of billions of dollars in federal bail-out money to prevent bankruptcy, sparked national outrage. Clearly, striking the right balance of personal responsibility and appropriate government oversight to ensure accountability has been a vexing question across the public and private sectors throughout American history.

1.2 RESEARCH QUESTIONS

With this persistent focus on accountability, why is it that the nonprofit sector continues to struggle to achieve accountability? Despite all of the intellectual energy devoted to increasing nonprofit accountability, there is a conspicuous lack of reliable data, in the Pittsburgh region and nationally, on the extent to which nonprofit organizations are actually using, and benefiting from, various methods and metrics to hold themselves accountable for their actions and outcomes.

³ Finer, Herman. (Summer 1941). Administrative Responsibility in Democratic Government. *Public Administration Review*, (1)(4), 335-350.

There is little information about the degree to which nonprofits are aware of and implementing any of the prescribed best practices or codes of organizational conduct. This awareness and implementation level is what this study will refer to as “accountability competency.” There is also a lack of empirical study regarding the motivations for adopting or resisting accountability mechanisms. This research addresses nonprofit accountability by how and why it is practiced.

The study particularly focuses on accountability *mechanisms* rather than broad frameworks or long-term strategies. A mechanism is defined as “a process or technique used to reach an end,” while a framework is considered a “conceptual structure, model or hypothetical description.” This research investigates concrete routine actions related to accountability that may or may not be adopted to varying degrees within nonprofit organizations. In the course of discussing the study, the terms “practice”—a repeated customary action or the usual way of doing something—and “process”—a series of actions, changes or functions bringing about a result—are used interchangeably with “mechanism.”⁴

Thus, the central focus of this research is twofold: 1) to assess the extent to which nonprofit leaders are familiar with and use the nonprofit accountability mechanisms that have been proposed in the literature and through nonprofit sector leadership organizations—to assess nonprofits’ accountability competency and 2) to explore the motivations or incentives for instituting or resisting the practices.

It is important to clarify and appropriately frame these two overarching research questions. The questions seek to quantify the extent to which accountability mechanisms are adopted and used and to explore the underlying motivations for so doing. This can be assessed from a variety of perspectives, including from the board of directors, organization executives,

⁴ Retrieved on 11 July 2009 from <http://www.merriam-webster.com/dictionary>.

staff, donors, constituents or the public. While the nonprofit board is ultimately responsible for governance, the staff leader is typically the person who is responsible for implementing and monitoring policy within his or her organization on a day-to-day basis. Therefore, this study will seek to assess the adoption and extent to which accountability mechanisms are used from the vantage point of the staff leader. The motivations surrounding whether or not certain accountability mechanisms are adopted will also be examined from the perspective of the staff leader. Other studies (see Ostrower 2007⁵ and Salamon & Geller 2006⁶) have specifically examined board of directors' knowledge, roles and performance with regard to accountability issues.

1.3 ACCOUNTABILITY & ACCOUNTABILITY COMPETENCY

At the outset of this study, it is also critical to define nonprofit accountability and accountability competency. Accountability is a broad term and one that has been interpreted and defined in various ways. Accountability is generally defined as an “obligation of an individual, firm, or institution to account for its activities, accept responsibility for them, and to disclose the results in a transparent manner, including the responsibility for money or other entrusted property.”⁷ Accountability is most commonly considered in relationship to financial matters. However, this research studies nonprofit accountability from a much broader perspective than just awareness and adoption of financial accountability mechanisms by including accountability for achieving intended outcomes, managing information and human resources. Accountability competency is

⁵ Ostrower, Francie. (2007). *Nonprofit Governance in the United States: Findings on Performance and Accountability from the First National Representative Study*. Washington, DC: The Urban Institute.

⁶ Salamon, Lester M. and Geller, Stephanie L. (October 2005). *Nonprofit Governance and Accountability*. Communique No. 4. Baltimore: The Johns Hopkins Center for Civil Society Studies.

⁷ Retrieved on 11 July 2009 from <http://www.businessdictionary.com>.

a concept developed for this study and is the extent or degree to which nonprofit leaders are aware of and adopt various accountability mechanisms.

It is essential to note that the relationship between accountability, accountability competency and organizational impact is challenging to assess and has not been empirically tested. Additional research is needed to clarify the nature of this relationship. For this study, it is assumed that a better governed nonprofit will likely be a better run and more effective agency, that nonprofit accountability and accountability competency serve as proxies for organizational impact.

One cannot assess accountability competency without clearly defining nonprofit accountability. To better understand the many lenses through which accountability has been studied in the nonprofit sector, a review of the literature is provided.

CHAPTER 2: LITERATURE REVIEW

2.1 NONPROFIT ACCOUNTABILITY DEFINED

One of the most difficult challenges of studying the concept of nonprofit accountability begins with the definition. In fact, the concept of nonprofit accountability has been variously constructed and defined by scholars and practitioners. Scholars have proposed broad definitions of accountability, such as “the extent to which one must answer to a higher authority,”⁸ “holding individuals and organizations responsible for objectively measured performance”⁹ and as “a felt responsibility to carry out certain actions.”¹⁰ Practitioners, as one would expect, tend to focus more on the practical aspects of accountability, such as financial record keeping and program outcomes. Because nonprofit organizations must answer to numerous stakeholders, such as their clients, donors, boards, the community at large, this quest to define nonprofit accountability is becomes more complicated. Further, nonprofit organizations come in many forms and sizes. How can a definition of nonprofit accountability encompass such diversity?

However, if we too narrowly define nonprofit accountability as just keeping good financial records or just making programmatic impact, organizations may remain vulnerable to

⁸ Shafritz, Jay M. and Russell, E.W. (1997). *Introducing Public Administration*. New York, NY: Addison-Wesley Educational Publishers, Inc.

⁹ Paul, Samuel (1991). *Strengthening Public Service Accountability: A Conceptual Framework*. Washington, DC: World Bank Discussion Paper No. 136.

¹⁰ Fry, Ronald E. (Winter 1995). *Accountability in Organizational Life: Problem or Opportunity for Nonprofits?* *Nonprofit Management & Leadership*, (6)(2), 181-195.

lapses in the broader aspects of accountability on which they are not focused. Also, all nonprofit organizations, regardless of size and mission, should be accountable for their actions. Therefore, for the purpose of this study, Elnoor Abraham's broad definition of nonprofit accountability is used:

“Accountability may thus be defined as the means through which individuals and organizations are held externally to account for their actions and as the means by which they take internal responsibility for continuously shaping and scrutinizing organizational mission, goals, and performance.”¹¹

However, there are limitations to Ebrahim's definition of accountability that should be noted as well. In its attempt to be all encompassing, it can also be considered overly broad, and the definition does not address to whom organizations are accountable. Ebrahim, as do many other scholars cited above, also includes “responsibility” within the definition of accountability, when many others consider them to be separate concepts. This definition also does not grapple with the question of how nonprofits achieve accountability or whether or not more should be expected of larger nonprofits versus smaller ones.

Despite these definitional limitations, Ebrahim does draw out the concept of accountability further than many others, particularly by emphasizing both external and internal accountabilities as well as accountability for *mission*, goals and performance. Ebrahim's definition prominently features “mission,” which is central to the operation of all nonprofits, and it does not constrain the notion of accountability to just financial or programmatic matters, casting a wider net, albeit not an especially specific one, around the concept of nonprofit accountability and sets the stage for a more inclusive dialogue and study of the issue.

¹¹ Ebrahim, Alnoor. (Winter 2003). Making Sense of Accountability: Conceptual Perspectives for Northern and Southern Nonprofits. *Nonprofit Management & Leadership*, (14)(2), p.194.

In addition, this definition provides a framework for what constitutes accountability competency in the nonprofit sector; building on Ebrahim's definition, nonprofit organizations can achieve accountability competency by being aware of and implementing various means to hold themselves responsible to external constituents and for internal performance.

Accountability competency is not a static concept, but can be viewed along a continuum, ranging from awareness to adoption to institutionalization of best practices within a nonprofit organization.

2.2 REVIEW OF THE THEORETICAL AND EMPIRICAL LITERATURE

There have been a vast number of articles written about nonprofit accountability during the past two decades. However, the majority of these scholarly works have focused on conceptual definitions, theoretical frameworks and prescriptions for achieving nonprofit accountability and less so on empirical studies to assess various components of accountability within nonprofits.

Because nonprofit accountability is a complex construct, a number of scholars have developed frameworks or conceptual lenses through which accountability can be better understood and managed within nonprofit organizations. A simple way to think about nonprofit accountability is through a framework that considers to whom nonprofits are accountable. Edwards and Hulme have described upward (to donors and regulators) and downward (clients or beneficiaries) accountabilities.¹² One can also consider a horizontal accountability to other nonprofit organizations. However, while this "directional" view of accountability may be at first simple, it very quickly becomes a more complex network of multi-directional accountabilities—with organizations juggling upward, downward and horizontal accountabilities, some of which

¹² Edwards, Michael and Hulme, David. (1996) Too Close for Comfort? The Impact of Official Aid on Nongovernmental Organizations. *World Development*, (24)(6), 961-973.

may be conflicting and others driven by questionable priorities imposed by funding sources. Many have written about this juggling act and the imbalance or over-emphasis on upward accountability to donors, as well as the need for more downward accountability.

Another useful conception of nonprofit accountability is the distinction between strategic and functional accountability as described by Avina.¹³ Functional accountability focuses on short-term issues, such as accounting for resources and immediate program impact. Strategic accountability considers the impacts that nonprofits' activities have on other organizations and the wider environment and on long-term change. Kearns has further developed the idea of strategic accountability.

Kearns proposed system of accountability includes a four-cell matrix: compliance (complying with explicit legal requirements), negotiated (negotiating loosely defined regulations that impact the organization), professional (adhering to professional standards of acceptable practice) and anticipatory (anticipating and positioning the organization for eventual compliance to new regulation).¹⁴ He outlines how this matrix can be used to strategically manage both implicit (generated by the agency's strategic environment) and explicit (legally required) accountability within nonprofits. Kearns further develops this framework and how it can be incorporated in nonprofit organization strategic planning by providing numerous case examples and practical organizational assessment questions.¹⁵

¹³ Avina, J. (December 1993) The Evolutionary Life Cycle of Non-Governmental Development Organisations. *Public Administration and Development*, (13)(5), 453-474.

¹⁴ Kearns, Kevin P. (March/April 1994) The Strategic Management of Accountability in Nonprofit Organizations: An Analytical Framework. *Public Administration Review*, (54)(2), 185-192.

¹⁵ Kearns, Kevin P. (1996). *Managing for Accountability: Preserving the Public Trust in Public and Nonprofit Organizations*. San Francisco, CA: Jossey-Bass, Inc.

Evelyn Brody details another practitioner-friendly conception of nonprofit accountability.¹⁶ Brody attempts to “unpack” the nonprofit accountability issue by examining it from multiple perspectives. She first identifies that the broad meaning of nonprofit accountability includes four components: financial accountability, good governance, adherence to donor direction and mission, and program effectiveness. Brody then views the components of nonprofit accountability through the alternative spheres of accountability, including government regulation, self-regulation and other charity constituencies, such as donors, staff and the public, offering some assessment of various accountability mechanisms, such as mandated reporting, accreditation programs and assessing program effectiveness.

Other scholars have framed nonprofit accountability issues through existing theory. For example, Ebrahim asserts that principal-agent theory significantly contributes to understanding nonprofit accountability.¹⁷ The essence of principal-agent theory is that principals have their agendas carried out by other individuals or agents. In the nonprofit sector, Ebrahim notes that principal-agent theory helps us understand accountability by focusing attention on relationships between the actors, the principals and agents and the strategies used by principals to achieve their agendas.

This theory becomes problematic because nonprofit organizations have multiple principals (donors, clients, and the public) with conflicting or incongruent interests. This problem may make principal agent theory more applicable to individual workers than the nonprofit organizations that employ them because the number of conflicting principals and

¹⁶ Brody, Evelyn. (2001). Accountability and Public Trust. In Lester Salamon (Ed.), *The State of Nonprofit America* (pp. 471-493). Aspen Institute and Brookings Institution.

¹⁷ Ebrahim, Alnoor. (Winter 2003). Making Sense of Accountability: Conceptual Perspectives for Northern and Southern Nonprofits. *Nonprofit Management & Leadership*, (14)(2), 191-212.

agents may be reduced at the employee versus the organizational level. For example, a large arts organization would be an agent for artists, donors, patrons and many other principals, but the development director of the arts organization would be largely beholden to the donors. However, Ebrahim provides a useful schematic that outlines the various principal-agent relationships that nonprofits need to navigate.

Ebrahim also asserts that accountability in nonprofit organizations depends on the context of the relationships and the type of nonprofit organization involved. He differentiates accountability mechanisms and to whom organizations are accountable by organization type. For example, he notes that service organizations are accountable to funders, sector regulators and clients (the principals) by using mechanisms such as reports and evaluations. However, a network organization that seeks policy change would be accountable to its members (the principals) and by using mechanisms such as lobbying and fact-finding. Conversely, Brown and Moore suggest that the types of services or programs provided by a nonprofit organization determines the “principals” or to whom the organization will be most accountable, and that the accountability system employed by a nonprofit organization is a moving target based on program and mission.¹⁸

Dicke and Ott propose a public organization accountability framework for government agencies that contract out with nonprofit organizations for human services.¹⁹ Their framework is adapted from one initially developed by Romzek and Dubnik²⁰ and includes five areas of accountability: bureaucratic/hierarchical (hierarchical relationships, close supervision and

¹⁸ Brown, L. David and Moore, Mark H. (September 2001) Accountability, Strategy, and International Nongovernmental Organizations.

¹⁹ Dicke, Lisa A. and Ott, Steven J. (June 1999) Public Agency Accountability in Human Services Contracting. *Public Productivity & Management Review*, (22)(4), 502-516.

²⁰ Romzek, B.S. and Dubnick, M.J. (1994) Issues of Accountability in Flexible Personnel Systems. In P.W. Ingraham & B.S. Romzek, eds. *New Paradigms for Government*, 263-294. San Francisco, CA: Jossey-Bass Publishers, Inc.

compliance with clearly stated directives), legal (tasks carried out in accordance with laws), professional (discretion is exercised by those with expertise), political (demand for responsiveness and satisfaction of key stakeholders) and moral/ethical (standards of good behavior arise from conscience). Dicke and Ott use this framework as the basis for assessing various accountability mechanisms used when governments contract for human services.

Their study concluded that when governments contract out to human service agencies, the accountability mechanisms utilized were overly focused on the hierarchical, legal and political aspects of the framework versus the moral/ethical aspects of accountability. The authors assert that accountability is being confused with control. To overcome this problem, Dicke and Ott suggest government contracts be structured as treaties instead of contracts, which would allow for some negotiating room for parties to adapt to changing circumstances. This approach is similar to the internal perspective supported by Friedrich in the early accountability debate.

Dicke and Ott have also proposed that stewardship theory can provide another conceptual lens through which to better understand accountability, again in the instance of government contracting with nonprofit organizations for human services.²¹ Stewardship theory is based on a steward whose behavior is ordered such that pro-organizational, collectivist behaviors have higher utility than individualistic, self-serving behaviors.²² This theory builds on the principal-agent theory understanding of accountability. Stewardship theory does not require that the principal-agent roles be altered; however, it suggests that when the principal and agent share the

²¹ Dicke, Lisa A. and Ott, Steven J. (2002) A Test: Can Stewardship Theory Serve as a Second Conceptual Foundation for Accountability Methods in Contracted Human Services? *International Journal of Public Administration*, (25)(4), 463-487.

²² Davis, J.H., Schoorman, F.D. and Donaldson, L. (1997) Toward a Stewardship Theory of Management. *Academy of Management Review*, (22)(1), 20-47.

same core values, or values convergence, an internal sense of responsibility is created and accountable behavior is likely to result. While their study did not refute the assumptions of stewardship theory, the findings also did not support that higher quality provider organizations result when the values in government contracting agencies and its contractors converged and when altruistic values predominated in the contracted organizations, as was suggested through stewardship theory. The authors recommend that further study of accountability grounded in stewardship theory needs to occur.

Jordan writes about nonprofit or nongovernmental organization accountability from the stakeholder theory perspective.²³ She emphasizes that nonprofit organizations have multiple stakeholders, people or organizations that have an interest in and impact on the agency, and suggests that organizations and academics develop mechanisms that ensure accountability to these various stakeholders. She further explains that these mechanisms must answer several types of accountability questions, such as questions of effectiveness, reliability and legitimacy, depending on which stakeholders are demanding accountability. For example, donor and government stakeholders ask questions about effectiveness whereas political opponents might ask questions of legitimacy.

There has been a great deal of scholarly work and writing that illustrates potential ways in which accountability can be better conceptualized and strategically used within nonprofit organizations, but not nearly as much empirical study of nonprofit accountability practices. In this diversity of conceptual thought, challenges emerge for empirical research on nonprofit accountability. Because there is such a wide variety of conceptual definitions of nonprofit accountability and theoretical frameworks for how it is practiced within nonprofit organizations,

²³ Jordan, Lisa. (2005). Mechanisms for NGO Accountability. GPPi Research Paper Series No. 3. Berlin, Germany: Global Public Policy Institute.

it difficult to structure study of nonprofit practices related to nonprofit accountability. For instance, there are many definitions of nonprofit accountability, but none of them include a concrete explanation of what constitutes nonprofit accountability. Further, nonprofit accountability has been viewed through a variety of theoretical frameworks, such as strategic, principal-agent and a stakeholder, presenting challenges in determining an appropriate focus for empirical research. Nonprofit accountability can also be viewed through the lens of to whom organizations are accountable including the directional nature of accountability, which adds more layers of complexity in studying its actual practice.

This research bridges some critical gaps in the scholarly work thus far regarding nonprofit accountability. First, the study uses the prior theoretical research and as a foundation from which to assess current accountability practices within nonprofit organizations. To date, there has been limited research assessing actual accountability mechanisms or practices, partially because it is so challenging to arrive at a conceptual definition of nonprofit accountability. Further, previous research in nonprofit accountability has been structured around single theories, such as principal-agent or stakeholder theories, rather than a multiple theory perspective. Given the complexity of nonprofit accountability as demonstrated in the literature, it seems essential to study the concept through multiple theoretical lenses. This research contributes to and builds upon prior scholarly work in these two important ways. Prior to elaborating the research design, however, it is also necessary to review what has been written about various accountability mechanisms used by nonprofit organizations.

2.3 ACCOUNTABILITY MECHANISMS

The accountability mechanisms of nonprofit organizations have been intensely scrutinized over the past 20 years, not just in scholarly journals, but also in the news media and in the United States Senate Finance Committee hearings devoted to nonprofit sector oversight. Largely as a result of these hearings and the increased attention given to the issues of nonprofit accountability, the Independent Sector recently released a comprehensive best practice guide, *Principles for Good Governance and Ethical Practice: A Guide for Charities and Foundations*, which outlines 33 practices that nonprofits should adopt with regard to finance, fundraising, governance and legal issues.²⁴ Given this increased call for and need for accountability, how have accountability mechanisms been studied and reported in the literature?

Much of what has been written about nonprofit accountability has been conceptual in nature or an after-the-fact reporting of accountability failures such as the assessment of what transpired at The Nature Conservancy, a controversy that involved allegations of selling environmentally sensitive land for development.²⁵ Less attention has been devoted to empirically assessing the use of conceptual frameworks and specific nonprofit accountability mechanisms, or accountability competency. However, some scholars and practitioners have studied these mechanisms.

Empirical study of nonprofit accountability is less common, and the empirical research that has been conducted tends to focus on narrower aspects of nonprofit accountability, such as financial, programmatic and legal accountability, rather than the broad conception of

²⁴ Principles for Good Governance and Ethical Practice: A Guide for Charities and Foundations. (October 2007). The Independent Sector. Washington, DC.

²⁵ Stephenson, Max, Jr. and Chaves, Elisabeth. (September 2006). The Nature Conservancy, the Press and Accountability. *Nonprofit and Voluntary Sector Quarterly*, (35)(3), 345-366.

accountability as defined for this research project. Several scholars have studied how program evaluations are used to achieve greater accountability. Fine, Thayer and Coghlan investigated why and how nonprofits are conducting program evaluation, what influence stakeholders have on the process and what factors contribute to credible evaluations.²⁶ The investigators used a mixed method design in three phases, which included a mail survey distributed to 302 nonprofit agencies (178 respondents, 59% response rate), follow up telephone interviews and in-depth profiling of agencies. They found that evaluations that contain recommendations and provide a tool for planning are more useful and those that use valid evaluation designs and involve stakeholders are more credible.

Poole, Davis, Reisman, and Nelson used path analysis to evaluate 180 outcome measurement plans developed by nonprofits and found that the quality of nonprofit outcome evaluation plans can be predicted by variables such as agency culture, technology, management support and involvement and suggest that nonprofit managers consider the impact of these factors to improve their agency's accountability.²⁷ Hoefer also examines how program evaluations are used within nonprofit agencies to increase accountability by surveying 160 human service agencies in the Dallas area. His research concluded that while program evaluations were widely used within his sample, the quality of the research methods employed by nonprofits was low and did not provide the level of accountability possible.²⁸ Campbell

²⁶ Fine, Allison H., Thayer, Colette E. and Coghlan, Anne T. (Spring 2000). Program Evaluation Practice in the Nonprofit Sector. *Nonprofit Management & Leadership*, (10)(3), 331-339.

²⁷ Poole, Dennis L., Davis, Jill K., Reisman, Jane and Nelson, Joan E. (Summer 2001). Improving the Quality of Outcome Evaluation Plans. *Nonprofit Management & Leadership*, (11)(4), 405-421.

²⁸ Hoefer, Richard. (Winter 2000). Accountability in Action? Program Evaluation in Nonprofit Human Service Agencies. *Nonprofit Management & Leadership*, (11)(2), 167-177.

reaches this same conclusion in his qualitative and quantitative study of outcomes assessment and nonprofit accountability.²⁹

Scholars have also examined financial accountability in the nonprofit sector. Keating and Frumkin critically assess the IRS Form 990 and question whether or not this form is the most appropriate foundation for nonprofit financial accountability.³⁰ They propose an alternate system of financial oversight modeled after the corporate sector, including the establishment of an organization to oversee nonprofits like the role the Securities and Exchange Commission plays in the corporate sector. Lampkin and Boris have also studied the IRS 990 and its ability to increase financial accountability.³¹ They conclude that the data on nonprofits is hampered due to a lack of standards and suggest that future research focus on in-depth analysis of nonprofit finances to better understand trends, strengths and weaknesses in the sector.

Taking yet another perspective, Young, Bania and Bailey have researched nonprofit accountability as a function of organizational structure.³² They surveyed 829 national nonprofit organizations (183 responses, 22% response rate) to determine how the organizations provided self-regulation between the national organization and its affiliates and what differences existed among various types of national organizations. They conclude that organization structure as a tool for self-regulation deserves further attention.

While these more focused studies may help organizations improve functionally, they only address a fraction of the issue. If nonprofits do not balance all aspects of accountability, failures

²⁹ Campbell, David. (Spring 2002). Outcomes Assessment and the Paradox of Nonprofit Accountability. *Nonprofit Management & Leadership*, (12)(3), 243-259.

³⁰ Keating, Elizabeth K. and Frumkin, Peter. (Jan/Feb 2003). Reengineering Nonprofit Financial Accountability: Toward a More Reliable Foundation for Regulation. *Public Administration Review*, (63)(1), 3-16.

³¹ Lampkin, Linda M. and Boris, Elizabeth. (July 2002). Nonprofit Organization Data. *Behavioral Scientist*, (45)(11), 1675-1715.

³² Young, Dennis R., Bania, Neil and Bailey, Darlyne. (Summer 1996). Structure and Accountability A Study of National Nonprofit Associations. *Nonprofit Management & Leadership*, (6)(4), 347-365.

and indiscretions can occur in the areas on which they have not focused. A recent study conducted by Salamon and Geller begins to address nonprofit accountability more broadly and empirically. In their survey of 443 nonprofit organizations (207 respondents, 47% response rate), they examined the board of directors functioning in relationship to several areas of governance and accountability practices, including board roles, financial disclosure, ethics protections, adherence to best practice standards, organizational changes and nonprofit awareness.³³ The researchers concluded that the evidence documented in their study suggests that the media has exaggerated management and accountability problems.

In another national study on board roles with regard to performance and accountability, Ostrower investigated the circumstances and extent to which nonprofits adopted the six practices outlined in the Sarbanes-Oxley legislation: having an external audit, establishing an independent audit committee, rotating audit firms and/or lead partners every five years, having a written conflict of interest policy, having a formal process for employees to report complaints (whistleblower policy) and having a document retention policy.³⁴ Ostrower received responses from 5,115 nonprofits nationwide (41% response rate), and she asserts that there are many factors that impact how engaged board members are in adopting various accountability mechanisms, such as board and organization size, diversity of board membership and types of funding sources. Ostrower concludes that boards are not actively engaged in basic governance activities and that emphasis must be placed on both performance and accountability.

While much has been written about various specific nonprofit accountability mechanisms, with the above exceptions noted, not many scholars have conducted research or

³³ Salamon, Lester M. and Geller, Stephanie L. (October 2005). Nonprofit Governance and Accountability. Communique No. 4. Baltimore: The Johns Hopkins Center for Civil Society Studies.

³⁴ Ostrower, Francie. (2007). Nonprofit Governance in the United States: Findings on Performance and Accountability from the First National Representative Study. Washington, DC: The Urban Institute.

have written about it in an over-arching manner. However, Ebrahim provides a comprehensive analysis of five broad types of nonprofit accountability mechanisms, including disclosure statements and reports, performance assessment and evaluation, participation, self-regulation and social auditing.³⁵ He first distinguishes each category of mechanism as either a tool (discrete devices or techniques that can be documented and repeated) or a process (more multifaceted and broad than tools, as well as less time bound). With this distinction, he classifies disclosures and reports and performance assessments as tools and participation, self-regulation and social auditing as processes. Ebrahim provides descriptions and critiques each mechanism. While reports seem to be the most widely used accountability mechanism, they emphasize an upward form of accountability, which can ignore the needs of the beneficiaries of the organization's services. What should be measured with performance assessments can be subject to disagreement (outputs or numbers served versus measuring long-term impact or change), and performance evaluation can be too difficult for smaller organizations to manage due to limited resources.

Participatory accountability mechanisms, as described by Ebrahim, involve community members or clients in planning programs and in providing feedback about the program. However, a potential problem arises when organizations neglect some views or provide more power to dominant groups by using participatory processes. Self-regulatory programs are developed by organizations within the nonprofit sector to establish acceptable codes of conduct and standards of practice within nonprofit organizations. Self-regulation programs can help nonprofits improve accountability to all of its stakeholders, but Ebrahim says that these standards need to be coordinated and be viewed as legitimate. Finally, Ebrahim reviews social auditing, a

³⁵ Ebrahim, Alnoor. (2003). Accountability in Practice: Mechanisms for NGOs. *World Development*, (31)(5), 813-829.

process that combines a number of the previously mentioned accountability mechanisms, particularly stakeholder dialogue, to improve performance and ethical behavior. Social auditing is not commonly used in the nonprofit sector because it is a resource intensive process, but because it combines a number of accountability tools with accountability processes, Ebrahim believes that social audits hold promise as an accountability mechanism.

In assessing these accountability mechanisms, Ebrahim suggests that there is an imbalance in the tools and processes currently employed, that the most commonly used accountability mechanisms focus on functional, rather than strategic purposes, and measure short-term impacts. He suggests that self-regulation and social auditing are two strategic mechanisms that can be used to re-balance nonprofit accountability.

Ebrahim's assessment of accountability mechanisms provides an important overview of existing tools and processes. It differs from much of the accountability literature to date because it addresses the nonprofit accountability construct in a holistic, albeit theoretical, fashion. It outlines several elements that can be incorporated into an empirical study examining what mechanisms nonprofit leaders are using.

This literature review demonstrates that there has been much thought, research and writing about nonprofit accountability over the past 20 years. What seems to be missing, however, is an attempt to answer the question, "To what extent have these accountability mechanisms, practices or processes been adopted and *why*?" As the nonprofit sector continues to struggle with multiple accountability crises and increased scrutiny, one must ask what we have learned from these past two decades of research, how competent is the nonprofit sector with regard to accountability, and how has it impacted practice? The literature provides many conceptual frameworks based in theory, prescriptions for better nonprofit accountability systems

and some study of specific accountability mechanisms. However, there is a distinct gap in the literature—a lack of empirical study of the broad concept of nonprofit accountability from the staff leader perspective, examining the potential motivations, incentives or disincentives for adopting or not adopting various accountability mechanisms. Further, what have nonprofits done in response to the changing and challenging accountability landscape over the past two decades, and why have they chosen to do so?

2.4 THEORETICAL FRAMEWORK

While knowing the degree to which accountability mechanisms have been adopted by nonprofit organizations would provide valuable data, a theoretical framing that addresses why the practices have been adopted or ignored and investigation of the networks used in disseminating this information is essential. The construct of accountability has been studied and framed through a variety of theories as outlined in the previous literature review, most notably principal-agent, stakeholder and stewardship theories. The focus of these perspectives has been on the roles and relationships between actors and their interests in the organizations. However, with the vast growth in the number and types of nonprofits in the past 20 years and the creation of nonprofit associations that represent the interests of various segments of the sector, such as the Independent Sector, statewide nonprofit associations and regional nonprofit alliances, other theoretical lenses seem appropriate to investigate the extent to which nonprofits adopt accountability mechanisms and why.

Specifically, institutional theory offers a promising lens through which to study the state of nonprofit accountability. Institutional theory asserts that organizations in a particular field, in this case the nonprofit sector, will mimic the practices of others to achieve legitimacy, improve

the likelihood of survival and increase social support and prestige (Meyer and Rowan, 1977³⁶ and DiMaggio and Powell, 1983³⁷). Institutional theorists suggest that this structural isomorphism is not necessarily driven by a desire to increase organizational efficiency or effectiveness, but practices are adopted because they are accepted as “social facts.” Scott (1995)³⁸ outlines a framework of three “pillars” of institutions—regulative (laws), normative (social obligations) and cognitive (taken for granted actions)—explaining why organizations adopt common practices.

Institutional theory focuses on why organizations make decisions within the context of institutional pressures, such as those from government, laws and professions. However, the explanatory power of institutional theory can be constrained by some limitations. In his study of non-governmental organizations providing housing services for slum dwellers in India, Ramanath (2009) learned that institutional isomorphism is constrained by two compelling factors.³⁹ He found that path dependence, defined as how deeply ingrained founding values and organizational routines are within the organization, as well as human and financial resource constraints, determined each housing organization’s response to government housing policy shifts. The responses differed based on these two factors, limiting the institutional isomorphism.

Institutional theory also does not consider active agency—that organizations make choices that are impacted by exchange relationships with external constituents. Noting this, Oliver (1991)⁴⁰ suggests that resource dependence theory is a complementary theoretical

³⁶ Meyer, J.W. and Rowan, B. (1977). Institutional organizations: Formal structure as myth and ceremony. *American Journal of Sociology*, 80: 340-363.

³⁷ DiMaggio, P.J. and Powell, W.W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48: 147-160.

³⁸ Scott, W. R. (1995). *Institutions and Organizations*. Thousand Oaks, CA: Sage Publications.

³⁹ Ramanath, Ramya. (2009). Limits to Institutional Isomorphism: Examining Internal Processes in NGO-Government Interactions. *Nonprofit and Voluntary Sector Quarterly*, 38 (1): 51-76.

⁴⁰ Oliver, C. (1991). Strategic Responses to Institutional Pressures. *The Academy of Management Review*, 16(1): 145-179.

viewpoint—that organizations respond to institutional pressures with varying degrees of passivity and conformance (institutional theory) and resistance and manipulation of the technical environment (resource dependence theory). Oliver outlines this continuum of strategic responses to institutional pressures: acquiesce, compromise, avoid, defy and manipulate. According to Oliver, the response depends on five institutional factors and antecedents, including the *organizational context* (the degree of uncertainty and inter-connectedness in the organizational environment), *control* (how are institutional pressures being exerted, by laws or norms?) *constituents* (what party or parties exert the pressure to conform?), *cause* (why is the organization being pressured to conform?) and *content* (to what norms or requirements is the organization being pressured to conform?)

Resource dependence theory focuses on how organizations survive in an environment characterized by scarce resources. Resource dependence theorists suggest that organizational behavior is predicted by the context or environment in which it dwells.⁴¹ The primary concern from a resource dependence perspective is for organizations to maximize power by minimizing dependence on others. This theory rests on three key assumptions: that organizations are comprised of internal and external coalitions which emerge from social exchanges that are formed to influence and control behavior, the environment contains scarce and valued resources essential to organizational survival and that organizations work toward gaining control over resources that minimize their dependence on other organizations and control over resources that maximize the dependence of other organizations on themselves.⁴² Pfeffer and Salancik assert that resource dependence theory focuses on how organizations survive, which seems to be a

⁴¹ Pfeffer, Jeffrey and Salancik, Gerald. (1978). *The External Control of Organizations: A resource dependence perspective*. New York: Harper and Row.

⁴² Ulrich, David and Barney, Jay, B. (July 1984). Perspectives in Organizations: Resource Dependence, Efficiency and Population. *The Academy of Management Review*, 9(3), 471-481.

particularly relevant lens for studying nonprofit organizations in the current environment characterized by almost a million and a half nonprofits and limited resources.⁴³

Oliver thus combines institutional and resource dependence theories. Rather than merely focusing on conformity to institutional norms, Oliver extends the discussion of institutional theory to address organizations' strategic responses to institutional pressures and the conditions under which organizations will conform (institutional theory) or resist (resource dependence theory) institutionalization. Given that neither the degree to which nonprofit organizations have adopted accountability mechanisms promulgated in the academic literature and from nonprofit sector professional organizations nor the reasons for adoption or resistance is known, Oliver's strategic response approach to institutional pressures, combining institutional theory and resource dependence theory as complementary explanations, is a more nuanced lens through which to study the central research questions. Thus, this study investigates the combined role of institutional and resource dependence theories in the adoption and use of accountability mechanisms in the nonprofit sector.

Oliver has proposed a set of ten hypotheses, related to institutional and resource dependence factors including cause, constituents, content control and context, five of which can be tested relative to the adoption of nonprofit accountability mechanisms. Oliver also suggests that there is a continuum of strategic responses to institutional pressure, ranging from passive conformity to defiance and manipulation. For example, Oliver suggests that the lower the degree of social legitimacy, economic gain and inter-connectedness in the field, the greater the resistance to institutional pressures. Although her initial work was published in 1991, only a few empirical studies have been pursued to test Oliver's framework (Corcoran and Shackman

⁴³ Pfeffer, Jeffrey and Salancik, Gerald. (1978). *The External Control of Organizations: A resource dependence perspective*. New York: Harper and Row.

2007).⁴⁴ Corcoran and Shackman apply Oliver's framework to investigate the proliferation of the Occupational Health and Safety Administration's Voluntary Protection Program. However, several studies have incorporated a combined or multi-theory approach using institutional theory, resource dependence theory, network theory and market forces to explain organizational change (D'Aunno, Succi & Alexander 2000⁴⁵, Peng 2004⁴⁶ and Lucas, Avi-Itzhak, Robinson & Morris 2005⁴⁷).

Institutional theory contends that there is an agreed upon, taken for granted, social fact quality about organizational affairs. Resource dependence theory suggests that active agency and resource interdependence influence an organization's strategic decisions.⁴⁸ By using a combined, or rival theory, framework, this study investigates the degree to which institutional elements and resource interdependence is the motivation behind the adoption of accountability mechanisms.

Specifically, this dual theoretical lens is used in developing the study hypotheses that assert that the greater the degree of interconnectedness, dependence on external pressuring constituents, perceived social legitimacy to be gained, perceived economic benefit to be gained and legal coercion in the organizational environment the greater the degree of organizational adoption of accountability mechanisms (see Table 1). The hypotheses suggest that motivations for adopting accountability mechanisms are affected by the strategic environment in which the

⁴⁴ Corcoran, Daniel J. and Shackman, Joshua D. 2007. A Theoretical and Empirical Analysis of the Strategic Value of Beyond Compliance Occupational Health and Safety Programs. *Journal of Business Strategies*, 24 (1): 49-68.

⁴⁵ D'Aunno, Thomas, Succi, Melissa and Alexander, Jeffrey. 2000. The Role of Institutional and Market Forces in Divergent Organizational Change. *Administrative Science Quarterly*, 45: 679-703.

⁴⁶ Peng, M. W. (2004). Outside directors and firm performance during institutional transitions. *Strategic Management Journal*, 25: 453-471.

⁴⁷ Lucas, J. A., Avi-itzhak, T., Robinson, J. P., & Morris, C. G. (2005). Continuous quality improvement as an innovation: Which nursing facilities adopt it? *Gerontologist*, 45: 68-78.

⁴⁸ Pfeffer, Jeffrey and Salancik, Gerald. (1978). *The External Control of Organizations: A resource dependence perspective*. New York: Harper and Row.

organization operates, and Table 1 illustrates that institutional theory and resource dependence theories vary as the dominant explanation based on the particular strategic circumstances.

Finally, the study also provides insight regarding how institutionalized the nonprofit sector is, investigating the role of the profession or field in diffusing accountability practices. The study hypotheses are further elaborated in the next chapter, Research Design.

Table 1: Theoretical Framing of Research Hypotheses		
Hypotheses: The greater the degree of...	Impact on Adoption of Accountability Mechanisms	Dominant Theory
1. Interconnectedness in organizational environment	Higher likelihood of adoption	Institutional Theory
2. External dependence on pressuring constituents	Higher likelihood of adoption	Resource Dependence Theory
3. Perceived social legitimacy	Higher likelihood of adoption	Institutional Theory
4. Perceived economic gain	Higher likelihood of adoption	Resource Dependence Theory
5. Legal coercion	Higher likelihood of adoption	Institutional & RD Theories

CHAPTER 3: RESEARCH DESIGN

3.1 STUDY BOUNDARIES

The U.S. nonprofit sector is large and diverse, including over 1.2 million organizations nationally, such as those dedicated to arts and culture, education, health, environment and human services. Nonprofit organizations can be very small with operating budgets of \$100,000 or less and one or two staff or very large with multi-million dollar budgets and hundreds of staff. Furthermore, recall that Ebrahim and others have asserted that accountability is a function of the context of the particular nonprofit's relationships.⁴⁹ Brown and Moore have noted that the types of services that particular nonprofits provide determine who the stakeholders shall be, or those to whom that organization is accountable.⁵⁰

As these scholars suggest, accountability is a moving target based on the type and size of nonprofit organization involved; stakeholders are varied depending on context. It is thus prudent to bound this research to provide some focus on the contexts and relationships that emerge within a particular nonprofit sub-sector. Therefore, this research project examines human service organizations within seven counties in the southwestern Pennsylvania region. Counties included are those in the Pittsburgh Metropolitan Statistical Area (MSA): Allegheny, Armstrong, Beaver, Butler, Fayette, Washington and Westmoreland and are illustrated in darker gray in the map below.

⁴⁹ Ebrahim, Alnoor. (Winter 2003). Making Sense of Accountability: Conceptual Perspectives for Northern and Southern Nonprofits. *Nonprofit Management & Leadership*, (14)(2), 191-212.

⁵⁰ Brown, L. David and Moore, Mark H. (September 2001) Accountability, Strategy, and International Nongovernmental Organizations.

Figure 1: Geographic Area of Study



The most current listing of human service organizations located in this region, including contact persons and addresses, is available through the National Center of Charitable Statistics, which is compiled from the Internal Revenue Service form 990. Because hospitals and health systems are very large and quite different from other human service agencies, these organizations are excluded from this study. Further, small, recreation-based associations, such as soccer leagues and parent-led sports associations that are un-staffed and loosely organized were also excluded. There are approximately 550 human service organizations that meet these criteria within the seven-county region, and all were invited to participate in the mailed survey component of the study.

3.2 STUDY DESIGN

To address the central research questions of this study, which are: 1) to assess the extent to which nonprofit leaders are familiar with and use the nonprofit accountability mechanisms that have been proposed in the literature and through nonprofit sector leadership organizations, i.e. accountability competency and 2) to explore the motivations or incentives for instituting or resisting the practices, an exploratory study with a mixed-method design was conducted, including quantitative and qualitative methods, as well as network analysis. The first portion of the study was a mailed survey that assesses the degree to which various nonprofit accountability mechanisms outlined in literature and best practice documents are implemented in human service organizations, as well as from whom organizations learn about these mechanisms.

3.3 MAILED SURVEY

It should be noted that there are challenges surrounding mailed surveys, particularly the issues of low response rates, raising the problem of non-response bias, and selection bias. Baruch suggests that a benchmark response rate for surveys of organizational leaders, such as those to be surveyed in this study, is in the range of 36%, +/- 13%.⁵¹ In other studies directed toward organizational leaders, and in particular, other studies of nonprofit organizations, response rates have ranged from 10-100%.⁵² While these survey response rates may not be entirely encouraging, it is important to note that the nonprofit sector does not maintain a database of information related to issues of accountability practices, and thus, there is no existing resource

⁵¹ Baruch, Y. (1999). Response rate in academic studies—A comparative analysis. *Human Relations*, 52(4), 421-438.

⁵² Hager, M., Wilson, S., Pollak, T. & Rooney, P.M. (2003). Response rates for mail surveys of nonprofit organizations: A review and empirical test. *Nonprofit and Voluntary Sector Quarterly*, 32 (2), 252-267.

from which to readily draw and analyze data. In fact, most widespread nonprofit data relates exclusively to financial status and is derived from the IRS 990. The form 990, even though newly revised, does not capture extensive information regarding nonprofit best practices.⁵³ There are few alternatives to collecting the data required from such large numbers of regional human services agencies.

Further, the potential for selection bias also exists. For example, larger human service agencies that are more aware of, support and have adopted a greater range of accountability mechanisms may be more likely to respond to the mailed survey. Therefore, there is the likelihood of a higher response rate from the largest human service agencies through this self-selection bias, and the non-responders are more likely to be the smaller agencies. In this scenario, “causes may be assigned in a way that reinforces preexisting differences among the (human service) organizations.”⁵⁴ The most effective way to address these potential biases is to achieve a higher response rate, while paying particular attention to the response rate of smaller agencies (those with budgets under \$1 million). Strategies employed to minimize the likelihood of a low response rate included a series of follow up contacts, by phone and electronic mail, with the agency executive directors.

To provide additional legitimacy to this survey, Joseph Geiger, the executive director of the Pennsylvania Association of Nonprofit Organizations (PANO), a statewide membership organization devoted to education and advocacy for nonprofits, endorsed the study. PANO currently has approximately 800 members across the state and members, as well as non-members, participate in PANO programs and are aware of the organization; for these reasons,

⁵³Internal Revenue Service. Form 990. www.irs.gov.

⁵⁴Rethinking Social Inquiry: Diverse Tools, Shared Standards. (2004). Henry Brady and David Collier, eds. Lanham, MD: Rowman & Littlefield Publishers, Inc.

those who received the survey were further encouraged to respond due to PANO's endorsement. Mr. Geiger's cover letter of support, reproduced on PANO letterhead, accompanied the survey.

Along with vigorous efforts to ensure the highest possible survey response rate, non-response bias can be assessed by evaluating the early wave of responses with the second wave and final waves of responses. Each survey was stamped with the date of receipt. Early responses can then be compared to middle and late responses to assess potential non-response bias, as late responders may be similar to non-respondents.⁵⁵

3.3.1 Accountability Competency Scale

The mailed survey (Appendix A) included four sections, each tailored to address some aspect of the extent to which accountability mechanisms have been adopted and why adoption has or has not occurred. A pre-test of the survey was conducted with human service agency directors in counties contiguous to those chosen for the survey, but not in the survey region (Greene, Lawrence and Cambria Counties). The pre-test was conducted in this manner because executives of human service agencies just outside the study area are similar to those within the study region, avoiding the need to exclude executive directors within the survey region from participating in the research project because they participated in the pre-test. Following the pre-test, minor modifications were made and approved by the Institutional Review Board (IRB) prior to full distribution.

Following the cover letter and brief instructions, the first section of the survey included the components of the accountability competency scale for regional human service nonprofits. The scale included legal and normative accountability mechanisms. However, the mechanisms are not coded by these categories to avoid influencing the responses. Legal accountability

⁵⁵ Israel, Glenn D. (November 1992). Sampling Issues: Nonresponse. IFAS, University of Florida. PEOD-9.

mechanisms are those explicitly required by local, state or federal laws. Normative accountability mechanisms are not explicitly required, but they are implicitly considered best practices established through various nonprofit sector industry groups, such as Independent Sector or statewide nonprofit trade organizations. All mechanisms included on the scale were drawn from the nonprofit accountability literature and best practice guides, such as the Independent Sector's *Principles for Good Governance and Ethical Practice*⁵⁶ and PANO's Standards for Excellence Program⁵⁷.

The mechanisms that comprise this accountability competency scale cover several areas of nonprofit operations, such as financial, governance, program and information management accountability mechanisms. In so doing, survey results can be analyzed to determine more specifically where accountability strengths and gaps may exist within human service organizations. For example, respondents may indicate a high level of awareness and practice related to legally mandated financial accountability, but they may have low accountability competency regarding normative information management mechanisms.

Respondents were asked to rate each accountability mechanism on an ordinal scale with responses ranging from “not familiar with this strategy/mechanism,” (1) to “this strategy/mechanism has become institutionalized in our organization,” (6). The levels on this scale were developed based on Bloom's Taxonomy (cognitive domain), which classifies six levels of learning: knowledge, comprehension, application, analysis, synthesis and evaluation.⁵⁸ The levels of Bloom's Taxonomy build upon one another to form a hierarchy. For example, the second level of the accountability competency scale is “aware of this strategy or mechanism (2),”

⁵⁶ Principles for Good Governance and Ethical Practice: A Guide for Charities and Foundations. (October 2007). The Independent Sector. Washington, DC.

⁵⁷ Standards for Excellence. Pennsylvania Association of Nonprofit Organizations. www.pano.org.

⁵⁸ Bloom, B. S. ed. 1956. *Taxonomy of Educational Objectives, the classification of educational goals – Handbook I: Cognitive Domain* New York: McKay.

which would be the “knowledge” level of Bloom’s Taxonomy, indicating that the organization’s leadership can recall or recognize that particular strategy. Moving up the hierarchy, “knowledge of & can describe the strategy/mechanism,” would be the “comprehension” level on Bloom’s Taxonomy. Since its original conception, Bloom’s Taxonomy has been revised, by suggesting that evaluation precedes synthesis and by changing the names of the hierarchy levels from nouns to verbs.⁵⁹ In either the earlier or updated versions of the taxonomy, however, the scale element “this strategy has been institutionalized in our organization (6),” includes elements of both evaluation and synthesis as organizations decide how a particular accountability mechanism applies to the agency and how to incorporate it into its way of doing business.

An important methodological issue to consider is that not all mechanisms rated on this scale may be of equal value or utility in strengthening nonprofit accountability. In other words, a staff leader may have high accountability competency with regard to mechanisms that don’t provide as much impact on overall organizational accountability and lower accountability competency with regard to mechanisms that have greater impact on overall accountability. Recall that Ebrahim (2003) addresses this issue by recommending that nonprofit accountability mechanisms need to be focused on strategic versus functional accountability tools. However, a specific weighting system or value for each item has not yet been proposed in the literature or tested empirically. Currently, it is not known if legal accountability mechanisms should be assigned a higher weight or value than normative mechanisms. Further, we do not know if the nonprofit sector values strategic accountability mechanisms, such as the use of program logic models and accreditation programs, more than functional mechanisms like the adoption of gift

⁵⁹ Anderson, L.W. and Krathwohl eds. 2001. *A Taxonomy for Learning, Teaching, and Assessing: A Revision of Bloom's Taxonomy of Educational Objectives*. New York: Longman.

acceptance and financial policies. Using the results of this study, a group of nonprofit leaders could be convened in a focus group to discuss and assign values to each item.

Given that there is no clear guidance or rationale for valuing accountability mechanisms in the literature, the responses to the survey's accountability competency scale questions, the numerical ratings from the scale (1-6) were equally valued for data analysis in this study. The scores for each item were totaled and became the organization's accountability competency score. There are 41 items on this section of the survey. The maximum accountability competency score was 246, and the minimum score was 41.

3.3.2 Learning About Accountability Mechanisms: Information Sharing Interconnectedness (H₁)

As noted previously, Oliver (1991) proposed a set of ten hypotheses to examine the relationship between institutional theory and resource dependence theory relative to an organization's strategic choices.⁶⁰ Several of her hypotheses are quite relevant to the study of why nonprofit organizations choose to adopt or not adopt certain accountability mechanisms. The mailed survey specifically examines two of Oliver's hypotheses.

Oliver suggests that the lower the degree of interconnectedness in an organizational environment, the greater the likelihood that the organization will resist institutional pressures. This suggests that organizations that do not interact with other organizations in their environments are less likely to adopt the practices or social norms of that particular field, that they do not adopt practices to be similar to agencies in their field or to gain legitimacy through mimicking these practices. The inverse of this hypotheses would be that the greater the degree of interconnectedness in an organizational environment, the greater the likelihood that the

⁶⁰ Oliver, C. (1991). Strategic Responses to Institutional Pressures. *The Academy of Management Review*, 16(1): 145-179.

organization will conform to institutional pressures or norms. For purposes of this study, I will test Oliver's hypothesis framed inversely as such:

H₁: The greater the degree of interconnectedness in the organizational environment, the greater the likelihood of conformity to accountability mechanisms, or higher accountability competency within the organization.

To explore the degree of interconnectedness in regional human service organizations, a network analysis was conducted. The network analysis focused on organizational ties between nonprofits and their information sources for accountability best practices, a two-mode network, with the organization being the actor. The specific relation measured is accessing information about accountability mechanisms.

In this section of the survey, organizational leaders were asked from whom do they learn about accountability mechanisms. The survey questions included a list of potential organizational sources of information, such as Grantmakers of Western Pennsylvania, PANO, Independent Sector, Greater Pittsburgh Nonprofit Partnership, the Internal Revenue Service, government funding agencies and foundations. Respondents were also given the option to write in up to three other responses per section not included on this list. This approach is a mix of roster (providing some agency names) and free recall. By providing space for limited free recall, organization names that may have been omitted from the roster were captured. This approach combined fixed and free choice.

The resulting network analysis was a two-mode, one relation network assessing the interconnectedness of human service agencies with each other and with other organizations that

might be sources of accountability information. The network was then also analyzed as a one-mode network of relationships between the participating nonprofits based on their shared connections with resources for accountability practice information.

Organizations seeking accountability information from a nonprofit industry agency are likely not going to provide accountability information to the agency that holds the expert knowledge. Further, because the survey was not sent to the sector organizations that serve as sources of accountability information, such as Independent Sector or PANO, most network relational ties will be one-way. Thus, the network will include a number of organizations that are named by directors but who are not participating in the survey. Also, the network analysis was dichotomous, indicating that a relationship exists, but not assigning value the relationship.

This data was used to conduct a network analysis to assess from whom accountability information is accessed by the human service organizations included in the study. Measures of centrality in the human service network were analyzed. Another benefit of conducting network analysis is that the structural holes, or gaps or a lack of connection in an organization's network structure, may also be assessed to develop strategies for better diffusing information about accountability mechanisms.⁶¹

Thus, the survey instrument not only assessed the degree to which accountability mechanisms have been adopted, but it also asked respondents to indicate from whom they obtain information about accountability practices, i.e. nonprofit industry groups, foundations, etc. This portion of the survey is a network analysis of human service agencies relative to accountability practices and provides information search and retrieval data that can potentially shed considerable light on how accountability practices are diffused and institutionalized in the nonprofit organizations studied. The value of this portion of the study is that it can provide some

⁶¹ Burt, Ronald S. 1992. *Structural Holes*. Cambridge, MA: Harvard University Press.

insight regarding how institutionalized this segment of the nonprofit sector is; if institutional theory is to be a plausible explanation for why accountability mechanisms are adopted, it is critical to understand how institutionalized the sector truly is.

3.3.3 Organizational Relationships & Dependence (H₂)

The mailed survey also explores a second Oliver hypothesis. Oliver proposes that the lower the degree of external dependence on pressuring constituents, the greater the likelihood of organizational resistance to institutional pressures to conform. This suggests that those organizations that do not depend on their constituents for funding, information or other resources are less likely to conform to or adopt the practices and social norms of that particular field. The inverse of this hypotheses would be that the greater the degree of dependence in an organizational environment, the greater the likelihood that the organization will conform to institutional pressures or norms. For purposes of this study, I will test Oliver's hypothesis framed inversely as such:

H₂: The greater the degree of external dependence on pressuring constituents, the greater the likelihood of conformity to accountability mechanisms, or higher accountability competency within the organization.

Oliver suggests that organizations that are not as dependent on their constituents will have less motivation to adopt certain practices common to that field. Other scholars have also suggested that organizations with multiple funding sources will model themselves after successful organizations and that having more diverse revenue sources increases an

organization's tendency to seek legitimacy and recognition through its work.⁶² While "pressuring constituents" would include more than the number and size of agency's funding sources, the diversity of funding sources is an important component in measuring organizational dependence.

Chang and Tuckman (1994) have developed a nonprofit revenue diversity index that considers that number of organizational revenue sources as well as the dispersion of funding among the sources.⁶³ Their index is comprised of nine revenue sources derived from the IRS 990, including direct and indirect public support, government grants, interest income, fund raising, membership dues, sale of assets, program revenue and other income. They suggest that an organization has a lower diversity index when it has many sources of revenue that are fairly equally dispersed. If an organization has a number of revenue sources, but one or more of the sources provides a disproportionately large share of the total revenue, the organization has a higher, or less diverse revenue index. A more modest measure of revenue diversity that includes direct and indirect public support as well as government grants, based on the Chang and Tuckman index, has been developed to test H₂.

The mailed survey measures the degree of this external dependence (independent variable) in regional human service organizations by assessing the degree to which these organizations depend on others for funding and other technical support. Funding sources and membership organizations, such as the United Way, foundations, (indirect public support) corporations (direct public support), government grants, affiliations with a parent agency and membership in professional associations are listed on the survey. Because individual donors do not typically exert collective or coordinated control over nonprofit organizations, they are not

⁶² Bielefeld, Wolfgang. 1992. Nonprofit Funding Environment Relations. *Voluntas*, (3) 1: 48-70.

⁶³ Chang, Cyril F. and Tuckman, Howard P. 1994. Revenue Diversification Among Nonprofits. *Voluntas*, 5(3), 273-290.

included on the list. Further, sale of assets, fundraising, interest, program service revenue, membership dues and other income sources are not included.

Similar to the accountability competency score in the first section, survey responses will be used to calculate an “external dependence score.” If the organization relies on any one of its funding sources for 10% or more of its operating budget, it will receive one point. However, if the organization relies on any one funding source for more than 50% of its budget, $\frac{1}{2}$ or .5 will be deducted from its score. The rationale for deducting a half point for a large funder is based on Chang and Tuckman’s assertion that concentration of revenue reduces diversity, and thus, if diversity of revenue sources is decreased, there is less overall institutional pressure to conform because the organization is accountable to fewer funding sources. Organizations will also receive one point for each affiliated agency and/or professional association membership, as these agencies do exert external pressure to conform on the organization. The total points received in this section of the survey is the “external dependence score.” To test H₂, the external dependence score will be regressed on the accountability competency score (dependent variable) to determine if a predictive relationship exists.

3.3.4 Participant Demographics

The purpose of the final section of the mailed survey is to collect demographic information about the organizational leader and the organization which can be examined to determine patterns.

Organizational questions include organization budget size, age, number of staff and board size.

Leader questions include years in position, title and education level. The county in which the organization is located is also asked because there may be some differences between the urban and suburban/rural human service agencies. Even though the study focuses on one nonprofit sub-sector—human service organizations—in one specific region—southwestern Pennsylvania,

significant differences may exist among these organizations that may be associated with the organizational or leader variables. Analysis of variance in accountability competency scores based on these organizational and leader variables was conducted to assess any significant differences.

3.4 QUALITATIVE SURVEY

Following the mailed survey, semi-structured interviews with nonprofit executives from 20 human service agency leaders who responded to the initial mail survey were conducted. The qualitative survey complements the mailed survey, and it explores why accountability mechanisms are adopted or not adopted within these human service agencies. It also explores three additional hypotheses proposed by Oliver.

Qualitative interview participants were purposively selected from the original list of participating human service agencies to ensure that interviews were conducted with small (under \$1 million budgets), medium (\$1 million to \$5 million budgets) and large (over \$5 million budgets) from both Allegheny and more rural counties. This approach clearly defines the various categories of organizations and will ensure that sub-sets of human service agencies by size and geographic location will be included, providing control and variation.⁶⁴ Since the mailed survey is confidential, but not anonymous, participants were selected from completed surveys.

The purpose of the qualitative research is to pursue questions about the reasons why the organizations have adopted or not adopted accountability mechanisms in their agencies, as well as to further investigate the how information about nonprofit accountability is shared within this

⁶⁴ George, Alexander and Bennett, Andrew. (2005). *Case Studies and Theory Development in the Social Sciences*. Cambridge, MA: MIT Press.

sample of nonprofit agencies. Additionally, several questions about organizational environment were posed to explore theoretical explanations for adoption or resistance to adopting accountability mechanisms.

3.4.1 Components of the Qualitative Survey (H₃, H₄ & H₅)

While the mailed survey assesses the extent to which certain accountability mechanisms have been adopted within human service agencies, as well as assess organizational relationships and dependencies, it cannot address the question, “Why do organizations adopt or not adopt?” To better assess the motivations or incentives for adopting accountability mechanisms and to assess when institutional or resource dependence theory is the more appropriate theoretical framework in the context of human service organizations, a series of questions were addressed in semi-structured interviews. The structured interview protocol is attached as Appendix B. The interviews were scheduled at the leader’s convenience and were typically conducted at the organization’s office or a public venue, such as a coffee shop or restaurant. All interviews were audio-taped and transcribed verbatim.

The interview protocol specifically examines three additional hypotheses relative to institutional and resource dependence theories as proposed by Oliver. Oliver hypothesized that the lower the degree of social legitimacy, economic gain and legal coercion perceived to be attainable from conforming to institutional pressures, the greater the likelihood of organizational resistance to adopt institutional norms. For the purposes of this study, I will test these three hypotheses accordingly:

H₃: The greater the degree of social legitimacy perceived to be attainable from adopting accountability mechanisms, the greater the degree of organizational adoption of accountability mechanisms.

H₄: The greater the degree of economic gain perceived to be attainable from adopting accountability mechanisms, the greater the degree of organizational adoption of accountability mechanisms.

H₅: The greater the degree of legal coercion behind adopting accountability mechanisms, the greater the degree of organizational adoption of accountability mechanisms.

To explore these hypotheses, a series of open-ended questions were posed. These questions include: Why have you adopted the accountability mechanisms that are in place at your organization? What factors have influenced your decision NOT to adopt certain accountability mechanisms or best practices promulgated by the nonprofit sector? A small subset of six specific accountability mechanisms were used in this section of the interview, and the questions above were asked separately with regard to each specific mechanism. Answers to these questions shed some light on which theory—institutional or resource dependence—is likely playing a dominant role in accountability decisions in the human service organizations. Further, responses are gauged by the various levels of conformity and resistance as described by Oliver (from acquiescence to manipulation).

For example, the agency could respond that they adopt certain accountability mechanisms because other organizations like theirs have adopted them, because they bring them more respect and prestige or because nonprofit sector groups or accrediting bodies require them; these responses would be consistent with an institutional theory perspective. Alternately, the

organization could respond that they adopt accountability mechanisms because they give them a competitive edge in their service industry or that they give their organization more power and donations than other organizations, which would be consistent with resource dependence theory. Institutional theory responses are characterized as “we *have to do so*,” while resource dependence theory responses can be described as, “we *choose to do so*.” The interview protocol (Appendix B) includes the questions, as well as some anticipated potential answers, which were not provided to the interviewee but were used to assist with coding responses.

An additional nuance that is explored in the interviews is whether or not human service leaders are not adopting accountability mechanisms because they are ambivalent about these best practices. While the hypotheses focus on institutional (we must do this) versus resource dependence (we choose to do this) explanations, there is another possibility—that human service leaders are ambivalent towards these best practice mechanisms. It could be that executive leaders are neither passively adopting nor actively resisting accountability mechanisms, but they are merely ambivalent about them. This sentiment is not one that can be assessed through the mailed survey, but it was pursued in the interviews.

Understanding the organization’s environment with regard to human and financial resources, as well as the overall political or policy environment, can reveal information that is relevant to social legitimacy, economic gain and legal coercion as outlined in the hypotheses. Therefore, the interview protocol includes questions that assess the organization’s environment or context in which it operates. These questions include: Would you characterize your environment as one with low, medium or high competition for financial resources? Why? Would you characterize your environment as one with low, medium or high competition for human resources? Why? How does your organization engage in competition for resources? Is

your organizational environment one of low, medium or high uncertainty? Are there elements in your political, economic or social climate that threaten your organization's ability to continue its mission work? How do you respond to these threats? Do you think the level of diffusion (how widespread) of accountability mechanisms/best practices the nonprofit sector is low, medium or high? Why? Other questions in this section of the interview protocol ask about the organization's funders and what their accountability requirements might be.

Another set of questions explores the reasons for the organization's memberships and/or accreditation status. Questions in this section include: Why did your organization pursue this accreditation? What is the value of your participation? Again, these questions elicit responses that may point to an institutional theory perspective—that organizations adopt accountability best practices because they can gain social legitimacy or because others in their industry are doing it—or the responses may point more to a resource dependence theory perspective—that organizations belong and adopt because they want to gain control over their environments and garner more resources.

Although the mailed survey includes a section to assess the interconnectedness of nonprofit organizations, these relationships are further explored in the interview protocol. Learning and information sharing questions include: From what sources do you learn about nonprofit accountability mechanisms? How often do you turn to each source? How would you rank your information sources? Likewise, how often and with whom do you discuss or share information about nonprofit accountability mechanisms? Can you name a person or group who in the last year you gave information about accountability?

3.5 SUMMARY OF METHODOLOGY

By employing a mixed-method design of a quantitative survey, including a network analysis component, as well as follow-up semi-structured interviews with respondents, sufficient data will be collected to conduct a variety of analyses. Regression analysis was conducted to predict accountability competency; network analysis assesses agency connections in the human service organizations surveyed, and analysis of variance was conducted with respect to organizational and leader variables to yield information about significant differences in accountability competency based on organizational characteristics. Text data was transcribed, coded and analyzed that to shed some light on the motivations surrounding the adoption of accountability mechanisms and the contexts and theoretical explanations about why these mechanisms are adopted or not.

This study provides important data, from the staff leader perspective about the extent to which accountability mechanisms are adopted, how information is transmitted and the motivations for adopting these practices. The construction of the database of eligible survey participants and results of the field research are addressed in the following sections.

3.6 CONSTRUCTION OF MAILING LIST FOR QUANTITATIVE SURVEY PARTICIPANTS

As noted earlier, this study focuses on human service agencies located within a seven-county region in Southwestern Pennsylvania. To develop a comprehensive mailing list that includes nearly all of these agencies, a data file was purchased from the Urban Institute's National Center

of Charitable Statistics (NCCS). This core data file was from 2006, which was the latest year available at the time at the time of purchase.

The NCCS data is collected through Internal Revenue Service form 990 filings, and certain limitations should be acknowledged. Specifically, only agencies with gross annual revenues exceeding \$25,000 are required to file the 990; therefore, smaller organizations may not be included on the list. Many religious organizations are also exempt from filing a 990. Further, because the data file extracted was drawn from 990s reported in 2006, for fiscal years preceding that date, and several agencies on the list may no longer be in existence. Also, human service organizations created after 2006 would not appear on this list.

The data file purchased from the NCCS included organizations in the major category of “human services” and the sub-categories, I, J, K, L, M, N, O and P. These sub-categories represent the following types of agencies: crime and legal related (I), employment (J), food, agriculture and nutrition (K), housing and shelter (L), public health, safety and disaster preparedness (M), recreation and sports (N), youth development (O) and general human services (P). The data report generated pulling on these NTEE codes in the designated seven-county region resulted in 1082 records.

Significant review of the NCCS data file was necessary to produce a more appropriate and cleaner list of human service nonprofits in the study area. A key problem with the data file was that it included a number of youth sports and recreation leagues that, while they hold nonprofit status, do not have formal structures, staff, boards or operating procedures; they are associations largely run quite informally through parents and other volunteers. Other agencies included in the NCCS data file that were not appropriate organizations for this study were local fire companies, high rises, funds, trusts and union training organizations. The data file illustrates

a central quandary of studying the nonprofit sector—a vast array of organizations holds nonprofit status and yet the organizations operate in such distinctively different fashions that it is difficult to study them together. Therefore, these agency types were deleted from the study, which significantly reduced the size of the mailing list.

While there were organizations included on the original list that were not appropriate for the study, there were also many human service agencies not included in the NCCS data file, such as community action agencies, food banks and literacy councils. The missing human service agencies were added by cross-referencing the NCCS data file with local United Ways and other funders of human service agencies in the region. Because United Ways often directly provide human service programs as well as fund them, all regional United Ways were added to the study list.

This process, which included purchasing the NCCS data file, purging inappropriate organizations for this study and adding other human service agencies not included in the NCCS data file yielded a mailing list of 590 human service agencies in the seven-county Southwestern Pennsylvania study region. Given the dynamic nature of nonprofit creation and dissolution, no list can be comprehensive; however, the list generated for this study reasonably captures most of the nonprofit human service agencies in the region.

CHAPTER 4: QUANTITATIVE STUDY RESULTS

4.1 QUANTITATIVE SURVEY MAILING, FOLLOW-UP AND RESPONSE RATE

The quantitative survey was mailed in mid-October 2008 to the executive directors of the 590 organizations included in the data file. Twenty-two surveys were returned as “undeliverable” for which no proper address could be located. Eight surveys were returned because the organization had either moved out of the area, closed or merged with another agency. Thus, 560 organizations remained as potential survey participants.

Completed surveys were slowly received, with about 12% returned before follow-up interventions were implemented. Approximately two weeks following the mailing, email reminders were sent to nearly 250 directors for whom email addresses could be located. One week following the email reminders, or three weeks post mailing, telephone follow-up calls were made to every non-responder on the mailing list, resulting in over 400 phone calls made in November and early December 2008. By the end of 2008, 156 surveys were collected, representing a 28% response rate. While not an ideal response rate, every follow-up measure was taken to increase and achieve the best response possible for the mail survey.

When contacted during the follow up stage, some executive directors indicated that they could not or would not participate in the study for a variety of reasons. Several directors noted that they are inundated with mailed surveys and that they do not have the time to complete them. Others commented that their organizations were just too small to participate, that many of the questions did not apply to their operations. For example, the survey asks about a number of practices, such as the adoption of executive compensation policies, the development of human

resources policies and fundraising processes that a small agency would neither have the capacity nor occasion to adopt. Finally, a few directors were wary of the purpose of the research project and stated that the information requested was sensitive and private; they were concerned that the information collected could somehow be used against their organizations and preferred not to participate.

4.1.1 Descriptive Information of Mailed Survey Respondents

Prior to analyzing the mailed survey data, it is important to highlight the characteristics of both the staff members who completed the survey and the organizations they represent. The survey was addressed to the executive director or other top agency official.

4.1.2 Staff Leader Respondents

The majority (59%) of the 156 survey respondents hold the title of executive director. Almost 13% of the respondents were chief executive officers. Other respondents held the titles of president, chief financial officer and chief operating officer. The “other” category could include titles such as “director” and “administrator,” which also indicate staff leader roles.

Table 2: Job Title of Respondent

		Job title of respondent			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	executive director	92	59.0	59.0	59.0
	President	13	8.3	8.3	67.3
	chief executive officer	20	12.8	12.8	80.1
	chief operating officer	2	1.3	1.3	81.4
	chief financial officer	9	5.8	5.8	87.2
	president/ceo	6	3.8	3.8	91.0
	Other	14	9.0	9.0	100.0
	Total	156	100.0	100.0	

The staff leaders were also asked to indicate the years of experience they had in their current positions. The responses to this question were fairly evenly distributed, with the highest percentage (29.5%) in the 15+ years of experience category.

Table 3: Respondent Years of Experience

		Years in position of respondent			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-3 years	29	18.6	18.6	18.6
	3-6 years	27	17.3	17.3	35.9
	6-10 years	35	22.4	22.4	58.3
	10-15 years	19	12.2	12.2	70.5
	15+ years	46	29.5	29.5	100.0
	Total	156	100.0	100.0	

Finally, staff leaders were asked to indicate their highest level of educational attainment. Nearly 50% of the respondents hold a graduate degree. Almost 38% of the respondents reported

Bachelors degree as their highest level of education, and only 4.5% report a high school diploma as the highest level of education.

Table 4: Respondent Educational Attainment

		Education level of respondent			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	high school diploma	7	4.5	4.5	4.5
	associate degree	6	3.8	3.8	8.3
	bachelors degree	59	37.8	37.8	46.2
	graduate degree	77	49.4	49.4	95.5
	doctoral degree	7	4.5	4.5	100.0
	Total	156	100.0	100.0	

As illustrated in this descriptive information, executive, experienced staff leaders with high levels of educational attainment responded to the survey.

4.1.2 Organizational Characteristics

Organization Budget Size

Despite the challenges in increasing the response rate, 156 directors did participate by returning the mailed survey. Further, the pool of participants is fairly representative of the local nonprofit human service sector with regard to organization size. In a study such as this, one concern would be that larger organizations with more resources, human and financial, would be more likely to respond, thus skewing the results. However, of the 156 organizations represented in the study, 32% were agencies with budgets of \$500,000 or less; 15.4% were agencies with budgets between \$500,000 and \$1 million, 28.2% were agencies with budgets between \$1-5 million;

10.3% were agencies with budgets between \$5-10 million, and 14.1% were agencies with budgets over \$10 million. Therefore, almost half of the respondents were from agencies with budgets less than \$1million, and about 25% of the agencies represented had budgets of \$5 million or more. The responses are modestly skewed to the larger agencies relative, but do fairly represent the local human services nonprofit sector.

Table 5: Mailed Survey Response by Agency Budget Size

Respondent Agencies Organization budget

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid up to 500K	50	32.1	32.1	32.1
500K to 1M	24	15.4	15.4	47.4
1M to 5M	44	28.2	28.2	75.6
5M to 10M	16	10.3	10.3	85.9
Over 10M	22	14.1	14.1	100.0
Total	156	100.0	100.0	

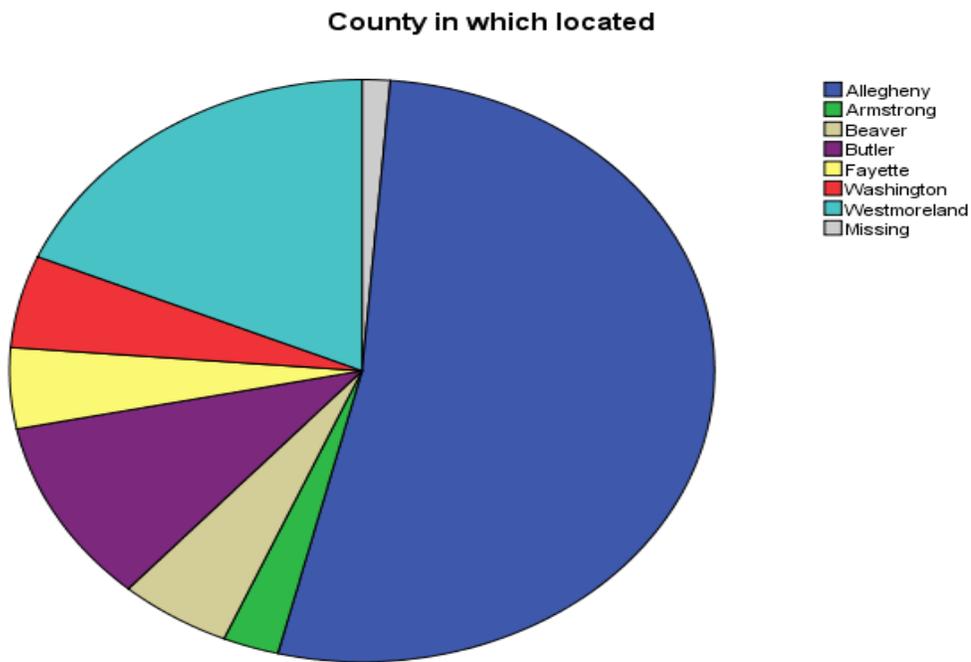
4.1.3 Geographic Representation of Responding Agencies

The study region includes a major metropolitan area, Pittsburgh, which is located in Allegheny County, as well as six surrounding suburban counties. All but two of the 156 survey respondents named the county in which their human service nonprofit is located. The survey sought the county location information to assess whether or not there might be differences in the adoption of accountability mechanisms, accountability competency, by geographic region. The following table and pie chart illustrate the distribution of responses by county in which the nonprofit is located.

Table 6: County Location of Responding Organizations

Respondent Organization: County in which located					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Allegheny	82	53	53	53
	Armstrong	4	3	3	56
	Beaver	8	5	5	61
	Butler	16	10	10	71
	Fayette	7	4	5	76
	Washington	8	5	5	81
	Westmoreland	29	19	19	100
	Total	154	99	100	
Missing	Empty	2	1		
Total		156	100		

Figure 2: County Location of Responding Organizations



As illustrated by the table and chart, just over half (53%) of the responding agencies were located in Allegheny County—the largest county, as measured by total population, in the survey region. Nineteen percent of the responses came from Westmoreland County, the second largest county in the region, followed by 10% from Butler County. The remaining four counties provided less than ten percent of the responses, the lowest being 3% from Armstrong County, which is also the smallest county in the survey region.

4.1.4 Organizational Age

It is interesting to note that 75% of the agencies represented in the survey results are over twenty years old, and 90% are more than ten years old. Therefore, a large majority of organizations in the survey are established nonprofit organizations that have operated in this region for a long period of time.

Table 7: Age of Responding Organizations

		Organization age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than five years old	6	3.8	3.8	3.8
	5-10 years old	9	5.8	5.8	9.6
	10-15 years old	17	10.9	10.9	20.5
	15-20 years old	7	4.5	4.5	25.0
	20+ years old	117	75.0	75.0	100.0
	Total	156	100.0	100.0	

4.1.5 Staffing

Despite the number of “mature” (as defined by age) organizations participating in the survey, the 43% of human service agency respondents employ less than 10 full-time staff members, and 31% employ five or fewer full-time staff. Eighteen percent of the organizations represented in the survey employ more than 101 full-time staff; however, as was illustrated by the organizational budget variable, most of the participating human service agencies are small.

Table 8: Staffing of Responding Organizations

		Number of full-time staff			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-5	48	30.8	30.8	30.8
	6-10	19	12.2	12.2	42.9
	11-25	29	18.6	18.6	61.5
	26-100	32	20.5	20.5	82.1
	101+	28	17.9	17.9	100.0
	Total	156	100.0	100.0	

4.1.6 Boards of Directors

While there is no formal guideline regarding an ideal number of directors nonprofit boards should engage, the Pennsylvania Association of Nonprofit Organizations (PANO) Standards for Excellence Program suggests that nonprofit boards be comprised of at least seven unrelated directors. Further, larger boards may not fully engage members or become too cumbersome to manage the flow of information. The purpose of this study is not to evaluate board effectiveness,

but it should be noted that 14% percent of the organizations represented in the survey reported having less than seven directors serving on their boards, and 22% reported having more than 21 directors.

Table 9: Board Size of Responding Organizations

		Number of board directors			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 7	22	14.1	14.2	14.2
	7-12	41	26.3	26.5	40.6
	13-16	33	21.2	21.3	61.9
	17-20	24	15.4	15.5	77.4
	21+	35	22.4	22.6	100.0
	Total	155	99.4	100.0	
Missing	9	1	.6		
Total		156	100.0		

4.2 QUANTITATIVE ANALYSIS OF SURVEY RESULTS: ACCOUNTABILITY COMPETENCY SCORES

A central concern of this study is to assess the extent to which nonprofit human services executives in the study region are aware of and implement various accountability mechanisms promoted by the sector. The first section of the mailed survey provides the core data to analyze this question. The survey included 41 accountability mechanisms, and respondents were asked to rate, on a Likert-type scale from one (not familiar with the mechanism) to six (the mechanism is fully adopted and routine), to what extent they were aware of or had adopted that practice in their organizations. Some of the mechanisms included on the survey were legal requirements,

such as filing the IRS Form 990 or adopting a whistle-blower protection policy, and others were normative best practices, such as the use of outcomes evaluation and the adoption of ethics policies.

To assess the degree to which accountability mechanisms have been adopted, the scores on each mechanism were totaled to produce an accountability competency score for each respondent; lower scores indicate that the organization is less aware and does not fully implement the practices included on the survey, and higher scores indicate that the practices are more fully implemented in the responding agency. “Not applicable” and skipped items were excluded from the total accountability scores. Based on the scale and the number of mechanisms, the maximum total accountability score is 246, and the minimum score is 41. The range of accountability competency scores for survey respondents (N=156) was 47 to 246, and the mean score 196.48, with a standard deviation of 34.8.

Table 10: Range, Mean and Standard Deviation for Accountability Competency Scores

Descriptive Statistics							
	N	Range	Minimum	Maximum	Mean		Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic
Account Comp	156	199	47	246	196.48	2.787	34.809
Valid N (listwise)	156						

The mean scores, including ranges and standard deviations, for each accountability mechanism were also computed and listed in rank order, from highest to lowest, and appear in Table 11. This table highlights that mechanisms or practices such as no compensation for board members, financial audits and board approval of operating budgets are highly institutionalized in survey respondent agencies. However, it also illustrates that the adoption of ethics codes, use of

logic models and making the IRS 1023 available to the public are mechanisms or practices that are much less utilized in the agencies included in the study. A review of the rank order of this list also suggests that most legal and financial accountability mechanisms appear in higher rankings on the list, and the normative practices and mechanisms largely appear in lower rank order. Table 11 also served as a helpful guide in structuring the qualitative interviews with nonprofit leaders that followed the mailed survey. Specific high ranking and low ranking mechanisms are further explored in the qualitative portion of the study.

Table 11: Rank Order of Mean Accountability Competency Scores by Mechanism

Descriptive Statistics: Accountability Mechanisms					
	N	Minimum	Max	Mean	Std. Deviation
BOD receives no compensation	153	4	6	5.92	0.30
Audits for orgs w/300k rev	122	2	6	5.91	0.43
Operating budget board approved	156	3	6	5.87	0.42
Contributions used per donor restrictions	143	1	6	5.86	0.53
EEO compliance	149	2	6	5.81	0.55
No organizational loans	142	1	6	5.80	0.73
IRS 990 filed and available	153	2	6	5.76	0.74
BOD term limits	141	1	6	5.74	0.78
Output evaluations	151	3	6	5.74	0.65
BOD has at least five directors	150	1	6	5.72	0.86
Fundraisers not comp by percentage	120	1	6	5.72	0.84
Perm 501c3 available to public	152	2	6	5.70	0.82
Director/officer liability insurance	151	2	6	5.70	0.81
Conflict of interest policy	149	1	6	5.70	0.73
Gift acknowledgements	147	1	6	5.69	0.77
ADA compliance	148	1	6	5.66	0.91
Confidentiality policy	148	1	6	5.66	0.82
Written personnel policies	149	1	6	5.66	0.90
Financial policies for funds	154	1	6	5.62	0.84
Confidentiality policies for donors	150	1	6	5.55	0.94
Compilations for orgs under 100K	11	3	6	5.55	0.93
PA Bureau of Char Orgs reg	145	1	6	5.49	1.27
Information available to public	148	1	6	5.47	1.07
Disclosure of FMV of gifts	126	1	6	5.44	1.14
Grievance policies	146	1	6	5.44	1.08
BOD reviews compensation structure	144	1	6	5.43	1.04
Reviews for orgs w/100+ rev	23	1	6	5.39	1.23
Donor privacy policy	142	1	6	5.37	1.35
Board reviews mission 3-5 yrs.	145	1	6	5.36	1.05
Document retention policy	152	1	6	5.27	1.26
Ethics code adopted by org/affiliate	149	1	6	5.26	1.23
Outcomes evaluations	148	1	6	5.19	1.17
Adherence to lobbying expense limits	95	1	6	5.12	1.62
Whistleblower policy	142	1	6	5.02	1.41
Prohibition against electioneering	120	1	6	4.88	1.66
Disaster management policy	149	1	6	4.83	1.37
Executive compensation policy	129	1	6	4.79	1.61
Gift acceptance policies	137	1	6	4.63	1.60
Use of logic models	146	1	6	4.45	1.65
Ethics code adopted from industry group	107	1	6	4.31	1.89
Ethics code adopted from sector wide org	126	1	6	4.21	1.78
IRS 501h election for lobbying	51	1	6	3.73	2.19
IRS 1023 available to public	96	1	6	3.53	2.29

The overall accountability competency score is the dependent variable in the quantitative analysis and is used to test two of this study's five hypotheses, H₁ and H₂, which propose that accountability competency scores are a function of the degree of interconnectedness in the organizational environment as well as the level of dependence on external, pressuring constituents.

4.2.1 Assessing the Accountability Competency Variable

Prior to conducting further analyses, the accountability competency variable was assessed for normality and outliers. The variable had a moderate negative skew; therefore, a reflect and square root transformation was conducted to create a new variable, accountability competency two, by using the following transformation:

$$\text{Accountability Competency two} = \text{SQRT}(247 - \text{Accountability Competency one})$$

Following this transformation, the accountability competency score was normally distributed; however, the "reflect" transformation reversed the order of the accountability competency scores, making the high scores low and the low scores high. Therefore, accountability competency two was reflected again to restore the proper order of the scores from low to high to eliminate any confusion with subsequent data analyses. Accountability competency three was created by using the following transformation:

$$\text{Accountability competency three} = (15.14 - \text{Accountability competency two})$$

The resulting normality tests, histogram, Q-Q plots and outlier output is included as Appendix C. Only two outliers were noted in the analysis, and they were not removed.

4.2.2 T-Test for Early v. Later Responders

An early and important analysis conducted was to assess potential non-response bias. As noted earlier, one of the strategies for examining non-response bias is to compare the accountability competency scores of the early responders to those of the late responders to evaluate if there is a significant difference between the two groups. Because surveys were entered in the order in which they were received, early and late responder groups were simply established by dividing the cases in half. Thus, case numbers one through 78 were classified as early responders, and cases 79 through 156 were classified as late responders. An independent samples t-test conducted to compare the mean accountability competency scores for both groups indicates that there is not a significant difference in the mean scores, $p=.670$.

Table 12: Independent T-Test for Early v. Late Responders

Group Statistics					
	Case Number	N	Mean	Std. Deviation	Std. Error Mean
ACCTCOMP3	>= 79	78	8.3709	2.41468	.27341
	< 79	78	8.5369	2.43646	.27587

		t-test for Equality of Means				
		t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
ACCTCOMP3	Equal variances assumed	-.427	154	.670	-.16599	.38841
	Equal variances not assumed	-.427	153.988	.670	-.16599	.38841

It is helpful to note that there is not a significant difference between the mean accountability scores of early versus late responders. It establishes that those who respond later are not more likely to have significantly different scores than the early responders. Further, as it is suggested that late responders may be similar to non-responders, it may also suggest that the sample fairly represents the population of human services nonprofits, including non-responders, in southwestern Pennsylvania.

4.2.3 Analysis of Variance: Accountability Competency

To identify potential differences in accountability competency scores among groups of survey respondents, analysis of variance was conducted with seven of the categorical (demographic) variables related to the staff leader and organization, including years of experience of the staff leader, education level of the leader, organization age, budget size, number of full-time staff, number of non-staff directors and county in which the organization is located. While analysis of variance is not used specifically to test H_1 and H_2 , it was conducted to better define the survey sample, refine the qualitative study protocol and select interview participants.

ANOVA results indicate that there are no significant differences in accountability competency scores based on two of the seven categorical variables: years of experience of the

staff leader and county in which the organization is located. One might speculate that the more experience a staff leader has in the nonprofit sector, the more likely he or she will be aware of and implement accountability best practices; however, analysis of this sample does not support that notion. Further, many might expect to see significant differences in accountability competency scores based on where the organization is located. Organizations located within Allegheny County (Pittsburgh region) have greater access and ease of access to management support organizations that are situated in and around the city, as well as greater access and contact with other human service agencies; however, there were no significant differences in accountability competency scores based on the agency's geographic location.

There were some significant differences in accountability competency scores based on the highest educational level achieved by the staff leader. Specifically, there was a difference in the scores between those who hold high school diplomas when compared to those with Bachelors ($p=.02$) and graduate level degrees ($p=.027$). This difference indicates that staff leaders with Bachelors and graduate level degrees lead organizations with higher accountability competency scores. There were no significant differences between other educational attainment levels.

With regard to organizational age, there was just one significant difference in accountability competency scores. A difference in scores for organizations between 10-15 years old and those that are more than 20 years old was borderline significant at $p=.047$. The older organizations had higher accountability competency scores. There were no significant differences in other organizational age categories.

There were some significant differences in accountability competency scores based on the number of full-time staff employed at the organization. Specifically, scores were significantly lower for organizations that employ up to five staff members when compared to all

other levels except the level of staff from 11-25 employees. This would seem logical as the more staff an organization employs, the more “hands” that agency has available to implement best practices.

When comparing the accountability competency scores based on the number of directors serving on the agency’s board, several significant differences in accountability scores were also noted. For agency boards with less than seven directors, accountability competency scores were significantly lower than at all other levels except boards with 7-12 directors. In addition, boards with 7-12 directors also had significantly lower accountability competency scores than those boards with 21+ directors ($p=.000$). This finding suggests that boards comprised of less than 12 members may not provide the depth of oversight required to achieve higher levels of adoption of accountability mechanisms.

The final ANOVA compared accountability competency scores based on the organization’s budget size. This is perhaps the most important analysis because budget also impacts the number of staff (limited funds, limited staff), most likely the quality of staff and maybe the number serving on the board of directors. It is also helpful to point out that personnel is typically the highest expense line item in a nonprofit human service agency budget. Organizational budget impacts and drives many of the other demographic variables collected. Therefore, it is not surprising to see that there are significant differences in accountability competency scores for organizations with budgets less than \$500,000 when compared to all other budget levels, and overall significance in differences for budget levels is $p=.000$. There is also a significant difference in scores for organizations with budgets of \$500,000 to \$1 million when compared to organizations with budgets over \$10 million, $p=.049$. ANOVA results for

accountability competency scores and organizational budget, including post hoc tests, appear in the table below. ANOVA results for all other variables appear in Appendix D.

Table 13: ANOVA Results for Accountability Competency and Organizational Budget Size

ANOVA

ACCTCOMP3

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	236.624	4	59.156	13.322	.000
Within Groups	670.509	151	4.440		
Total	907.133	155			

Post Hoc Tests

Multiple Comparisons

ACCTCOMP3

Tukey HSD

(I) Organization budget	(J) Organization budget	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
up to 500K	500K to 1M	-1.73567*	.52329	.010	-3.1805	-.2909
	1M to 5M	-2.38018*	.43558	.000	-3.5828	-1.1775
	5M to 10M	-2.20719*	.60526	.003	-3.8783	-.5361
	Over 10M	-3.45778*	.53912	.000	-4.9463	-1.9693
500K to 1M	up to 500K	1.73567*	.52329	.010	.2909	3.1805
	1M to 5M	-.64451	.53473	.748	-2.1209	.8319
	5M to 10M	-.47152	.68011	.958	-2.3493	1.4063
	Over 10M	-1.72211*	.62198	.049	-3.4394	-.0048
1M to 5M	up to 500K	2.38018*	.43558	.000	1.1775	3.5828
	500K to 1M	.64451	.53473	.748	-.8319	2.1209
	5M to 10M	.17299	.61518	.999	-1.5255	1.8715

	Over 10M	-1.07760	.55024	.292	-2.5968	.4416
5M to 10M	up to 500K	2.20719*	.60526	.003	.5361	3.8783
	500K to 1M	.47152	.68011	.958	-1.4063	2.3493
	1M to 5M	-.17299	.61518	.999	-1.8715	1.5255
	Over 10M	-1.25059	.69236	.374	-3.1622	.6610
Over 10M	up to 500K	3.45778*	.53912	.000	1.9693	4.9463
	500K to 1M	1.72211*	.62198	.049	.0048	3.4394
	1M to 5M	1.07760	.55024	.292	-.4416	2.5968
	5M to 10M	1.25059	.69236	.374	-.6610	3.1622

*. The mean difference is significant at the 0.05 level.

ANOVA results provide detailed description of the differences in the survey sample with regard to these variables and their embedded categories and were used to inform the selection of qualitative survey participants.

4.3 TESTING H₁ & H₂: DEVELOPMENT OF INTERCONNECTEDNESS AND DEPENDENCE MEASURES

Accountability competency is the dependent variable of this study, and the data collected in the mailed survey provide the basis for testing H₁ and H₂, which are re-stated below:

H₁: The greater the degree of interconnectedness in the organizational environment, the greater the likelihood of conformity to accountability mechanisms, or higher accountability competency within the organization.

H₂: The greater the degree of external dependence on pressuring constituents, the greater the likelihood of conformity to accountability mechanisms, or higher accountability competency within the organization.

The degree of interconnectedness and the degree of external dependence exerted by an agency's constituents are the independent variables for quantitative analysis. The mailed survey also collected data that measure the independent variables, creating an opportunity to conduct regression analysis to assess the whether or not and to what extent the independent variables predict the level of accountability competency. However, before conducting regression analysis, the development and assessment of the independent variables must first be addressed.

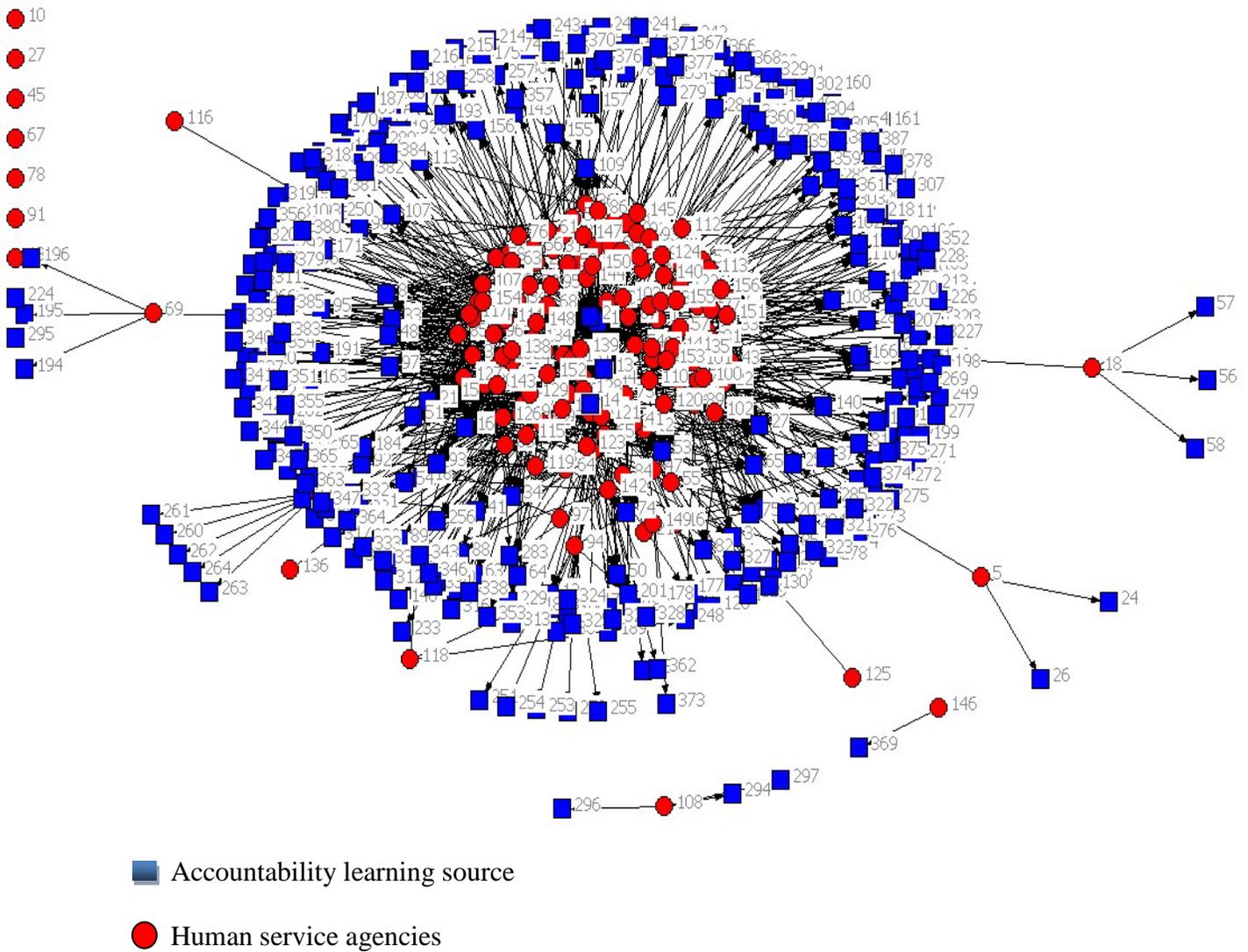
4.3.1 Interconnectedness: Network Analysis

In section two of the mailed survey, respondents were asked to name organizations from which they learn about accountability mechanisms or practices like the ones listed in the first section of the survey. Learning sources were divided by categories, such as other nonprofits, industry groups, foundations, public and affiliated agencies, and participants were prompted to answer through a combination of forced choice and free recall for each answer. Categories were provided to encourage deeper reflection of the agency's entire learning network. Survey participants indicated that they learned from the forced choice answers as well as wrote in a number of other organizations, and they provided a rich list of 389 total organizations from which they learn about accountability practices.

A network matrix was developed in Excel by entering each human service agency down the vertical axis and each learning source across the horizontal axis, using a formula to insert a "1" if they agency sought information from the learning source or a "0" if it did not name the learning source. The matrix represents a two-mode network of actors (the nonprofit organizations) and their affiliations (the learning sources for accountability practices). The

matrix was imported into the UCI Net software⁶⁵ to produce the two-mode network illustrated below.

Figure 3: Full Two-Mode Network: Human Service Agencies & Learning Sources

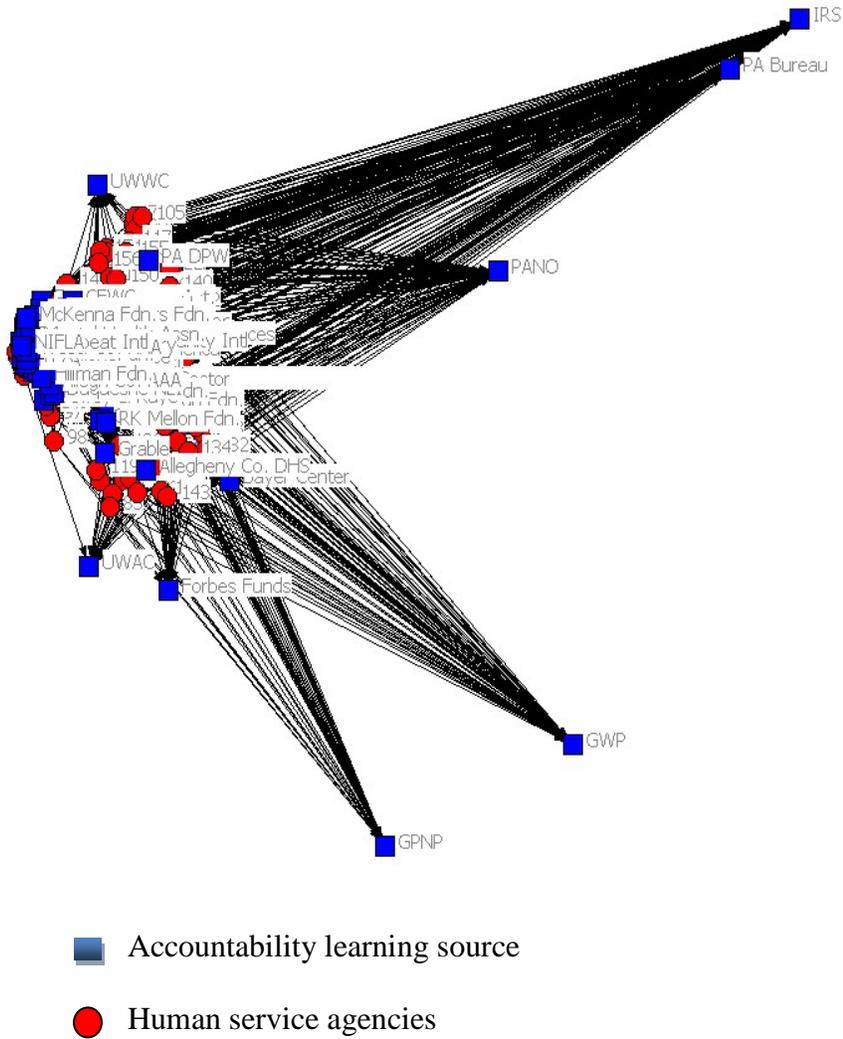


The full two-mode network illustrates the human service organizations in red and learning resources in blue. It is also helpful to illustrate the network in its principal components

⁶⁵ Borgatti, S.P., Everett, M.G. and Freeman, L.C. 2002. Ucinet for Windows: Software for Social Network Analysis. Harvard, MA: Analytic Technologies.

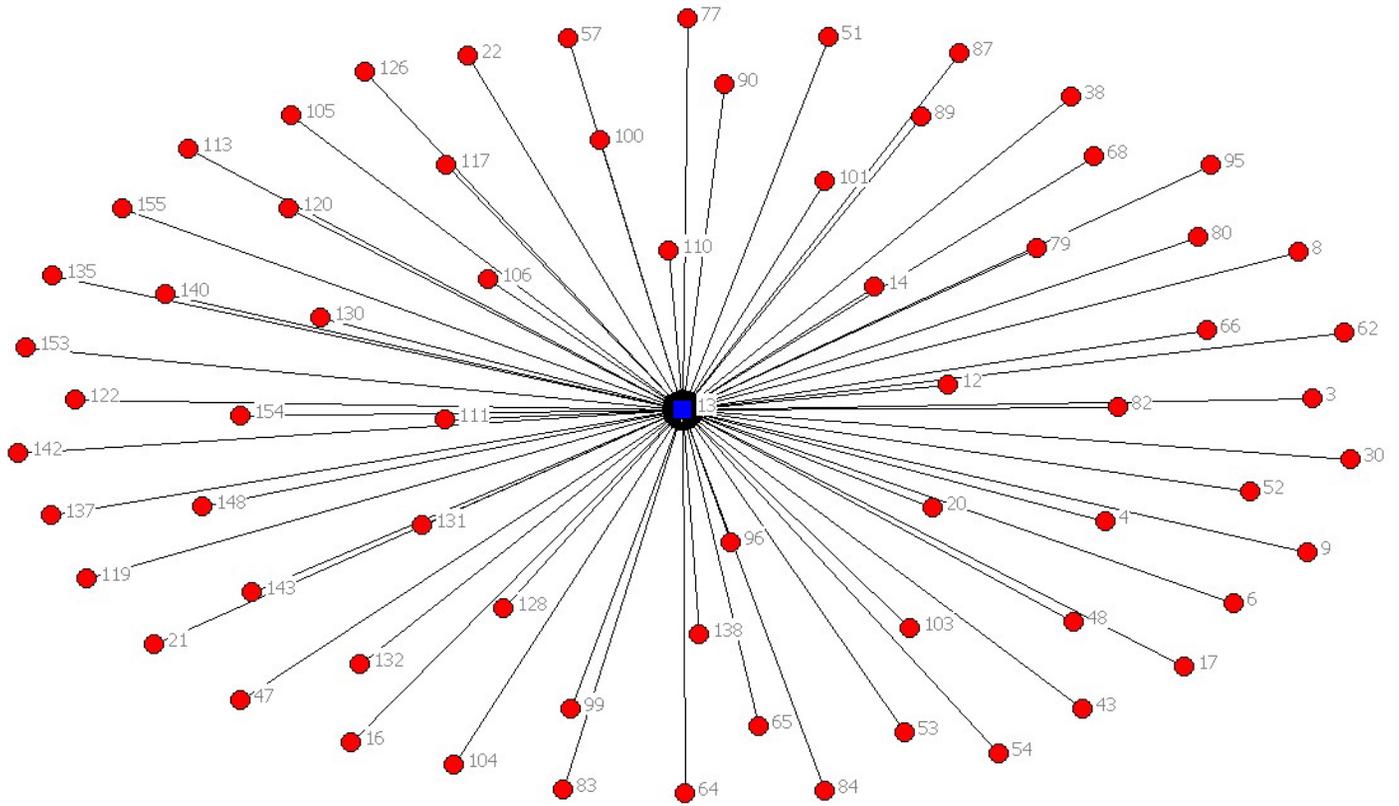
view, shown in the figure below. The principal components view highlights which learning sources are most often named by the nonprofit human services agencies. This view of the two-mode network of human service agencies and learning sources indicates that the Internal Revenue Service (IRS), PA Bureau of Charitable Organizations (PA Bureau), Grantmakers of Western Pennsylvania (GWP), the Greater Pittsburgh Nonprofit Partnership (GPNP), Forbes Funds, United Way of Allegheny County (UWAC) and United Way of Westmoreland County (UWWC) are the principal components of this two-mode network.

Figure 4: Two-Mode Learning Network—Principal Components View



Another option for viewing and analyzing the two-mode network is to examine ego networks of particular learning sources or nonprofit human services agencies. The figure below highlights the ego network of Grantmakers of Western Pennsylvania (GWP), showing how many nonprofits named GWP as a source of information for accountability practices.

Figure 5: Ego Network for Grantmakers of Western PA

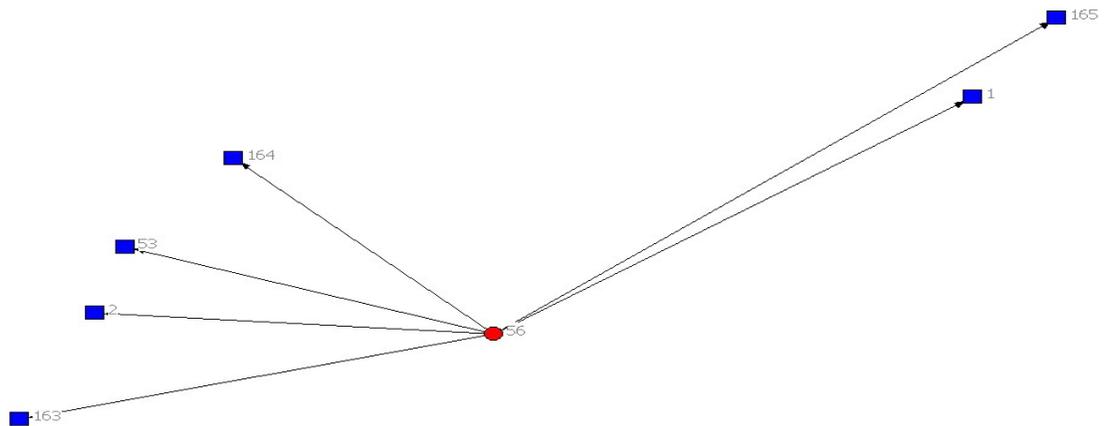


■ Accountability learning source

● Human service agencies

Alternately, ego networks for responding agencies can also be analyzed. Shown below is the ego network for agency number 56.

Figure 6: Ego Network for One Human Service Agency



■ Accountability learning sources

● Human service agency

While the two-mode and ego networks provide rich data to consider, they do not provide the appropriate measure of overall interconnectedness with which to test H1. Therefore, another analytic approach to the network data must be explored.

4.3.2 Relationships between actors in two-mode networks

Wasserman and Faust (1994) provide a detailed discussion of two-mode networks. They explain that underlying theory of two-mode networks is that joint participation, such as belonging to the same club, volunteer organization or board of directors, brings actors together and increases the likelihood that they will develop pair-wise ties.⁶⁶ They assert that overlap in group membership allows for information sharing. In this same manner, this study suggests that

⁶⁶ Wasserman, Stanley and Faust, Katherine. 1994. *Social Network Analysis: Methods and Applications*. Cambridge, UK: Cambridge University Press.

agencies that obtain their accountability information from the same sources are also connected by virtue of the shared learning resource.

The 389 learning resources with which the nonprofit human service organizations are affiliated are locally and regionally situated and likely promote connections between and among agencies who seek information from them. An example of how these connections are made that is specific to this learning network would be Grantmakers of Western Pennsylvania (GWP). GWP was named as an information resource by 76 of the 156 surveyed. For the past number of years, GWP has also sponsored an educational summit for nonprofit organizations that typically attracts 1,000+ attendees from the southwestern Pennsylvania region and beyond. Summit attendees have several opportunities to meet and learn from their peer organizations in settings like the nonprofit summit, promoting pair-wise ties between organizations that are affiliated with Grantmakers of Western Pennsylvania.

Of the 389 learning sources listed, two may not meet this standard of promoting the flow of information and connection by being affiliated with them—the Internal Revenue Service (IRS) and the PA Bureau of Charitable Organizations (PA BCO). Although the IRS and PA BCO were noted as learning sources by 119 and 99 survey respondents respectively, they are not local organizations and do not typically offer local training or other opportunities to develop affiliations as a result of learning from those two agencies. Therefore, prior to continuing with the network analysis, the IRS and PA Bureau were removed from the spreadsheet.

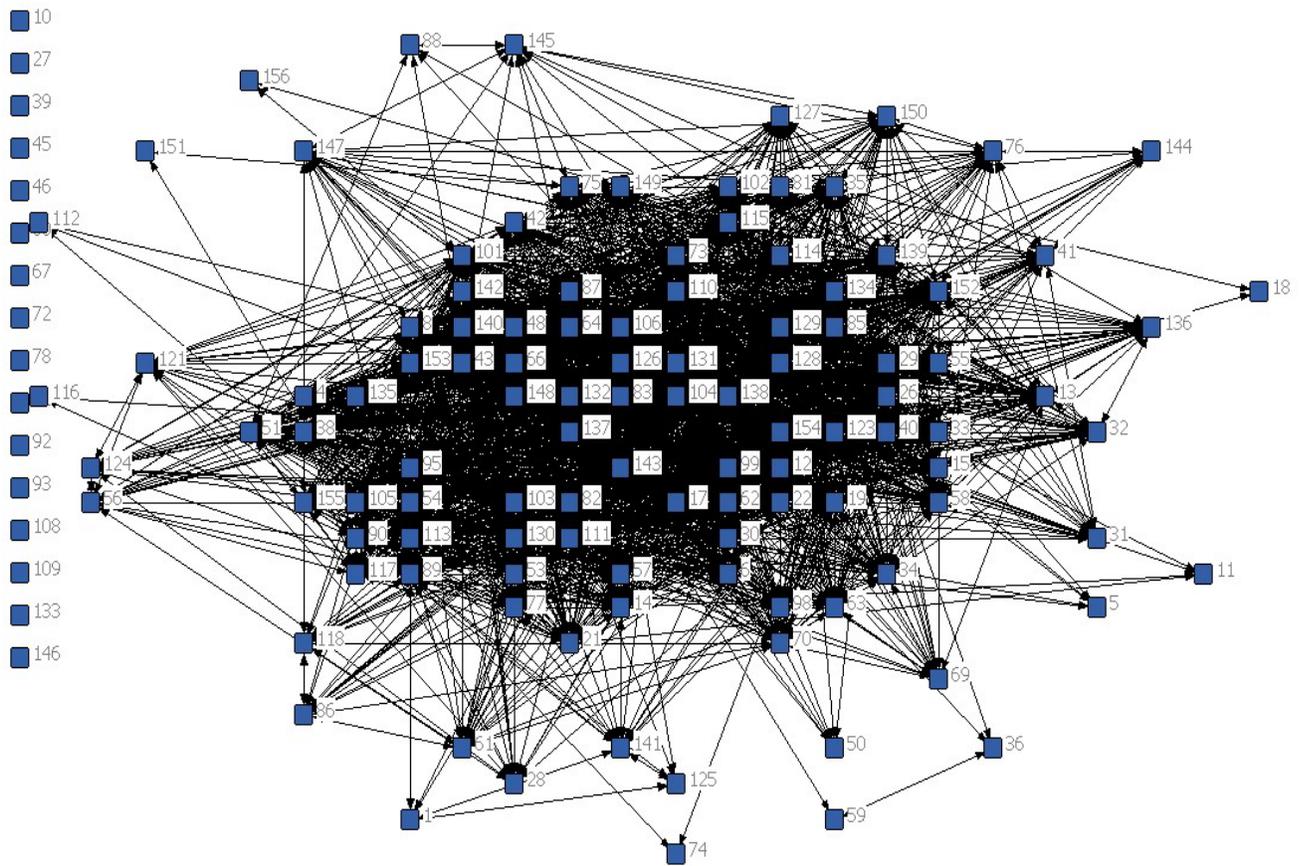
4.3.3 Creating a One-Mode Network from a Two-Mode Network

Following this revision to the network matrix, it was transposed and converted into a one-mode network, called ACCTNETWORK II by the following operation within Ucinet:

ACCTNETWORKII=prod(acctnetwork, acctnetwork transposed)

This operation created a one-mode network based on the number of shared connections each of the 156 responding organizations had with learning organization sources and is illustrated below.

Figure 7: One Mode Network of Human Service Agencies



The one-mode human services learning network highlights several isolated nodes. These are agencies that did not list learning sources on the survey. Agencies that have at least one shared connection are included in the network above. For further analysis, the network can be

viewed by a minimum number of shared ties. As shared connections are increased, the density of this one-mode network diminishes quickly. Below, the same network is shown with only those agencies that have three or more learning ties and then with those that have more than four ties. Only five human service agencies had more than five ties, and none had more than six ties.

Figure 8: One-Mode Network of Human Service Agencies Have Three or More Ties

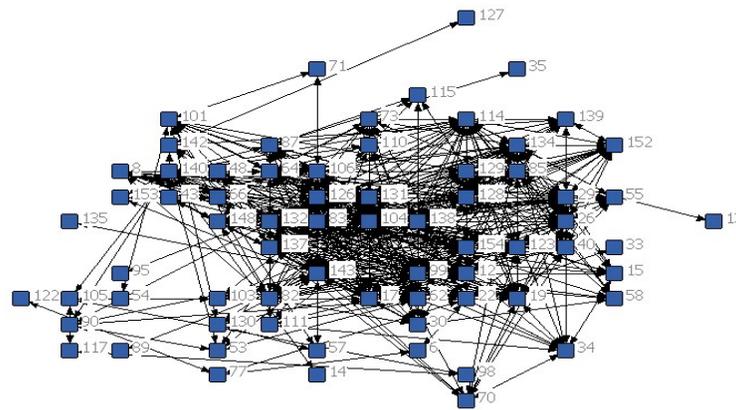
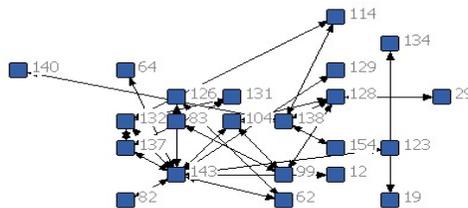


Figure 9: One-Mode Network of Human Service Agencies Have Four or More Ties



4.3.4 Centrality Score

Eigenvector centrality scores were calculated on the one-mode network. Eigenvector centrality measures of the importance of a node in the network. Eigenvector centrality bases scoring on the principle that not all connections are equal—those connected to high-scoring nodes contribute more to the score of the node in question than equal connections to low-scoring nodes.⁶⁷ In other words, if a nonprofit human service agency is connected to a highly networked agency, its eigenvector centrality score would be higher relative to another agency that had the same number of ties but to less connected agencies. Eigenvector centrality scores were calculated for all 156 participating agencies and entered into SPSS. This score is the measure for interconnectedness in the regression equation to evaluate H₁.

4.3.5 External Dependence on Pressuring Constituents

To complete the data set for the regression equation to evaluate H₁ and H₂, an external dependence score was developed. As noted earlier, this score is based on dependence on funding sources, information sources, such as affiliated or parent organizations and on whether or not the organization has experienced negative stories in the news media. Survey respondents were asked to indicate the level of funding they received from four sources: United Ways, government contracts, foundations and corporations. Further, they were asked if they had four types of affiliations: associated with a parent agency, accredited by a professional organization, member

⁶⁷ Newman, M.E.J. The Mathematics of Networks. *Center for the Study of Complex Systems, University of Michigan, Ann Arbor, MI 48109–1040*. Retrieved on 27 March 2009 from <http://www-personal.umich.edu/~mejn/papers/palgrave.pdf>.

of a professional association and if they had experienced at least one negative story about their agency in the news media.

These elements of section three of the mailed survey represent what Oliver (1991) calls “pressuring constituents,” those who have the ability to exert influence over the organization’s actions. Funding sources, parent agencies and even negative news stories can affect or illicit responses from organizations. Therefore, using the answers to these questions, a dependence score was calculated for each responding agency.

Respondents were asked to indicate what percentage of funding that their organizations received from each of the four sources listed. This data was used to assign values to each funding source to contribute to the overall dependence score. Thus, if an organization received less than 10% of its overall funding from a particular funding source, it did not receive any points towards its dependence score, as the funding source likely does not exert a lot of pressure given its low contribution to the agency budget; if it received 10-24% of its revenue from one of the sources, the organization received one point towards its overall dependence score, and it received one point if the agency obtained 25-50% of its revenue from one of the four sources listed. However, if it received more than 50% of its revenue from a particular funding source, a half point was deducted from the overall dependence score. Recall that the rationale for deducting a half point for higher percentage of funding received is that the organization has a less diversified funding stream and will be answerable to fewer pressuring constituents (outlined in Chang and Tuckman,1994).

Organizations received one point for each affiliation noted and one point if they experienced any negative media coverage. Using this framework, the maximum external dependence score is 8, and the minimum was -.5. Dependence scores were thus calculated for

each of the 156 respondents and entered into SPSS. These scores are used as the measure for external dependence on pressuring constituents in the regression analysis to evaluate H₂.

4.4 MULTIPLE REGRESSION ANALYSIS

The first two hypotheses suggest that the greater the level of interconnectedness in the organizational environment and the greater the level of external dependence on pressuring constituents, the greater the likelihood that the organization will conform to accountability best practices, or the higher the accountability competency score. Therefore, this research tests whether or not interconnectedness and external dependence are significant predictors of accountability competency. H₁ and H₂ suggest that accountability competency is a function of organizational interconnectedness and external dependence on pressuring constituents, or as stated in the following regression equation:

$$ACCTCOMP3 = B_{netcentral} X_{netcentral} + B_{depscore} X_{depscore} + e$$

4.4.1 Data Screening

Prior to conducting regression analysis, univariate and multivariate assumptions of normality, linearity and homoscedasticity were confirmed for all variables. Additionally, data were screened for multivariate outliers. Univariate normality was established through the transformation of the accountability competency score as described earlier.

To screen for multivariate outliers, Mahalanobis' distances were calculated for the three quantitative variables. The chi square (X^2) critical value with three degrees of freedom, $p < .001 =$

16.266. By examining the Mahalanobis' distances to test for outliers, there were no values that exceeded 16.266. Therefore, no cases were removed from the analysis.

When screened for normality, the external dependence score variable (DEPSCORE), exhibited substantial positive skew, so a log 10 transformation was conducted to create DEPSCORE2 using the following operation (because the data included negative values, the constant was used to bring the smallest value to 1):

$$\text{DEPSCORE2} = \text{LG10}(\text{DEPSCORE} + 1.5)$$

Following this transformation, DEPSCORE2 was still a non-normal distribution, but the skewness and kurtosis were much closer to zero and the values on the Q-Q plot were aligned more in a straight line. Therefore, no further transformations were conducted, and DEPSCORE2 is used in the regression analysis. The resulting normality tests, histogram and Q-Q plots for DEPSCORE2 are included in Appendix E.

The variable created through the network analysis eigenvector centrality scores was named NETCENTRAL. When screened for normality, NETCENTRAL displayed minor positive skew and was a non-normal distribution. However, a square root transformation did not improve normality. Therefore, NETCENTRAL was not transformed, but even though it tests as non-normal, skewness is .233 (between +1 and -1) and kurtosis was just above -1 at -1.242. The resulting normality tests, histogram and Q-Q plots for are included in Appendix E.

Finally, multivariate normality, linearity and homoscedasticity for ACCTCOMP3, DEPSCORE2 and NETCENTRAL were assessed. A bivariate scatterplot matrix was created for the variables. The output was not conclusive. Some of the shapes looked elliptical, but others

not. A standardized residuals scatterplot was then created. The output here appears to support meeting the assumptions of normality, linearity and homoscedasticity. The residuals do cluster around zero, somewhat forming a rectangular shape. Since all variables had already been assessed for univariate normality, no further transformations were conducted. The residuals scatterplot and bivariate scatterplot matrix for all regression variables are included in Appendix E.

4.4.2 Regression Analysis

A regression analysis was conducted to determine if the variables NETCENTRAL (the measure of organizational connectedness) and DEPScore2 (the measure of external dependence on pressuring constituents) were significant predictors of ACCTCOMP3 (the measure of accountability competency). Regression analysis was conducted using SPSS, and the model summary, ANOVA table and coefficients table follow:

Table 14: Regression Results

Descriptive Statistics			
	Mean	Std. Deviation	N
ACCTCOMP3	8.4539	2.41919	156
DEPScore2	.4827	.20324	156
network central minus irs	.06306	.049477	156

Correlations

		ACCTCOMP3	DEPSCORE2	network central minus irs
Pearson Correlation	ACCTCOMP3	1.000	.268	.413
	DEPSCORE2	.268	1.000	.293
	network central minus irs	.413	.293	1.000
Sig. (1-tailed)	ACCTCOMP3	.	.000	.000
	DEPSCORE2	.000	.	.000
	network central minus irs	.000	.000	.
N	ACCTCOMP3	156	156	156
	DEPSCORE2	156	156	156
	network central minus irs	156	156	156

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.441 ^a	.194	.184	2.18560	.194	18.451	2	153	.000

a. Predictors: (Constant), network central minus irs, DEPSCORE2

b. Dependent Variable: ACCTCOMP3

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	176.275	2	88.137	18.451	.000 ^a
	Residual	730.859	153	4.777		
	Total	907.133	155			

a. Predictors: (Constant), network central minus irs, DEPSCORE2

b. Dependent Variable: ACCTLITERACYTHREE

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partia	Part	Tolerance	VIF
1	(Constant)	6.403	.465		13.783	.000					
	DEPScore2	1.910	.903	.160	2.114	.036	.268	.168	.153	.914	1.094
	network central minus irs	17.911	3.710	.366	4.827	.000	.413	.364	.350	.914	1.094

a. Dependent Variable: ACCTLITERACYTHREE

4.4.3 Interpretation and Discussion of Regression Results

Standard multiple regression was conducted to determine the accuracy of the independent variables (organizational interconnectedness as measured by network centrality score—NETCENTRAL and external dependence on pressuring constituents—DEPScore2) in predicting accountability competency scores. Regression results indicate that the model significantly predicts accountability competency score, $R^2 = .194$, $R^2_{adj} = .184$, $F(2,153) = 18.45$, $p < .001$. Tolerance statistics exceed .1 for both independent variables, suggesting that they are both tolerated in the model and that multicollinearity is not a problem. This model accounts for 18.4% of the variance in accountability competency.

The percentage of variance explained by the independent variables is modest. There are several potential explanations that should be noted. First, the independent variables have not been previously measured quantitatively. There has been little empirical investigation of the broader notion of nonprofit accountability, and hence, there are no straightforward, readily available and valid measures of interconnectedness and external dependence on pressuring constituents. Therefore, the measures developed and utilized in this study may not be robust

enough. Further, results indicate that the interconnectedness variable provides the bulk of the explanatory power in the regression analysis, which suggests that the external dependence on pressuring constituents variable is particularly in question; additional study and development of measures for the external dependence on pressuring constituents may be warranted. Finally, the percentage of variance explained in this model may accurately reflect the degree to which these two variables predict increases in accountability competency within nonprofit organizations.

Regardless of the amount of variance explained, the regression model illustrates that as the level of organizational interconnectedness and external dependence on pressuring constituents increases, so too does the accountability score. However, there are likely other predictive variables that explain accountability competency scores. Recall that Oliver (1991) proposed ten hypotheses to predict when organizations would adopt or resist institutional pressures. This regression analysis only evaluates two of the ten hypotheses. Even so, organizational interconnectedness and external dependence surface as significant predictors of accountability competency, providing empirical evidence to Oliver's original hypotheses and H₁ and H₂ of this study.

Because accountability and accountability competency as defined in this study have not been the subject of wide empirical research, quantitative measures for these constructs are not readily available and needed to be developed for this portion of the study. Further, quantitative measures can only take us so far down the road of inquiry with regard to adoption of accountability mechanisms. The quantitative portion of this study examined the extent to which accountability mechanisms are adopted by human service agencies in southwestern Pennsylvania and the ability of network data and dependence on pressuring constituents to predict the degree to which accountability mechanisms are adopted in these agencies. However, the mailed survey

did not address the second over-arching research question, “**Why** are accountability practices adopted or not adopted within the participating human service agencies?” To explore this question, a qualitative research inquiry is required.

CHAPTER 5: QUALITATIVE STUDY RESULTS

5.1 SEMI-STRUCTURED INTERVIEWS

The qualitative portion of this research project focuses on exploring three additional hypotheses initially proposed by Oliver (1991) to explain the context in which organizations were more likely to conform to institutional pressures and when they were more likely to resist the pressure to conform. Through semi-structured interviews, the qualitative study explores why nonprofit human service agencies adopt accountability mechanisms or choose not to adopt them.

Specifically, the hypotheses evaluated are:

- H₃: The greater the degree of social legitimacy perceived to be attainable from adopting accountability mechanisms, the greater the degree of organizational adoption of accountability mechanisms.**

- H₄: The greater the degree of economic gain perceived to be attainable from adopting accountability mechanisms, the greater the degree of organizational adoption of accountability mechanisms.**

- H₅: The greater the degree of legal coercion behind adopting accountability mechanisms, the greater the degree of organizational adoption of accountability mechanisms.**

5.2 SELECTION AND DESCRIPTION OF INTERVIEWEES

Respondents to the mailed survey were invited to include their name and the organization that they represent. They were assured that their organization's information would remain confidential despite providing this identifying information. Nearly all respondents provided a contact and organization name, making the selection of semi-structured interview participants much easier to accomplish. Twenty organizational leaders were purposively invited to participate in approximately 30-minute interviews (one-time), scheduled at the leader's convenience and typically at his or her office. Data from the mailed survey were used to develop an interview list.

In order to gain a sharper understanding of under what circumstances accountability mechanisms are adopted and when they are not—when institutional theory or resource dependence theory may explain adoption or resistance—the key criteria for selecting interview participants were based on variation. Organizations were ranked by accountability competency scores so that high, middle and low scores could be identified and represented in the interview pool. As shown in the analysis of variance, organizations with operating budgets of \$500,000 or less had significantly lower accountability competency scores than organizations at every other budget level. Therefore, the interview list was developed so that organizations with small operating budgets were well represented, but also, that organizations at all budget levels were included in the interviews. Finally, although accountability competency scores were not significantly different based on geographic location of participating agency, organizations from four of the seven counties were included in the interviews.

Agency directors selected were called and invited to participate in an interview. Interviews were conducted from mid-December 2008 to mid-February 2009. While a few

directors did not return messages requesting an interview, nearly all those contacted agreed to participate. Agencies included in the interview pool included a homeless shelter, domestic violence programs, programs for offenders, senior service providers and child day care providers. Three agencies had organizational budgets of \$10+ million. Two had budgets of \$5-10 million; six had budgets of \$1-5 million, and two had budgets of \$500,000 - \$1 million. Seven organizations had budgets of less than \$500,000. A general description of all 20 agencies whose executive staff leader agreed to be interviewed is included in the table below, including organization budget size and gender of the interviewee.

Table 15: Description of Agencies Participating in Qualitative Interviews

General Description of Human Service Organizations Interviewed

11 December 2008 through 13 February 2009

*Interviews conducted with staff leaders

Brief description	Budget Size	Gender
Social, education and housing services to improve self-sufficiency	\$10+ million	M
Multiple human services, including counseling, prevention and training for children, adults and seniors	\$10+ million	M
Continuum of retirement, assisted living and nursing home services for older adults	\$10+ million	M
Services for adults with mental illness and substance abuse problems	\$5-10 million	F
Multiple services to promote community health and vitality, including education and economic development	\$5-10 million	M
Vocational and educational training services for adult and juvenile offenders	\$1-5 million	M
Senior center and adult daycare services	\$1-5 million	F
Services for children and adults with learning disabilities	\$1-5 million	M
Services for disadvantaged teens	\$1-5 million	F
Training and daycare services for single parents and their children	\$1-5 million	F
Services for survivors of sexual assault and domestic violence and advocacy for violence-free communities	\$1-5 million	F
Supportive services for survivors of sexual and domestic violence	\$500 K-\$1 million	F
Child care services	\$500 K-\$1 million	F
Emergency food, shelter and clothing as well as counseling services	Less than \$500 K	M
Pregnancy support services, including testing, counseling and newborn supplies	Less than \$500 K	F
Homeless shelter, counseling and job training services	Less than \$500 K	M
A local United Way	Less than \$500 K	M
Social services for offenders and their children	Less than \$500 K	F
Supportive services for people with developmental disabilities	Less than \$500 K	F
Services for older adults and their caregivers living in the community	Less than \$500 K	F

*Interviewed 9 male and 11 female leaders

5.3 INTERVIEW CODING PROCESS

The qualitative interview protocol is attached as Appendix B. It includes three distinct sections.

The first section of the interview included an exploration of the motivations for the adoption or

non-adoption of six specific accountability mechanisms, including filing the IRS Form 990, conducting an annual financial audit, adopting a conflict of interest policy, use of program evaluations, adopting an executive compensation policy and achieving organizational accreditation. The second section sought information about how important these mechanisms are to the agency directors, their boards and staffs, as well as information about where they learned about accountability practices. The final section of the qualitative survey investigated elements of the agency's operating environment that could potentially impact the level of adoption of these best practices.

Each interview was digitally audio-taped and fully transcribed verbatim. The complete set of 20 transcribed interviews is attached as Appendix F. Because this research explores a set of hypotheses originally proposed in Oliver (1991) rather than broad research questions, the study is deductive rather than inductive in nature. Thus, a grounded theory approach to coding the interviews was not employed. Text data was specifically sought that either supports or refutes H₃, H₄ and H₅, as well as any data that would support or refute the notion that agency leaders are ambivalent with regard to the adoption of accountability mechanisms.

All interviews were read and reviewed numerous times over several months. Responses to each question and each section of questions were reviewed and analyzed during this period of time. An open coding system was used in the first round of coding, noting individual thoughts and ideas. Subsequent rounds of coding of the motivational questions were then collapsed into axial codes, such as "required by law," "the right thing to do," "to achieve funding," "to compete," and because of "resource limitations," as reasons why agencies adopt or not adopt the subset of accountability mechanisms included in the first section of the personal interview protocol. The coding process in this first section also included an analysis of the degree of

passivity and conformance or manipulation and resistance to the mechanisms discussed. (Oliver (1991) asserts that organizations will respond to institutional pressures along a continuum of acquiescence to defiance.) These axial codes are representative of a range of motivations that are consistent with institutional theory and resource dependency theory.

The second section of the qualitative interview protocol explored how leaders learn about accountability mechanisms and with whom they share this information. It was included to complement the network analysis conducted through the mailed survey data and to assess the degree to which human service agencies depend on one another as well as other sector organizations for accountability best practices. This section of the interviews was coded by analyzing the number of sources as well as perceived importance of these sources as noted by the interviewee.

The final section of the interview protocol focused on the organization environment, including issues of resource scarcity, competition, uncertainty and the political, social and economic climate. Coding in this section included noting the frequency with which leaders noted the above as motivations in determining organizational choice with regard to the adoption or non-adoption of accountability mechanisms.

An extensive coding system was used for all three sections of the semi-structured, personal interviews with agency executives. After open and axial coding, the final stage of the coding process further collapsed the codes into broader motivational constructs associated with adoption or non-adoption of accountability mechanisms—social legitimacy, economic and legal—to evaluate the hypotheses. Text data analysis from each of the three sections of the interviews follows.

5.4 QUALITATIVE SURVEY, SECTION ONE: WHY ADOPT OR NOT ADOPT?

Forty-one accountability mechanisms were included on the mailed survey; however, it was not practical to ask agency executives why they adopted or not adopted all the mechanisms included on the mailed survey. The mailed survey results provided guidance with regard to which subset of mechanisms should be included on the interview protocol. Recall from Table 10 the list of the 41 accountability mechanisms ranked (from highest to lowest) by mean score of adoption. (Those mechanisms with higher mean scores were more fully adopted within the participating agencies.) The six accountability mechanisms included in the first section of the interview protocol ranked high, middle and low on Table 10 in the following order:

- Financial audits (ranked #2)
- IRS Form 990 (ranked #7)
- Conflict of Interest policy (ranked #14)
- Program/outcomes evaluation (ranked #30)
- Executive compensation policy (ranked #35)
- Accreditation (ranked #39)

During the interviews, agency executives were asked to describe as many reasons or motivations for adopting or not adopting each of the six mechanisms noted above. Executives were not limited in their answers and were encouraged to provide multiple reasons if appropriate. As transcripts were reviewed, the answers were placed into 14 categories (axial codes) that represent institutional and resource dependency motivations for their actions. If a director gave more than one reason for adopting that practice, all answers were included in the appropriate categories. The answers were tallied and charted and appear in Table 16.

Table 16. Coding for Text Data in Section One

Section One: Why do you adopt or not adopt the following accountability mechanisms?

	Other Agencies Adopt	Right Thing	Best Practices	It's Law	Respect/Legitimacy	Have to		
IRS Form 990		1		18	1		20	Institutional Theory
Financial Audit		3	3	3	4		13	
Conflict of Interest	1	6	5			1	13	
Program Evaluation	1						1	
Exec Comp. Policy	1	2	3				6	
Accreditation			3		1		4	
TOTALS	3	12	14	21	6	1	57	

	Choose to/not	Funding	Competitive	Control	Efficiency	Impact	No Gain/Incentive	Resource limitations		
IRS Form 990		6							6	Resource Dependence Theory
Financial Audit		8				1			9	
Conflict of Interest	3	3		1	2	2	1		12	
Program Evaluation	1	6	1		1	8	2	3	22	
Exec Comp. Policy	10							2	12	
Accreditation	5	3	1			1	2	6	18	
TOTALS	19	26	2	1	3	12	5	11	79	

The first half of Table 16, shown here in lavender/purple, provides a listing of the axial codes consistent with institutional theory motivations, including the following: right thing to do, legitimacy/respect, must do it, required by law, other agencies adopt and best practices. The second half of Table 16, shown here in green, provides a listing of axial codes consistent with resource dependence theory motivations, including the following: choose to or not to, funding, competition, control, efficiency, impact, incentives and resource limitations. Both tables list the

six accountability mechanisms on the left side. Once all motivations were recorded under the corresponding axial codes, the entries were totaled for each code. A review of the results suggests that a pattern emerges.

The motivations for adopting or not adopting the first three accountability mechanisms—IRS Form 990, financial audits and conflict of interest—were more often from an institutional theory perspective. Being “required to by law” was the most often noted motivation for the IRS Form 990, and “being the right thing” to do or “best practice” were also mentioned frequently as the source of motivation for adoption of accountability practices within an agency. However, it is especially important to note that “funding” was also a key reason why organizations adopt these legal or quasi-legal accountability mechanisms within their agencies. (The IRS Form 990 for organizations with more than \$25,000 in revenues, and financial audits for organizations with revenues exceeding \$300,000 are required by law. While a conflict of interest policy is not required by law, agencies must now report whether or not they have one on the Form 990.)

Conversely, the motivations for adopting or not adopting the second three accountability mechanisms—program evaluation, executive compensation policies and accreditation—were more often from a resource dependence perspective. “Choosing to do or not to do,” “funding,” “control,” “competition,” “efficiency,” “impact,” “incentives” and “resource limitations” were most frequently mentioned as reasons or motivations to adopt or not adopt the last three accountability mechanisms. In Table 16, a darker shading highlighting of these patterns shows that agency leaders more often cite institutional theory motivations for adopting or not adopting legal accountability mechanisms, the same mechanisms that are more fully adopted according to the analysis from the mailed survey. Further, agency leaders more often cite resource dependence motivations for the normative accountability mechanisms, those that tend to rank

lower in degree of adoption in the mailed survey. While it is not possible to generalize from this small sample, it should also be noted that resource dependence motivations for adopting or not adopting the subset of accountability mechanisms were more often cited than those consistent with an institutional theory perspective.

An examination of the motivations for adopting or resisting each of the accountability practices included in the semi-structured interviews follows. Recall that Oliver (1991) suggests that conformance and resistance to institutional pressures can be characterized as a continuum of responses from acquiescence, to compromise, to avoidance, to defiance and finally to manipulation. This continuum of responses will be included in the analysis of each mechanism.

5.4.1 IRS Form 990

"It's a required document, and that's just a practice. That's just a business practice."

—*Case 16*

The agency executives interviewed clearly concurred that completing and filing the IRS Form 990, the tax return for nonprofit organizations, is a standard and accepted business practice and one that is required by law for most organizations—those earning more than \$25,000 in

annual revenue. The agency executives, from organizations of all budget sizes, understand what the IRS Form 990 is and their responsibility to file. It appears to be the most “institutionalized” of the six mechanisms included in the interviews, and executives who were interviewed largely provided motivations for adoption of this mechanism that are consistent with institutional theory.

Several of the executives mentioned that the IRS Form 990 also serves as a public relations document for their agencies, letting the public know the nature of their work and their stewardship of public funds. By filing the IRS Form 990, organizations can establish their credibility as nonprofits.

At the same time, many organizational leaders, especially those of the smaller agencies (those with operating budgets under \$1 million), indicated that they file the 990 because funders expect them to do so and that the funders use this document to make funding decisions. Smaller agency executives noted that they would not complete the 990 if they “did not have to.” Overall, it appears that filing the IRS Form 990 is a highly institutionalized practice among the executives interviewed and one that they acquiesce to as it is both legally mandated and regularly required by funding sources.

Why does your organization file (or not file) the IRS Form 990?

"People who don't do 990s or who don't do them appropriately reduce their credibility and their likelihood of getting funding."—Case 101

"It's a legal requirement to maintain our 501 (c) (3) certification, to show responsibility."—Case 110

"Well, the only reason we do that, quite honestly, was United Way required it."—Case 33

"It's key information for people to see outside of this agency too."—Case 52

"It's an important item of information for people who may be considering funding us."—Case 19

5.4.2 Financial Audits

"Because if you want to raise money in this field, you darn well better do it."—Case 3

Even though most agency executives first mentioned legal motivations or best practice motivations for carrying out their annual financial audits, several of them highlighted the critical importance of the audit for fundraising purposes. For this accountability mechanism, a clear difference emerged between the key motivations for adoption or non-adoption provided by smaller agency executives and those provided by larger agency executives. Several of the larger agency executives focused less on the legal requirement to conduct an independent financial audit and more on reasons such as it is an industry best practice that provides a “seal of approval” for agency operations.

However, smaller agency executives find the financial audit to be more of a burden. Several of the smaller agency executives interviewed commented that they did not need to do a full audit because their revenues did not reach the threshold that triggers the legal requirement (\$300,000), but because their funding sources, such as the United Way or local foundations, required them to conduct a full audit, they complied. Smaller agency executives noted that some accountability requirements are not sensitive to the capacity constraints of their organizations, forcing them to make

Why does your organization conduct (or not conduct) a financial audit?

"Without the financial audit, you have no way of saying that someone has given us a seal of approval."—Case 19

"Compliance, best practice management."—Case 36

"I have credibility here in this county that I work in, so we do the audits..."—Case 101

"I guess because we are required to...by funders."—Case 53

"Some of our funders like us to do the full audit"—Case 110

"Mainly, because we felt we needed something to apply for grant money."—Case 153

choices between serving clients and complying with funding requirements. For these reasons, it appears that organizations participating in the interviews either acquiesce or compromise when adopting this institutionalized practice.

5.4.3 Conflict of Interest Policy

"It's just a common sense thing."—Case 33

Most of the agency executives interviewed stated that they had a conflict of interest policy in place, most of them citing that it was simply a good business practice to do so, again a motivation consistent with an institutional theory perspective. The executives, even those of smaller agencies, were well aware that the new IRS Form 990 (2008) includes a question about whether or not the agency has a conflict of interest policy in place. Although a conflict of interest policy is not a legal requirement and the Internal Revenue Service has no power to enforce nonprofits to have one in place, it is the IRS's attempt to disclose to the public whether or not organizations have such a policy. Hence, this could be considered a "quasi-legal requirement."

Several agency executives also reported that their organizations adopted conflict of interest policies as result of a real or perceived conflict of interest situation with their boards and/or staff members. Executives of agencies large and small agreed that

Why does your organization adopt (or not adopt) a conflict of interest policy?

"We need to know the guidelines and rules for behavior with one another."—Case 80

"We did a search locally, and we did a search nationally on what was considered best practices."—Case 154

"We do that here to be sure that we're operating in a business perspective with board and management staff."—Case 57

"This conflict of issue that came up was nonsense, but it was the issue that helped the board develop to a governance body. It was a good thing."—Case 16

"It's required by certain groups, so that's certainly one reason why we do it."—Case 34

conflict of interest policies helped to professionalize their operations and found them to be beneficial. Even though conflict of interest policies are not as fully institutionalized as the IRS Form 990 or financial audits within the agencies surveyed and interviewed, it does appear that executives agree that this practice should be rote and one adopted as a regular matter of course—motivations consistent with institutional theory—and that they have acquiesced to this institutional pressure to conform.

5.4.4 Program Evaluations

***"We don't do it enough because it is very difficult."*—Case 33**

Moving beyond the legally mandated accountability mechanisms, one begins to see the distinct variation in levels of adoption and motivations for adoption or resistance to normative accountability practices. Program evaluations are resource intensive, and smaller agencies struggle with having the expertise, time and money to conduct thorough program evaluations. Executives of smaller nonprofit human services agencies expressed frustration with funders' emphasis on program evaluation because they do not typically have the resources to conduct them. Further, many executives noted the difficulty of evaluating programs that serve clients who are transient, suffer from mental illness and the elderly.

Why does your conduct (or not conduct) program evaluation?

"It helps (funders) to make the right decisions about what they should fund."—Case 19

"Because we wanted to know that what we were doing had an impact. Besides, we knew that funders would eventually be coming along."—Case 57

"We found it extremely difficult because of who we serve."—Case 23

"To compete at a different level than what we had been doing." —Case 36

"The other point is to be able to walk into a foundation and say, 'Hey, 99% of our parents said that our program was good to excellent, and here are the statistics.' Would you consider giving?"—Case 154

Larger human service agencies that conduct program evaluations frequently cited that their motivations for doing so include wanting to compete for and leverage more financial resources and have statistical support for the impact of their programs and services. They also want to highlight the efficiency as well as the effectiveness of their programs.

Whether or not the human service nonprofits adopt program evaluation mechanisms appears to be a direct function of what resources they have available to them to implement the mechanisms. Further the motivations noted by those who do utilize program evaluations are far more consistent with resource dependence rather than institutional theory. It would appear that smaller budget organizations are avoiding program evaluation while larger organizations are either acquiescing or compromising to leverage this mechanism for financial gain and sustainability.

5.4.5 Executive Compensation Policy

"I don't think we have compensation policies, and they don't really compensate me much."—Case 53

Executive compensation policies were the least well-known and implemented of the six accountability mechanisms explored during the personal interviews with agency executives. Only three

Why does your organization adopt (or not adopt) an executive compensation policy?

"We barely limp along. I don't take benefits to keep this place going."—Case 3

"It's more of a professionalizing it to a greater extent."—Case 36

"I don't even know what that is..."—Case 153

"We don't really have any money to...I wish I had to worry about that."—Case 101

"With what is being paid, I don't think (the board) is worried about it being too exorbitant."—Case 110

"I don't know that they are outlined in one particular policy."—Case 134

of the 20 agencies interviewed had a formal executive compensation policy, and all of these were in large budget agencies. Many of those interviewed confused the question with an overall compensation policy for agency staff and simply were not aware of the practice. This question also provoked amusement from several executives, in particular those of smaller budget agencies, as this type of policy seemed especially irrelevant to them given their agencies limited resources.

For those executives whose agencies have adopted executive compensation policies, they cite that the motivation has been to be more professional, credible and transparent in the communities that they serve, clearly more of an institutional theory motivation. However, the majority of interviewees did not consider this accountability mechanism one that is important to them, and several took on a somewhat defiant tone in their choice not to adopt an executive compensation policy, so both acquiescence and defiance can be seen in the responses of agency directors to these policies.

5.4.6 Accreditation

"We are very proud of our PANO accreditation."—Case 52

There were stark differences in the responses to the question about why organizations seek accreditation or not through a nonprofit industry group or human service accrediting body, and the

Why does your organization seek accreditation (or not) through a nonprofit industry group or human service accrediting body?

"What better seal of approval to give your funders, and more importantly the parents who bring their children here every day, to let them know that this is a place where you can rest assured that we are meeting all the standards..."—Case 134

"Insurance companies will accept that (accreditations) as a seal of approval...it is more likely that they will pay for them."—Case 19

"There are more pressing issues than accreditation."—Case 77

"I guess I feel a lot of them are tainted. My personal experience in development over the years has been that most people talk, and few people do. My proof is in the product, not the process."—Case 36

"They were leaning toward certification, but it was not competency based, so for me, it was useless."—Case 57

differences were not always based on organization size. There seem to be three “camps” that emerged with regard to motivations for participating or not participating in industry best practice accreditation programs: 1) those who believe that accreditation is a seal of approval, a mark of excellence about which they are proud, 2) those who could not possibly devote the resources to going through accreditation programs and 3) those who choose not to go through accreditation programs because they do not believe that such programs carry any value, focus on the right issues or leverage additional funding.

Those who have achieved some type of accreditation mostly cite the recognition, pride and legitimacy that comes with it. Agency directors whose agencies are accredited suggest that the primary motivation is to be recognized as a best practice leader, an organization that can legitimately say that it ethically and effectively carries out its mission. Others who hold accreditations also note that in some instances accreditation can unlock funding sources, such as reimbursements from insurance companies. Thus, both institutional and resource dependence theories are component parts of the motivation.

Once again, small agency executives report that pursuing accreditation is simply beyond their resource capacities, both in terms of staffing and money. While small agency executives acknowledge that it would be nice to hold accreditations, they emphasize that serving their clients must take precedence.

The third set of distinct responses noted in the interviews was from those executives who place little or no value on accreditation programs. These directors called into question whether or not a set of rules produces the best or desired end program or service. Others suggested that the costs of time and money were not worth the effort and called into question whether or not

accreditation can attract additional funding. One executive commented that the emphasis of such programs was not on competency but on processes and that was not the best focus.

These three groups of motivations regarding the participation or non-participation in accreditation programs perhaps illustrate the broadest range of adoption through resistance to institutional pressures. Several interviewees that participate in accreditation programs do so for reasons largely consistent with institutional theory and others do not for reasons largely consistent with resource dependence theory. Executives' responses range from acquiescence, to compromise, to avoidance to defiance with regard to accreditation programs.

5.5 QUALITATIVE SURVEY, SECTION TWO: IMPORTANCE OF ACCOUNTABILITY MECHANISMS & LEARNING

While the first section of the interviews explored motivations around the adoption or non-adoption of specific accountability mechanisms, the second section of the interview sought to explore motivations for adoption from a broader angle. Agency executives were asked how important accountability mechanisms in general were to them, to their boards of directors and to their staff members. Additional questions sought information about how and from whom executives learn about nonprofit accountability best practices and with whom they might share that information.

"Accountability gives us, as an organization, our credibility back to the community."

—Case 124

When asked how about their perceived importance of nonprofit accountability practices, all executives who participated in the interviews said that they felt that the best practices were

vitaly important to them and to their agencies; the practices provide “the rules of the road.” Agency directors, of organizations large and small commented on how the accountability mechanisms serve as invaluable management tools for their agencies. Executives also said that adopting these practices builds trust and credibility in their communities, with their staff, funders and for the clients they serve. At the same time, the dichotomy between small and large organizations was again apparent.

Leaders of small budget organizations acknowledge that the accountability mechanisms are important; however, they also note the lack of sensitivity to the resource constraints of their organizations. Small agency executives need to decide whether or not some of the accountability mechanisms have sufficient relevance to their operations to attempt adoption. Further, executives of both small and large organizations commented on how their boards of directors were not as aware of the accountability mechanisms and best practices as they should be.

Other leaders suggested that global adoption of best practices is necessary because nonprofit organizations that experience a financial or mission related scandal through a lapse in accountability negatively impact the entire sector. Some leaders cynically suggested that accountability practices are the direct result of bad decision making at nonprofits and that now all organizations have to

How important are these accountability mechanisms to you, your board and your staff?

"Our agency's mission of ending violence is all about accountability. So, there's something about the integrity of that...we really have to be all about accountability"—Case 57

"We live in a world that requires some proof that you do a good job."—Case 16

"Those things make me feel better as the CEO and they make the board feel better as well. They help eliminate the nightmares of finding out that somebody is doing something dishonest."-- Case 154

"Critical; you have to do them. But practices are not sensitive to smaller agencies"—Case 3

"There are some that you have to 'submit to' that don't make sense in your everyday life."—Case 34

do some of these things even if they don't make sense in for them just to be in compliance.

There were many nuances in the answers to this question about how important the accountability mechanisms are to staff leaders, boards and staff members of human service organizations, and these differences point to motivations consistent with both institutional and resource dependence theories, depending on the interviewee's organizational context. Regardless of motivation, it was clear that none of the executives interviewed were ambivalent about the adoption of accountability mechanisms and the impact on their organizations.

5.5.1 Learning and Sharing Information

"Learning managing has really been on my own."—Case 153

As the network analysis from the mailed survey illustrated, some of the participating human service agencies were well-connected to nonprofit and philanthropic industry groups, management support organizations, affiliated or parent agencies and peers, but many, particularly the smaller agencies, do not enjoy wide access to best practice information regarding nonprofit accountability. When asked to name as many resources as they could for the past six months to a year, many executives pondered the question silently before responding.

Smaller agency executives appear to be more isolated with regard to learning and sharing information, oftentimes because they cannot devote the time or money to belong to organizations such as the Greater Pittsburgh Nonprofit Partnership or to attend educational sessions offered by the Bayer Center for Nonprofit Management and the Duquesne University Nonprofit Leadership Institute. Therefore, smaller agencies more often rely on online resources or their board members to obtain this information. This not only raises the concern that smaller agencies don't receive this type of information or training, but also concerns about the quality and accuracy of information gathered from online sources or secondary sources, as well as the lack of opportunity to discuss and explore that information with colleagues.

Medium and large agency executives most often mentioned regional, state and national associations as their primary resources for accountability information. These associations appear to be clearinghouses for industry specific program information and practice as well as overall management and accountability best practices. Executives also commented that they share information that they learn with their associations and coalitions at the regional, state and national levels. The interviewees frequently noted that the educational programs provided by the Pittsburgh regional nonprofit

From what sources do you learn about accountability best practices, and with whom do you share this information?

"I would say that what the local foundations have done, what Pitt and Robert Morris have done. They run a lot of great trainings. So there's a lot of great resources I Pittsburgh, I am always amazed by that."—Case 154

"...specific to our work, there really aren't a lot of good sources."—Case 57

"We have state and national associations that help us out a great deal with information."—Case 52

"Luckily our board president is on one of the larger boards, and she has implemented several things she learned from that organization."—Case 115

"...here in this city, I haven't found any sort of peer mentoring program...I have identified someone on my own with whom I can do this."—Case 134

management support organizations and universities are an important source of information for accountability best practices.

Many of the human services executives said that they learn about and share best practices by talking with their peers, but there was an inconsistency in these responses. Some executives feel that their peers are a key source of information, but others suggest that nonprofits do not share enough information because they are worried about “protecting their turf,” which is clearly a resource dependence explanation for not sharing information, as it might cede some closely held advantage of power and resources. Other executives commented that there are not well-established mentoring or peer-to-peer learning networks in the Pittsburgh region nonprofit community.

While the questions related to learning were posed to collect information about other people or organizations from which leaders learn and share information, other sources were noted often. In particular, several executives report that they learn from resources such as academic journals and trade publications like *The Chronicle of Philanthropy*.

Funding sources such as foundations and United Ways were mentioned several times by executives of agencies of all sizes, as well as the organization’s auditor or accountant for financial accountability information. Finally, perhaps the most often cited resource was Grantmakers of Western Pennsylvania (GWP). GWP has sponsored a nonprofit summit for the past several years, and the educational and networking program had grown to registrations exceeding 1,000 attendees. In 2009, GWP decided not to host the summit, and given its key role in sharing information with regional nonprofit leaders, this may raise concern about the lost opportunity for learning and sharing.

5.6 QUALITATIVE SURVEY, SECTION THREE: ORGANIZATIONAL ENVIRONMENT

Central to Oliver's (1991) argument is that organizational context factors determine whether or not an organization will adopt or resist institutional pressures to conform. Specifically, she asserts that the levels of uncertainty and interconnectedness will impact whether or not an agency chooses to adopt institutional norms. Therefore, section three of the personal interview protocol with agency executives explores the agency's overall economic, political, social, competitive and funding climates. Factors in the organizational environment likely impact the level of social legitimacy, economic gain and legal coercion that the organization seeks. Assessing the levels of uncertainty and other factors in the organizational environment can shed light on decisions to adopt or not adopt accountability best practices.

5.6.1 Competition for Financial & Human Resources

"It's extremely high. Highest I have ever seen...I was working in child welfare before this, and geez, that was a walk in the park compared to this." "I am always asking people for money."—Case 3

Resource dependence theory emphasizes that decisions are made because organizations are competing for scarce resources or for control over their environments. Viewed through a resource dependence theory lens, accountability best practices would be adopted because they are seen as a competitive advantage or a way to leverage more funds and control. To assess the level of perceived competition within the human service organizations in southwestern Pennsylvania, several questions were posed.

Agency executives were asked if they felt that the level of competition for financial resources was low, medium or high. Almost all of the interviewees said that the level is high,

citing the economic downturn that began in the summer of 2008 as the primary reason. A few of the agencies responded that the level of competition was medium because their organizations provide a unique and critical service in the community and thus have fairly stable government contracts to provide the services. However, some of the executives noted that the level of competition is always high, regardless of the economic cycles. Others reported that the level of competition is high because their organizations serve less socially desirable clients, such as ex-convicts, making it difficult for them to attract funding from non-governmental sources.

All of the agency executives expressed urgency around the level of competition for financial resources, indicating that competitive strategies were always at the fore for them. When asked how they compete for financial resources, executives said that they have stepped up the number of requests that they make of foundations, corporations and individual donors; they have increased their marketing efforts and focus on the impact that the agency makes in the community. Others are attempting to diversify their funding sources, demonstrating increased efficiency and effectiveness, and working to attract board members that can better assist them with raising funds. The consensus with regard to the level of competition and competitive strategies to attract financial resources is that the human service agencies are situated in a highly

Is your organizational environment one of low, medium or high levels of competition for financial resources?

“High and increasing. It's the idea that there's just one piece of pie out there, and it is just being cut in smaller pieces.”—Case 33

“High. There are a lot of nonprofits in Allegheny County, and everybody's looking for money. Funders are requiring specific information on outcomes, so even the process itself is more competitive.”—Case 34

“I would say that it is high because there are so few resources (in our county). It's pretty competitive, and you really have to have a good reputation and really maintain a high level of credibility.”—Case 101

“Medium. We are the only (service type) in our region, but this is a social service rich area, so we are competing with those same agencies for those same dollars.”—Case 110

competitive environment that requires them to develop strategies to leverage advantages. Many of the agencies competitive strategies include honing their accountability practices, such as demonstrating financial transparency, effectiveness and efficiency, program effectiveness and leadership and management competency.

For any organization, human resources are also a critical component to accomplish the mission and goals. Agency executives were asked if the level of competition for human resources, defined as staff, volunteers and board members, was low, medium or high. Unlike with competition for financial resources, no consensus emerged in the answers to this question.

Some agency directors indicated that the level of competition for volunteers and staff was low—that they had committed, long-term staff, an ample volunteer corps and dedicated board of directors. In other organizations, the level of competition was described as “medium,” with challenges retaining staff and attracting board members. And yet in others, the level of competition was described as “high.” Some agency directors, especially those in small budget organizations, highlighted the problem of low salaries in the sector and how that makes it difficult to recruit and retain good staff. Executives did note that attracting high profile board members was key to leveraging financial resources.

How does your organization compete for financial resources?

"We compete for (funding) with everyone who does similar things...And we talk about being collaborators, but we are competitors. We all know that."—Case 19

"...we have tried desperately to reduce the amount of competition by trying to think a little bit differently...perhaps if everyone is going this way, let's go that way."—Case 36

"Help people realize that when they invest money here, it makes a difference for somebody, which sounds trite, but it's very real."—Case 57

"...If you throw enough spaghetti against the wall, you get some help along the way, and I have tried over the years to throw spaghetti against the wall."—Case 16

5.6.2 Uncertainty in the Environment

"Since we are in the third month of I guess the Great New Depression, I would say it is highly uncertain."—Case 3

To explore whether the degree of uncertainty in an organization's environment may drive incentives for adopting or resisting accountability mechanisms, executives were asked whether their particular agency environment was one of low, medium or high level of uncertainty. There was not a strong consensus in the answers to this question, with some executives describing their environments with low levels of uncertainty for survival; others described their environments with medium levels of uncertainty, and yet others, citing the recent economic meltdown, characterized their environments as being highly uncertain.

Further, the reported levels of uncertainty were not grouped by agency size. For example, some smaller agency executives that have been providing services in the community for several years said that they know how to operate with limited resources and expect that they will continue to do so; others noted that potential access to economic stimulus funding improves their agency's likelihood of sustainability. However, other smaller agency executives expressed serious concern about their ability to continue in the current environment. Some larger agencies expressed concern

Is your organizational environment one of low, medium or high levels of competition for human resources?

"What I can't get is somebody who is 100%, somebody who is passionate about the work, who is willing to do the work even with the low salary, and care enough about the work to not go away just because someone is able to pay them \$5,000 more or give them better benefits."—Case 101

"The human capital side is very important. Nurses are retiring. We have to recruit people to come into this field, so we pay for education..."—Case 105

"Well, it's harder to get board members, especially great board members. They are overly committed, or they just don't have the time."—Case 154

"You see everyday pressures of more things to do, so we definitely have a problem here."—Case 153

over the lack of diversity in their funding base, which could threaten their ability to continue providing services. Other larger agencies were more optimistic when describing the level of uncertainty in their operating environment.

5.6.3 Social, Political & Economic Environment

"I think they believe that if the Democrats are in charge that we get more money. And to be honest with you, I don't believe that at all."—Case 52

It is not prudent to assess the environment of the human services nonprofits included in this study without exploring the potential impact of the socio-political economic climate. In particular, this study was conducted during a time of significant changes in this environment. In late 2008, the United States elected its first African American president, a democrat following eight years with a conservative republican administration. Just several weeks prior to the election, the nation's financial system suffered a meltdown, which began a downward economic spiral. A by-product of increased unemployment and home foreclosures is an increased need for human services. For these reasons, the agency executives interviewed were asked if there are elements in the social, political and economic climates that threaten their organization's sustainability.

Is your organizational environment one of low, medium or high level of uncertainty?

"Low. We're here; we've been here for 20 years, and we've shown that we can make it."—Case 110

"It's low for three specific reasons that I can think of. We're financially sound; we have lower than usual turnover in staff now, and we have a client base that is growing."—Case 124

"If the county stopped funding our program, we would have to close our doors."—Case 80

"We really need to spend some time this year focusing on excess funding. Some funding just to make sure that we're here down the road."—Case 115

"If you don't continue to be aggressive in trying to protect what you say your mission is, you will have a problem. We're not in the 70s or 80s where it was enough just to do good."—Case 154

Regardless of their agency size, the executives noted that the economic crisis is driving up the need for social services. This increased demand along with less funding, especially from foundations, will exert pressure on human service agencies. Several of the agency executives were hopeful that economic stimulus funding would mitigate the negative economic impact.

There were mixed assessments of the political environment on the human service agencies. Many of the executives interviewed expressed hope that the new administration would be more inclined to support their programs. However, another executive disputes the notion that human services fare better under democratic versus republican administrations. Yet another was concerned that the political ideology of the administration might negatively impact her agency's funding. Further, other executives noted that there may be increased opportunities to attract volunteers in the current environment, due to increased lay-offs and increased funding for community service.

All agency executives interviewed concurred that the economic environment will have a long-lasting impact on their organizations' ability to raise funds. Some expressed concern over state and federal contracts, and all were worried that it may take years for foundations to rebound. Organizations that depend on

Are there elements in the social, political or economic climate that threaten your organization's sustainability?

"We have been inundated with need, and I guess that is part of what's going on outside."—Case 3

"It helps us do a re-check of our priorities."—Case 57

"I keep hearing all of these terrible things, but I read about Mr. Cheney's daughter-in-law, who said 'I never thought about doing volunteering until Barack Obama said go out and serve and save your nation.' I thought, 'Man, I got a whole new group out there!'—Case 53

"We have started thinking more about what we can do to generate a more steady source of income."—Case 134

corporate and employee donations are also suffering a decline in giving.

5.6.4 Stakeholder Expectations for Accountability

“It’s a love-hate relationship...I might not do it if I wasn’t mandated, but I am glad that I do it.”—Case 53

A potentially important organizational environment concern is how much pressure or control external stakeholders place on the agency. Specifically, how “much” accountability do funders require of human service agencies? Agency executives were asked if their funders required a low, medium or high level of accountability from their organizations. Agency leaders had a wide spectrum of answers to this question, ranging from low accountability demands to high.

Several agency executives indicated that their funders require high levels of accountability from them, particularly with regard to financial accountability and verifying that funds were spent according to agreed upon budgets. The executives noted that they are highly compliant to these requests for accountability because they depend on the resources to continue their work.

However, with regard to other aspects of accountability, such as asking for information about program outcomes and achievements, most agency executives believe that funders do not require a high level of accountability. In fact, many executives expressed concern

Do you think that your funders require a low, medium or high level of accountability from your organization?

“I think that they shoot high, and probably half of them will look at the wrong stuff.”—Case 36

“Yes, they do, and we pay attention. No money, no mission”—Case 105

“When it comes to the actual productivity of the agency, I don’t think there’s very good oversight at all. Because, you know, nobody really has a mechanism to say, prove it...prove that it’s going to work.”—Case 57

“I think that the government funders can be demanding in a silly way.”—Case 34

“The bigger the funder, the less accountability.”—Case 16

“High. The county asks for a lot of information in different formats. “A lot of people just throw their arms in the air and go, ‘well, that’s the county.’”—Case 80

that funders do not ask for the appropriate information to assess program impact and that they ask for information in an un-coordinated manner. Several executives suggested that their internal accountability systems far exceeded what is required of them by their funding sources.

Executives from smaller agencies expressed frustration with the level of accountability required for the smallest of grants, explaining that they must forgo some funding opportunities because it would cost the agency more to comply than the amount of the grant award. Other executives characterized accountability requirements as “silly” and not appropriate measures of agency impact. It seems fair to conclude that despite the content or appropriateness of funder accountability requirements, funders do exert control over the human services agencies because they control the flow of financial resources.

5.6.5 Level of Diffusion of Accountability Practices

"I think the state of the art in management in the nonprofit sector is 100% better than it was 30 years ago, and probably 50% better than it was 15 years ago. I think there has been tremendous improvement."—Case 19

The final qualitative interview question asked agency executives to comment on whether they believe that the level of diffusion of nonprofit accountability best practices is low, medium or high. While there was some optimism expressed about the level of adoption of best practices in the sector, most of the executives said that the level of accountability is low.

The majority of the comments shared about the level of accountability were in reference to small and medium sized agencies. Executives of agencies large and small talked about how resource constraints force smaller agencies to make choices between adopting best practices and

providing services for clients—an accountability zero sum game. Executives noted that funders are requiring more accountability from nonprofits, which is helping to improve the adoption of best practices, but the persistent resource challenges limit progress toward fuller adoption.

Other executives stressed that the level of adoption of accountability mechanisms is low because this information just does not reach some agency directors, again especially small ones. They stress that some executives are isolated and are not a part of an information sharing network. Only one of the 20 agency executives interviewed felt that the level of accountability in the regional nonprofit human service sector is high.

5.7 DISCUSSION OF QUALITATIVE INTERVIEW FINDINGS

The qualitative interviews with agency executives provided rich text data with regard to the level of accountability in their respective agencies and the human services nonprofit sector in this region, the driving motivations for adopting or resisting best practice accountability mechanisms and the environmental factors that press on their daily decision making. In some instances, there was consensus in the executives' answers to the questions, in particular

How widespread is the adoption of accountability best practices in regional nonprofit human service agencies?

“Low. I think that's the key thing for most of the small to medium nonprofits. They are just fighting for money all of the time...they just don't have time to look at those other things.”—Case 16

“Ten years, maybe 20 years too late...at the end of the day, we've allowed free reign. It's like anybody in the world could create a nonprofit for any particular reason, with up until now, no accountability.”—Case 36

“Low. I don't really hang out with a lot of people in the nonprofit sector, but those who I do don't seem to have a clue.”—Case 53

“Low. Service is chosen over structure. “I know so many people who fully intend to get to it, but there just aren't enough hours in the day.”—Case 124

with regard to motivations for adopting accountability mechanisms such as filing the IRS Form 990 and conflict of interest statements, with regard to the level of competition in the environment and the level of diffusion of accountability mechanisms in the region. However, in many other instances, there were many differences in the ways that agency executives answered, in particular with regard to motivations for conducting financial audits, program evaluations and achieving accreditation. These differences were mostly distinguished between small and large agencies, as defined by operating budget size, and therefore, the answers also differed by agency accountability competency scores as calculated from the mailed survey.

Throughout the interviews, it is clear that the nonprofit organization's operating environment factors largely in the decisions to adopt or resist certain accountability mechanisms, which supports Oliver's (1991) notions of context (the degree of uncertainty and interconnectedness in the environment), control (how is pressure exerted—legal or normative), constituents (who exerts pressure), cause (why is pressure exerted) and content (what is the focus of the pressure). Further, Oliver also posits that the response to these organizational environment factors will fall along a continuum ranging from acquiescence, compromise, avoidance, defiance to manipulation. This range of responses was also evident in the qualitative interview process.

The question remains, however, how this data supports or refutes H₃, H₄ and H₅, restated below:

H₃: The greater the degree of social legitimacy perceived to be attainable from adopting accountability mechanisms, the greater the degree of organizational adoption of accountability mechanisms.

H₄: The greater the degree of economic gain perceived to be attainable from adopting accountability mechanisms, the greater the degree of organizational adoption of accountability mechanisms.

H₅: The greater the degree of legal coercion behind adopting accountability mechanisms, the greater the degree of organizational adoption of accountability mechanisms.

The preceding comprehensive analysis of each question in the interviews provides some data with regard to these three hypotheses. However, it is important to note that the discussion relates only to the agencies interviewed and is not intended to be generalized to a larger population.

5.7.1 Social Legitimacy (H₃)

Of the three potential motivational factors for adopting or resisting the various accountability mechanisms studied in the qualitative interviews, the level of social legitimacy appears to be the most difficult to evaluate. Social legitimacy motivations in this context are those reasons for adoption that express some overall respect and responsibility of conduct for the nonprofit sector.

An irony surfaces when comparing the answers to two questions in the qualitative interview protocol. When describing how important accountability mechanisms are to him and his agency, one executive described accountability practices as “the rules of the road.” Another talked about “a responsibility to the nonprofit sector.” Almost all executives talked about how critically important the accountability mechanisms are to them, their staffs and their boards of directors. And yet, when asked about how well diffused and adopted the accountability

mechanisms are within the regional human service nonprofit sector, the executives resoundingly said that the level of adoption was low, at times embarrassingly low. So while there is agreement that the accountability mechanisms are extremely important for nonprofits to establish credibility, respect and *social legitimacy*, executives agree that agencies are not adopting them widely enough. This calls into question how much of a motivation social legitimacy may be for nonprofit executives to adopt accountability best practices.

Some agency executives noted social legitimacy, credibility, respect and responsibility as motivations for adopting accountability practices, but these motivations also were the least often noted throughout the interviews. Further, when social legitimacy was offered as a motivation, it often was one mentioned in a secondary fashion as opposed to a primary motivation.

However, social legitimacy does seem to be a primary motivation for those organizations who have adopted executive compensation policies and for those who have achieved some type of accreditation from a nonprofit or industry specific group. The agency executives noted that these steps have professionalized their organizations and engendered a sense of pride and respect in their agencies, in the communities they serve and the nonprofit community in general. The issue that emerges is that the small nonprofit organizations that participated in the survey neither adopted executive compensation policies nor are accredited. In fact, small agency executives rarely, if at all, provided reasons or motivations consistent with social legitimacy surrounding their adoption or resistance to accountability mechanisms. In conversation with small agency executives, it seemed as if social legitimacy through adoption of accountability mechanisms was simply something that they could not “afford,” and that these executives were largely motivated by other factors within their operating environments.

Therefore, it seems that there is qualified evidence to support H₃—that the greater the level of social legitimacy perceived to be attainable, the greater the degree of adoption of accountability mechanisms. Larger nonprofit organizations are more motivated by social legitimacy perceived to be attained to adopt some accountability mechanisms because they have more resources in terms of staff, time and money, to be concerned about how they are viewed in the broader nonprofit community. On the other hand, small nonprofits need to devote their limited resources to address more immediately relevant concerns.

5.7.2 Economic Gain (H₄)

Unlike social legitimacy perceived to be attainable through adopting accountability mechanisms, there appears to be significant support for H₄: The greater the degree of economic gain perceived to be attainable from adopting accountability mechanisms, the greater the degree of organizational adoption of accountability mechanisms. For small agencies in particular, the primary motivation most often mentioned with regard to adopting accountability mechanisms was to leverage funding or compete for additional funding. Economic gain is an essential motivation for agencies of all sizes, though. Large agencies also emphasize that if they do not have funding, they cannot achieve their missions. Executives of large agencies said that they complete and publish their financial records and program evaluations in the hopes that these practices will garner them favor and funding from foundations, corporations and individual donors.

However, the economic incentives to adopt certain accountability mechanisms are at the fore for the small human service organizations that participated in this part of the study. Several agency executives said that they were compelled to do full financial audits, adopt conflict of

interest statements and engage in outcomes evaluation because their funding sources favored these practices, not because they were required by law. One small agency executive characterized this as a “love-hate relationship” with funding sources that require these accountability practices—they find the practices valuable to their agencies, but they just don’t have the resources to devote to them and likely would not do them otherwise. Several small agency executives expressed frustration with funders and described the strain that it places on the agency, but the executives adopted the accountability mechanisms because their funding depended upon them doing so.

Other evidence that supports the notion that nonprofits will more widely adopt accountability mechanisms when the perceived economic gain is greater comes from the executives’ descriptions of their agency operating environments. There was not complete agreement with regard to the amount of organizational uncertainty to sustain operations, with some organizations saying that there was high uncertainty, some low and some medium. (Again small agency executives were most likely to be concerned about sustainability.) However, there was strong consensus among all agency executives that there is high competition for financial resources. The current economic, social and political climate has only sharpened the need for competition for limited funds. For these reasons, many executives talked about being ever more aggressive in positioning their agencies to compete well for scarce resources, and this positioning includes adopting accountability mechanisms such as full financial audits and program evaluations in particular. The large agencies that hold some type of accreditation also highlighted that they believe the accreditation positions them well with potential funding sources.

One agency executive commented that while the current environment for nonprofit organizations is highly competitive with regard to financial resources, it is *always* competitive, regardless of what is happening in the broader economy and in the socio-political landscape. The interview data strongly supports that the greater the degree of perceived economic gain, the greater the degree of adoption of accountability mechanisms.

5.7.3 Legal Coercion (H₅)

Two of the six accountability mechanisms explored in the qualitative interviews are legal requirements—filing the IRS Form 990 and conducting a financial audit for organizations exceeding \$300,000 in revenues—and the adoption of conflict of interest policies can be classified as a “quasi-legal” requirement. All agency executives interviewed said that the primary reason for filing the IRS Form 990 and conducting the audit is that they are legal requirements. Some also noted that, if not legally required, they might choose not to adopt these accountability mechanisms. These responses provide strong support for H₅: the greater the degree of legal coercion, the greater the degree of organizational adoption of accountability mechanisms.

With regard to adopting conflict of interest policies, some of the agency executives mentioned that they previously did not have these in place. However, with the introduction of the revised IRS Form 990, which discloses whether or not the agency has a conflict of interest policy, several executives report recent or pending adoption of this policy. A conflict of interest policy is not legally required, but it can be argued that having this information readily available to the public on the informational tax return is a form of legal coercion.

It is also important to note that the legally mandated accountability mechanisms are those that are more fully institutionalized in the larger group of human service agencies that participated in the mailed survey. When combined, the mailed survey and the qualitative interviews strongly support the hypothesis that the greater the degree of legal coercion, the greater the degree of organizational adoption of accountability mechanisms. This is not a surprising finding; most individuals and organizations desire to be law-abiding citizens, particularly when they are aware of the legal requirement in question.

However, it is interesting to note that the sanctions for non-compliance with legal requirements have not been particularly stringent in the nonprofit sector. For example, for many years the only penalty for 501 (c)(3) organizations that were not compliant with IRS requirements was revocation of tax-exempt status—a severe penalty, but not often used. Oversight has traditionally been lacking in the nonprofit sector, which has operated on the assumption that charitable organizations are inherently honorable and ethical. The IRS now has “intermediate sanctions” for organizations that cannot justify executive compensation, fines and penalties that do not revoke tax-exempt status. Further, the IRS rarely audits nonprofit filings of Form 990, and hence the degree of compliance and scrutiny given to this legal requirement may be lower. In other words, organizations may be in compliance with the letter of the law, but not the spirit.

In Oliver’s (1991) strategic response framework, this could be described as “compromise” or “avoidance,” that the organization appears to be following the legal requirement, but perhaps doesn’t fully comply. An example of this partial compliance would be filing the Form 990, but not disclosing accurate fundraising expenses or disclosing other requested information about management practices. It is difficult to tease out these nuances

without intense scrutiny of legal compliance documents and without complete candor from organizational executives and it would be unrealistic to expect that executives would provide such candor when it may put them and their agencies in jeopardy.

Thus, H₅: The greater the degree of legal coercion behind adopting accountability mechanisms, the greater the degree of organizational adoption, may seem tautological—legal accountability mechanisms are adopted because they are legal requirements. However, the degree of coercion also depends on the perceived severity of the penalty. In retrospect, this research could have explored this notion of penalties to provide more depth to the analysis of this hypothesis. Even so, it is beneficial to explore H₅ within these limitations. At minimum, it provides some data about how legally mandated accountability mechanisms are adopted in comparison to those that are more voluntary in nature.

5.8 SUMMARY OF QUANTITATIVE AND QUALITATIVE FINDINGS

This study explored five hypotheses related to the adoption of accountability mechanisms within nonprofit human service organizations in a seven-county southwestern Pennsylvania region. It builds upon the conceptual framework first proposed by Oliver (1991), who suggests institutional and resource dependence theories are complementary and that factors in an organization's environment influence whether or not, and to what extent, an organization will adopt or resist institutional pressures to conform. The study empirically tested the following five hypotheses:

- H₁: The greater the degree of interconnectedness in the organizational environment, the greater the likelihood of conformity to accountability mechanisms, or higher accountability competency within the organization.**
- H₂: The greater the degree of external dependence on pressuring constituents, the greater the likelihood of conformity to accountability mechanisms, or higher accountability competency within the organization.**
- H₃: The greater the degree of social legitimacy perceived to be attainable from adopting accountability mechanisms, the greater the degree of organizational adoption of accountability mechanisms.**
- H₄: The greater the degree of economic gain perceived to be attainable from adopting accountability mechanisms, the greater the degree of organizational adoption of accountability mechanisms.**
- H₅: The greater the degree of legal coercion behind adopting accountability mechanisms, the greater the degree of organizational adoption of accountability mechanisms.**

H₁ and H₂ were assessed by collecting data about the extent to which a menu of accountability mechanisms are adopted within the 156 participating organizations, from whom the nonprofit human service agencies learn about accountability mechanisms and who are the

agencies' external constituents applying pressure on the organizations. An "accountability competency" score was developed by summing the answers to the Likert-type scale included on the survey and is the dependent variable. A measure of interconnectedness was developed through network analysis, and a measure of external dependence on pressuring constituents was developed through a scoring system based on funding sources and organizational affiliations. These two measures are the independent variables. Regression analysis results indicate support for both H₁ and H₂; however, the independent variables explain only 18% of the variance in accountability competency scores. There are likely other predictor variables, such as those proposed in H₃-H₅, but the constructs in these hypotheses cannot be easily measured quantitatively.

Therefore, the qualitative portion of the study sought to explore several other potential predictor variables for the level of adoption of accountability mechanisms. Semi-structured personal interviews were conducted with 20 of the agency executives who participated in the mailed survey. The interviewees were purposively selected to participate based on the noted variations in accountability competency scores reported on the mailed survey. Significant differences in accountability competency scores exist between small and large budget nonprofits who participated in the survey; therefore, small and large agencies were represented in the interviews. The interviews were fully transcribed verbatim and coded. Text data revealed strong support for H₄ and H₅, suggesting that the greater the degree of perceived economic gain and legal coercion, the greater the adoption of accountability mechanisms. However, there was less conclusive support for H₃, suggesting that the degree of perceived social legitimacy to be gained may not be a primary motivation for adopting accountability mechanisms.

The mixed-method design of this study provides robust empirical evidence to support four of the five hypotheses and qualified support for one hypothesis. It also empirically tests Oliver's conceptual framework for exploring a continuum of responses based on factors in the organization's strategic environment. Study results suggest that accountability competency can be predicted by the number and quality of connections for learning about these mechanisms and by the level of dependence on pressuring external constituents. They further suggest that the participating nonprofit organizations are strongly motivated to adopt accountability mechanisms for potential economic gains and because they are legally required and only partially motivated by perceived social legitimacy to be gained. The implications of these findings are addressed in the next chapter.

CHAPTER 6: POLICY IMPLICATIONS & FUTURE RESEARCH

6.1 POLICY IMPLICATIONS

This study addressed two broad questions with regard to nonprofit accountability: 1) *To what extent are nonprofit leaders familiar with and use proposed nonprofit accountability mechanisms?* and 2) *What are the motivations or incentives for instituting or resisting the practices?* The study results and evaluation of the five hypotheses address these two broad research questions. The study results raise at least four important implications with regard to future policy and practice within the nonprofit sector.

- 1) If we know which specific accountability mechanisms are widely adopted and those with which nonprofit executives are not as familiar, how can executives be made better aware of all nonprofit accountability best practices?
- 2) If we know the motivations adopting accountability mechanisms, what incentives may be most effective to encourage adoption?
- 3) If we know that there are sharp differences in accountability mechanism adoption and practice between small and large human service agencies, would a tiered accountability policy or enhanced technical assistance be appropriate?

- 4) If we know an organization's "accountability competency" score, can organizational effectiveness or impact be inferred?

6.1.1 Improving Adoption of Specific Practices

As highlighted on the mailed survey, some accountability mechanisms, such as preparing financial audits and compliance with laws such as Equal Employment Opportunity, are more highly institutionalized than others, such as the use of logic models and program evaluations and participation in accreditation programs. Legal and financial accountability mechanisms are more highly institutionalized than those that are not required by law.

It would be impractical and imprudent to make all the accountability mechanisms included on the survey legal requirements. However, this research does provide some potential practical guidance for nonprofit management support organizations and funders with regard to what types of educational programs and technical support regional nonprofits may most benefit human regional human service organizations. Based on study results, regional human service organizations may benefit from educational programs and support with developing gift acceptance protocols, fund raising and executive compensation policies.

Adoption of gift acceptance policies ranked 38th of the 41 accountability mechanisms included on the survey. This seems surprisingly low given that fund development is such a central aspect to the ongoing viability of nonprofit organizations. And although conflict of interest policies ranked 14th highest adopted of the 41 accountability mechanisms, it seems that the rank should be higher given the increased expectation that these policies are in place at all nonprofit organizations.

The adoption of executive compensation policies also ranked very low, 37th of the 41 accountability mechanisms. Smaller organizations are much less likely to have executive compensation policies in place. Directors of small agencies comment that “we definitely have a practice that we follow, but to the best of my recollection, it’s not documented anywhere.” (Case 34), and “We have all the pieces, but I don’t know that they are outlined in one particular policy.” (Case 134). Other directors of small agencies stated that they did not need executive compensation policies because their agencies had so few resources and that the executive would never be over-compensated.

One mechanism that may require further attention is the minimum number of members serving on boards of directors. There had been discussion at the Senate Finance Committee about setting legal requirements for minimum board size, which sparked resistance from the nonprofit sector. However, Analysis of Variance results in this study indicate that organizations with boards with fewer than 12 members report significantly lower levels of accountability competency. While most organizations participating in this study had at least five board members (Five or more board members ranked 10th highest adopted of the 41 accountability mechanisms), those with fewer than 12 members had lower overall adoption of accountability practices, suggesting that these boards may not have the capacity or diversity of membership to ensure adoption of accountability mechanisms.

How this training or support to encourage further adoption of accountability mechanisms is delivered must also be considered. The agency executives who participated in the interviews frequently mentioned the challenges of staying connected to peers and other learning sources. One executive says, “One of my problems is that I don’t have time to get out to this stuff because I am so short staffed.” (Case 3) In fact, the network analysis in this study starkly illustrated that

very few organizations are interconnected with multiple sources of information. The network density quickly diminishes when illustrating four or more shared connections for accountability information. Alternate modes of content delivery, perhaps online with threaded discussion groups, could be explored to better accommodate the delivery of this information. Several executives mentioned that they frequently seek information online. Adoption of accountability mechanisms may be improved if delivery channels are enhanced to accommodate the pressing daily schedules faced by the region's nonprofit human service executives. Summarizes one executive, "On a daily basis, I refer to resources like BoardSource.com and the Foundation Center, you know, different websites that are easily accessible." (Case 134)

6.1.2 Motivations and Incentives for Adoption

The study results support the hypotheses that organizations adopt or resist institutional pressures based on their context or environments. In particular, there is strong support suggesting that the greater the interconnectedness, dependence on pressuring external constituents, perceived economic gain and legal coercion, the greater the likelihood of the organization adopting accountability mechanisms. All of the executives who participated in the interviews stressed the role of organizational environment and competition for scarce resources as a primary motivation for adopting accountability mechanisms.

Executives of both very large and small human service agencies talked about how various accreditations help or could help their agencies leverage additional funding to support their programs. "In our field, and throughout other agencies in other fields, if you have an accreditation, insurance companies will accept that as a seal of approval. It is more likely that ABC insurance will pay (for services) than if you are not accredited," says the chief executive

officer of one large human service agency. (Case19) An executive of a small human service agency also notes the potential of increased funding as motivation to adopt accountability mechanisms by saying, “You know, there are funding streams that we can tap into if we had a drug treatment license; it is good solid funding.” (Case 3)

Knowing the motivations for adoption or resistance can provide the levers for increasing adoption. If what motivates an agency director to adopt best practices is known, the appropriate incentives can be offered. For instance, several agency executives commented that there are no incentives for adopting certain practices. One executive of a mid-sized human service agency explains her organization no longer has a formal outcomes evaluation program because, “...it cost like \$10,000 every three years, so it’s not cheap. And then, there’s always a conflict between what the county wanted and what the state wanted.” (Case 23) Further, neither the county nor state stopped funding when this agency ceased its formal outcomes evaluation. Clearly, conflicting requirements of governmental funders is a disincentive for adopting accountability mechanisms.

Several executives also noted that the political environment makes adoption of accountability mechanisms challenging, mostly because of restrained funding streams and complex or unclear requirements that organizations must meet to receive funding. One agency director described compliance with its county funding requirements accordingly, “I think there were 15 people from the county and three of us from the agency in the room; the county executives couldn’t really decide what they wanted to know from us. They argued with each other.” (Case 80) Other executives reported that the overall political environment as it relates to the human service issues they address has been challenging. One said, “I’m hoping that things

will change now that we have a new president. It was a horrible political climate before.” (Case 3)

Although some executives specifically highlighted public recognition from peer organizations, industry accreditations and the community at large as motivations for adopting accountability mechanisms, many others were not as concerned about gaining social legitimacy, so recognition may not be the best lever to pull for achieving adoption. Social legitimacy often seemed to be a secondary motivation and benefit of adopting certain accountability practices. As one agency executive describes why his organization files its IRS Form 990, “The first reason is because we have to. But the second reason is that it is a fantastic public document. It’s a great way to capture, quickly, where an agency stands.” (Case 80)

However, nearly every executive is concerned about securing ongoing financial support. When asked why they adopted or did not adopt certain accountability mechanisms, executives who participated in the interviews mentioned securing funding, protecting or expanding funding for their organizations as a primary motivation for adopting each of the accountability mechanisms explored in the interview. Even when the mechanism was clearly a legal requirement, executives circled back to funding as a primary motivation. An executive of a large human service agency describes it as, “We want to be able to go back to the general public and say to potential donors, ‘you know here’s our financials; we have been good stewards of what we told you we would be doing in our mission.’” (Case 105)

Incentives fashioned around providing economic incentives may improve nonprofit practice. If agency’s that hold some type of industry accreditation received preferential consideration from foundations, government funders and organizations that provide

reimbursement for services, such as insurance carriers, more agencies would be incentivized to pursue accreditation.

Further, accountability mechanisms that are required by law are also more fully adopted within the nonprofit organizations studied. Again, it is not practical or desirable to legally mandate every accountability practice, but which practices should be legal requirements, thus increasing the likelihood of fuller adoption? What seems apparent in the results of this study is that adopting accountability mechanisms primarily for achieving a “seal of approval” or social legitimacy is an inadequate explanation of motivation. Agencies in this study are feeling pressured to perform in a highly competitive environments, and they must be provided with more robust incentives to adopt accountability mechanisms.

6.1.3 Small v. Large Organization Divide

The central defining factor of why organizations in this study adopt accountability practices or not is the budget size of the human service agency. Time and again, small agency executives commented on how accountability practices were beyond their abilities to adopt or comply. To illustrate this issue, one agency executive described a grant application process. She noted that the funder required that all employees be bonded, that the agency had to have fire drills and take a number of other steps to be in compliance. She said, “It was all kinds of stuff with a staff of six, and for \$7,000, it would have cost me \$50,000 to do what (they) wanted.” This executive director also said, “I just think that a lot of the best practices are just not sensitive to the smaller organizations.” (Case 3). The agency did not apply for the grant in question.

Other agency directors noted that resource constraints and competition for funding are among the most critical concerns for small nonprofit organizations. Many executives spoke to

the constant need to attract additional funding to serve their clients and the worries associated with continued funding. These challenges preclude many small agency directors from focusing a lot of time and energy on adopting the accountability best practices included on the study survey and interviews. As described by one executive, “I think that’s the key thing for most of the small to medium nonprofits. They are just fighting for money all of the time. And I think that’s...they just don’t have the time to look at those other things.” (Case 16)

The region studied and the United States nonprofit sector is predominantly comprised of smaller budget nonprofits. Small nonprofits make daily choices about what infrastructure or management concerns they can tend to versus what clients need to be served. The client typically wins this battle, but who loses the war when nonprofit organizations are not managed in the most effective, efficient and ethical manner? It is an accountability zero sum game—if one side “wins,” the other “loses.”

An important implication of this research is that perhaps the accountability framework needs to be tiered or leveled or alternately defined so that the expectations of organizations with budgets less than \$250,000 are less than those with budgets over \$10 million. Is it really necessary for the smallest of agencies to submit to a full audit for funding when a compilation or review should provide some basic assurance? Should smaller agencies be required to have full-blown outcomes evaluations to access grant funding? Could foundations and government funders develop grant application “short forms,” reducing requirements and tedious paperwork for capacity starved agencies? Do agencies with budgets under a certain level need formal executive compensation policies?

Because accountability mechanisms are mostly standard, without regard to agency size, many small organizations are at significant disadvantage when it comes to competing for

resources and contracts. When applications for grants and contracts are long, complex and require the same levels of accountability without regard to agency size, it becomes very difficult for small agencies to compete for contracts, even when they may boast a more appropriate, effective and efficient service. Most small to medium size nonprofits do not have a dedicated development director or grants and contracts writer on staff, which means the executive or program staff, who have many competing responsibilities, are also tasked with submitting grants, contracts and reports. An agency director describes this situation as, “There was a RFP (request for proposal) that came out, and I wanted to respond to one part. I knew we could do the one part and do it effectively, but you had to apply for all three parts. That didn’t make any sense. So, one of the larger agencies who could do it all got it all. Smaller agencies are sitting back saying, ‘Why even bother with this?’”(Case 23)

Another strategy to address the divide between small and large organizations with regard to accountability could be to provide capacity building support for smaller agencies so that they could become more fully aware and more fully adopt accountability mechanisms within their organizations. However, there are a couple of notable challenges with this strategy. First, executives of small nonprofits juggle multiple demands and often have responsibility for a variety of functions within the agency, including program delivery, fund raising, marketing and finance. As one director puts it, “I don’t have the time and focus. I have limited resources and my time...until I find the time and finances to be paying for launching a marketing program...I am not paying for more checklists.” (Case 53).

Further, this strategy would require investment of private philanthropy or government support. Capacity-building sector organizations like the Pennsylvania Association of Nonprofit Organizations (PANO) are able to provide the training for smaller nonprofits, but the irony is

that PANO is a small nonprofit organization itself and requires support to be able to offer this training. Until and unless resources are dedicated to providing training and support in a manner that accommodates the demands placed on small agency directors, such capacity building efforts with regard to the adoption of accountability best practices will likely be slow. While there has been an increased awareness and some support locally for capacity building, like the corporation's marketing department, it is one of the first things to be cut in a tight economy—just when an organization needs it the most.

Nonprofit sector leaders and policy makers need to more fully address the divide between small and large organizations. An agency executive said this about adoption of accountability practices in smaller agencies. “It is not lack of intent. It's a lack of time to sit and actually write a board manual or staff handbook.” (Case 124). “One size fits all” accountability mechanisms do not meet the needs and available capacities of nonprofits and their constituencies, which is likely why many of them sit on the racks at smaller agencies.

6.1.4 Relationship between Accountability and Impact

Agency executives who were interviewed agreed that the accountability mechanisms included in this research study were important to them and to their boards and on a larger scale, sector organizations agree that these are accountability best practices. During her interview, one agency director passionately described how integral accountability is to her and her organization as, “We owe it to the people who give us money, and we owe it to our clients in a huge way. If we are taking resources from public and private sources to do a particular kind of work, and we don't do it in the right way, then that's dishonest and that's really counter to our mission.” (Case 57) Agency executives frequently reported that the accountability mechanisms were effective

management tools. Another executive called the accountability mechanisms, “the foundation for success of the work we do.” (Case 53) However, this study raises a critical question; “Does accountability competency lead to organizational impact?” Alternately stated, does the adoption of this set of accountability mechanisms increase organizational effectiveness, efficiency and programmatic impact?

A few of the agency executives interviewed raised this concern, wondering if the sector was focused on the “right” accountability mechanisms. Some took issue with the focus on mechanisms, practices or processes instead of results or the lack of competency-based accountability systems. For example, a few of the executives interviewed argued that standards programs need to have substance and monitoring components, not just provide checklists of prescribed actions or activities and trusting that the organization will carry them out unsupervised. One agency executive expressed this sentiment in metaphor by saying, “You’ve seen the Wizard of Oz; it doesn’t give you a brain; it doesn’t give you a heart, or the character that you actually need to get the job done. It gives you a set of parameters that are guidelines.” (Case 36) Another executive makes this point more directly by saying, “You know, it’s nice to have something written on paper, but if you’re not following it, we aren’t getting anywhere.” (Case 110)

Other interviewees suggested that some organizations can appear to be accountable by measuring a variety of indicators, many of which may not be the most relevant or complete data with regard to the human service need that they are trying to meet. An agency executive says, “While it looks nice...you can measure anything you want.” (Case 23) The challenge is to measure what is central to solving the problem and creating better community conditions. One agency executive explained how difficult it is for her human service agency to obtain outcome

measures as, “We have a hard time accessing our clients for follow up...I would say that maybe 25% of the time we have a number that would allow us to contact some of the people we serve...We get some stats and stuff, but we really don’t use it for anything.” (Case 101) Some executives also expressed frustration about accountability requirements that do not measure what is important, which wastes time and resources that should be devoted to the organization’s mission.

If accountability competency is to serve as a “proxy” for organizational impact, the sector needs to be defining and measuring the right mechanisms. While literacy is the first step toward potentially enjoying a great novel or becoming a scholar, literacy does not guarantee that the one who learns how to read will do either. Likewise it would be suspect logic to say claim that “accountability competency” produces highly effective nonprofit organizations, nor was this the focus of this research. The nonprofit sector needs to specify the conceptual definition of “organizational impact” prior to exploring the relationship between it and accountability competency. Accountability competency may provide the necessary framework or foundation for organizational impact, but the relationship needs to be studied. This is an important distinction and topic for future research.

6.2 FUTURE RESEARCH

This study developed a measure to evaluate how deeply institutionalized accountability mechanisms are within the participating organizations—an accountability competency score. It also did a deep, but not wide, assessment of motivations for adopting or resisting accountability mechanisms in human service agencies within a specific region. To develop more robust data,

the study could be conducted in larger geographic regions and across different classifications of nonprofit organizations, such as arts, education, economic development, and environmental organizations. Replication would yield similarities and differences with regard to levels of adoption and resistance and motivations for doing so, as well as yield more generalizable data than could be produced in this study.

Another avenue to explore would be which of the accountability mechanisms included in this study are more instrumental in producing organizational impact. Because such a weighting or value system has not yet been devised, this study equally valued the scores for each accountability mechanism; a more nuanced value system may improve overall accountability by helping organizations focus their limited resources on the mechanisms that will yield the best results. This avenue of inquiry may produce a much more focused set of mechanisms that yields a greater degree of accountability and impact, perhaps reducing the list of 41 mechanisms included in this study to a set of 10-12. An overall exploration of whether or not those agencies with higher accountability competency scores demonstrate greater levels of impact or efficiency should be conducted. And, it would be useful to study organizations with small budgets that achieve higher accountability competency to determine what explanatory factors and circumstances can be replicated in other small agencies that have not highly institutionalized accountability practices.

Hypotheses five (H₅) suggested that the greater the degree of legal coercion in the organizational environment, the greater the degree of organizational adoption of accountability mechanisms, and as described in the findings, this hypothesis could be considered slightly tautological—legal accountability mechanisms are adopted because they are legally required. Future research could examine the severity of penalties imposed on nonprofits with regard to the

adoption of legal accountability mechanisms to provide more data about the motivations for adopting or not adopting legal accountability mechanisms.

A central concern of this research was to examine the motivations behind adopting or not adopting a range of accountability mechanisms. A dual theoretical lens including institutional and resource dependence theories was used to interpret the findings. In this study, evidence supports both resource dependence and institutional theories as explanations of why organizations adopt accountability practices, but future research can be conducted to further explore responses to institutional and resource dependence pressures. For example, what are the limits to institutional isomorphism for nonprofit organizations? When and why do nonprofits respond differently to these pressures? Do different types of nonprofits organizations, such as arts, human services or educational nonprofits, respond differently to institutional pressures? What other theoretical frameworks can explain the motivations for adopting or not adopting accountability mechanisms?

Additionally, while the issue of early adopters versus late adopters of accountability mechanisms and the motivations for each is relevant to this study's research questions (Tolbert and Zucker 1983⁶⁸ and Westphal, Gulati & Shortell 1997⁶⁹), it is not addressed in this research. It should be noted that these types of studies span significant periods of time within institutions, from 10 to 50+ years. Because many nonprofit accountability mechanisms have only come into the sector in the last several years, such longitudinal data does not yet exist. Future research should address motivations with regard to the important issue of early and late adoption of accountability mechanisms in the nonprofit sector.

⁶⁸ Tolbert, Pamela S. and Zucker, Lynne G. 1983. Institutional sources of change in the formal structure of organizations: The diffusion of civil service reform, 1880-1935. *Administrative Science Quarterly*, 28: 22-39.

⁶⁹ Westphal, James, Gulati, Ranjay and Shortell, Stephen. 1997. Customization or conformity: An institutional and network perspective on the content and consequences of TQM adoption. *Administrative Science Quarterly*, 42: 366-394.

Finally, the network analysis included in this study was brief. There are many opportunities to expand and explore the accountability learning networks, including an investigation of the different types of learning sources nonprofits seek out (funders, peers, affiliates, industry groups) and which of these source types are most central to the nonprofit learning network.

Clearly, this research raises several additional areas of inquiry that would extend the exploration of the research questions posed in this study: *1) To what extent are nonprofit leaders familiar with and use the nonprofit accountability mechanisms that have been proposed in the literature and through nonprofit sector leadership organizations—to assess nonprofits' accountability competency?* and *2) What are the motivations or incentives for instituting or resisting the practices?* These other avenues for future research would also be important contributions to broaden the empirical literature on nonprofit accountability and accountability competency.

CHAPTER 7: CONCLUSION

7.1 STUDY LIMITATIONS

There are a few limitations to this study that should be noted. The organizations surveyed are from a single, distinct geographic region, and they also belong to a single sub-sector of the nonprofit sector overall, human services. However, the purpose of the study is not to generalize findings but to explore the state of adoption, potential motivations and theoretical frameworks that might explain why organizations adopt or not. As noted, future research needs to be conducted at a larger scale. Data, both through the mailed survey and qualitative interviews, was provided through staff leader self-reporting, which is subject to bias. Further, there may be differences in respondents' understanding or definitions of the various accountability mechanisms included on the survey.

7.2 CONCLUSION

In addition to the mission benefits that nonprofits provide to Americans, the sector generated over \$1 trillion in revenues, employed over 11 million paid staff and 61 million volunteers in 2005.⁷⁰ The size and scope of the U.S. nonprofit sector has dramatically increased over the past 30 years, and although there have been benefits to society with the growing nonprofit sector,

⁷⁰ The Nonprofit Sector in Brief: Facts and Figures from the Nonprofit Almanac 2008. Urban Institute. Retrieved from <http://nccsdataweb.urban.org/kbfiles/797/Almanac2008publicCharities.pdf> on 27 April 2009.

there have also been many nonprofit accountability scandals that have impacted the reputation and thus the efficiency and effectiveness of the work conducted in the sector.

The current economic crisis and deep recession of 2008/2009 are also exerting tremendous pressures on the sector to contract, with some experts predicting that many smaller nonprofit organizations will either go out of business completely or merge with other nonprofits.⁷¹ In this environment, it seems especially critical for nonprofit organizations to operate effectively, efficiently and with a high level of accountability to all stakeholders. And yet, nonprofit organizations appear at times to be caught in a recurring loop of accountability crises, lacking the tools or ability to break free of this cycle. This notion is supported by many of the executives interviewed for this study who contend that the level of diffusion of accountability mechanisms is low in the nonprofit sector.

Despite the vast attention paid to the subject of nonprofit accountability—by academics, journalists and the public at large—the question of whether or not nonprofits have learned from the scandals and the scholars remains. Conducting research that addresses the degree to which accountability mechanisms have been adopted in the nonprofit sector and this exploration of the reasons why organizations conform or resist institutional pressures makes a significant contribution to the functioning of the nonprofit sector and the benefits to society overall.

Further, this research introduces and defines the concept of accountability competency and provides a quantitative measure for the concept. It extends and empirically tests two theoretical frameworks—institutional and resource dependence theories—as explanations for why accountability mechanisms are adopted or not within human service nonprofits. The qualitative interviews provide deep insight into the question about what has been learned within

⁷¹ Light, Paul. (Winter 2008). Four Futures. *The Nonprofit Quarterly*, (15) 4.

the past two decades and can help with more accurately charting the future course of nonprofit accountability.

Finally, this research bridges the gap between the vast conceptual work focused on nonprofit accountability and practice in the field. The nonprofit sector has grown and become significantly more institutionalized, and thus empirical research in the field has become increasingly important to improving practice. A better understanding of how and why accountability mechanisms are adopted and implemented in practice will contribute to a more effective, efficient, accountable and honorable nonprofit sector in the United States.

APPENDIX A—MAILED SURVEY

Management Practices within Nonprofit Organizations:

The purpose of this research is to explore the degree to which management and accountability practices have been adopted, as well as how these practices are learned and shared. Human service agencies in southwestern Pennsylvania are invited to participate by completing this approximately 20-minute survey. If you are willing to participate, you will be asked about practices in place at your organization and to indicate from what organizations or sources you learn about accountability practices. This is a confidential survey; your answers will not be attributed to you or your organization, and completed surveys will be kept under lock and key. Breach of confidentiality is the only foreseeable risk associated with this project, and there are no direct benefits to you. Your participation in the survey is voluntary, and you may withdraw at any time. Bobbi Watt Geer, doctoral candidate at the University of Pittsburgh Graduate School of Public and International Affairs, is conducting this study. If you have any questions, she can be reached at [@comcast.net](mailto:bwatt@comcast.net).

PART ONE: Management & Accountability Practices

Please use the following scale to rate the use of each management/accountability practice within your organization:

Not familiar with this strategy/mechanism	1
Aware of this strategy/mechanism	2
Knowledge of & can describe this strategy/mechanism	3
Our organization has considered adopting this strategy/mechanism	4
Our organization has adopted this strategy/mechanism	5
This strategy/mechanism is institutionalized or routine in our organization	6
This strategy/mechanism is not applicable to our organization	N/A

Registration & Reporting:

IRS 1023 available to the public	1	2	3	4	5	6	NA
Permanent 501(c)(3) determination letter obtained & available to the public	1	2	3	4	5	6	NA
IRS 990 filed annually & available to the public	1	2	3	4	5	6	NA

Financial & Fundraising:

Financial audits for organizations w/revenues of \$300k or more	1	2	3	4	5	6	NA
Financial reviews for revenues of \$100-300k	1	2	3	4	5	6	NA
Financial compilations for revenues of \$50-100k	1	2	3	4	5	6	NA
PA Bureau of Charitable Organizations disclosure statement on fundraising materials and receipts	1	2	3	4	5	6	NA
Disclosure of fair market value when donors receive anything in exchange for their gifts	1	2	3	4	5	6	NA
Written acknowledgements are sent for gifts of all sizes	1	2	3	4	5	6	NA
Operating budget and audit approved by board of directors	1	2	3	4	5	6	NA
Financial policies that detail handling of all funds	1	2	3	4	5	6	NA

No organizational loans are made to board or staff	1	2	3	4	5	6	NA
Gift acceptance policies that detail specific types of gifts accepted and not accepted, as well as procedures for determining acceptance	1	2	3	4	5	6	NA
Contributions are used according to restrictions placed by the donor	1	2	3	4	5	6	NA
Fundraisers are not compensated based on commission/percentage of funds raised	1	2	3	4	5	6	NA
Donor privacy policy in place that allows donors to give anonymously	1	2	3	4	5	6	NA
Information Management:							
Whistleblower protection policy—protection of employees who report suspected wrong-doing	1	2	3	4	5	6	NA
Document retention policy	1	2	3	4	5	6	NA
Confidentiality policy for clients (for compliance with HIPPA & other laws)	1	2	3	4	5	6	NA
Disaster management policies to protect agency assets & documents	1	2	3	4	5	6	NA
Appropriate level of directors and officers liability insurance in force	1	2	3	4	5	6	NA
Organizational information regarding operations & activities made available to the public	1	2	3	4	5	6	NA
Governance & Human Resources:							
Executive compensation policy to justify salary level	1	2	3	4	5	6	NA
Compliance with Equal Employment Opportunity laws	1	2	3	4	5	6	NA
Compliance with Americans with Disabilities Act	1	2	3	4	5	6	NA
Conflict of Interest policies for board and management staff	1	2	3	4	5	6	NA
Board members serve without compensation	1	2	3	4	5	6	NA
Board member term limits are documented in the organizational bylaws	1	2	3	4	5	6	NA
Board reviews appropriateness of organization’s overall compensation structure	1	2	3	4	5	6	NA
Board has a minimum of five un-related directors	1	2	3	4	5	6	NA
Grievance policies for handling client & staff complaints	1	2	3	4	5	6	NA
Confidentiality policies regarding donor, client, staff & volunteer information	1	2	3	4	5	6	NA
Written personnel policies	1	2	3	4	5	6	NA
Public Policy & Advocacy:							
Prohibition against electioneering	1	2	3	4	5	6	NA
Adherence to lobbying expenditure limits	1	2	3	4	5	6	NA
IRS 501 (h) election for organizations that engage in lobbying	1	2	3	4	5	6	NA
Mission/Program Outcomes:							
Output evaluation (tracking number of clients served)	1	2	3	4	5	6	NA
Outcome evaluation (measuring program impact in terms of change							

in awareness or behavior)	1	2	3	4	5	6	NA
Use of logic models to define indicators of mission accomplishment	1	2	3	4	5	6	NA
Board reviews and modifies mission (if necessary) every 3-5 years	1	2	3	4	5	6	NA

Self-Regulation:

Codes of ethics and standards of practice drafted and adopted by your organization or your affiliate organization	1	2	3	4	5	6	NA
Adoption of codes of ethics and standards developed by industry-specific groups (such as CARF, JCAHCO & Council on Foundations)	1	2	3	4	5	6	NA
Adoption of codes of ethics and standards developed by sector-wide organizations (such as Pennsylvania Association of Nonprofit Organizations, the Better Business Bureau Wise Giving Alliance, or principles developed by the Independent Sector)	1	2	3	4	5	6	NA

PART TWO: Learning About Management & Accountability Practices

Please indicate from what sources your organization learns about nonprofit management & accountability mechanisms by checking and writing in all that sources that apply to your organization:

Other human service nonprofits
 Name three: _____

Nonprofits representing other sub-sectors (the arts, education, health, etc.)
 Name three: _____

Nonprofit Industry groups
 Independent Sector
 Council on Foundations
 Pennsylvania Association of Nonprofit Organizations (PANO)
 Grantmakers of Western Pennsylvania
 Greater Pittsburgh Nonprofit Partnership
 Other Industry Groups: _____

Foundations
 Name three: _____

Other Funding Sources
 Name three: _____

Regulatory agencies
 Internal Revenue Service
 Pennsylvania Bureau of Charitable Organizations
 Other: _____

Public (governmental) agencies
 Name three: _____

____ Parent/Affiliated agencies
Name three: _____

PART THREE: Organizational Relationships

Please check all organizations with whom your agency has a funding relationship. Please indicate the approximate percentage of your agency budget that organization’s support represents:

- ____ United Way Partner (____% of agency budget)
- ____ Government contracts (____% of agency budget)
- ____ Foundation support (____% of agency budget)
- ____ Corporations (____% of agency budget)

Please check all affiliations or experiences (within the past year) for your agency:

- ____ Affiliated with a Parent Agency (local unit of a regional, state or national organization)
- ____ Accredited by professional organization(s)
- ____ Member of one or more professional association (ex. Greater Pittsburgh Nonprofit Partnership, PANO)
- ____ Experienced negative media coverage for your organization or like organization in the nonprofit sector (at least one story)

PART FOUR: Organizational Information

Please answer the following questions about you and your nonprofit organization by selecting the single most appropriate response:

1. What is your job title?
1. ____ Executive Director 2. ____ President 3. ____ Chief Executive Officer
4. ____ Chief Operating Officer 5. ____ Chief Financial Officer 6. ____ President/CEO
7. ____ Other: _____
2. How many years have you held your current position?
1. ____ 0-3 years 2. ____ 3-6 years 3. ____ 6-10 years 4. ____ 10-15 years 5. ____ 15+ years
3. Please indicate your highest education level.
1. ____ High school diploma 2. ____ Associate degree 3. ____ Bachelors degree 4. ____ Graduate degree 5. ____ Doctoral degree
4. What is your organization’s age?
1. ____ Less than 5 years 2. ____ 5-10 years old 3. ____ 10-15 years old 4. ____ 15-20 years old
5. ____ 20+ years old
5. What is the size of your organization’s current operating budget?
1. ____ up to \$500,000 2. ____ \$500,000 to \$1 million 3. ____ \$1million to \$5 million
4. ____ \$5 million to \$10 million 5. ____ over \$10 million
6. How many full-time equivalent staff does your organization employ?
1. ____ 0-5 2. ____ 6-10 3. ____ 11-25 4. ____ 26-100 5. ____ 101+
7. How many non-staff directors serve on your organization’s board?

1. ____Less than 7 2. ____7-12 3. ____13-16 4. ____17-20 5. ____21+

8. In what county is your organization located?

All information provided in this survey will remain confidential. It will not be attributed to you or your organization.

Your Name: _____

Organization: _____

APPENDIX B—SEMI-STRUCTURED INTERVIEW PROTOCOL

Qualitative Research: Interviews with approximately 20 human service organization executives who have participated in the mailed survey.

Why have you adopted (or not) the following accountability mechanisms: filing 990, financial audits, conflict of interest policies, outcomes evaluation, executive compensation policy and self-accreditation at your organization? (Mechanisms selected from mailed survey.)

Possible answers...

Other organizations (similar mission/programs) have adopted them

Other nonprofits (outside of our sub-sector) have adopted them

Nonprofit sector groups have recommended them

They are the “right” thing to do

They are recognized best practices

We have always done it this way

Industry groups have recommended them

It is the law

They will bring us respect

We *have* to

We *choose* to

They make us more competitive

They will help us survive

They reduce uncertainty in our work

To have better control of our environment

They give us power, or advantage over other organizations

They will make us more efficient

It is what our stakeholders/constituents require

They will make us more effective

They will garner us more financial resources (donations, grants, contracts etc.)

What factors have influenced your decision NOT to adopt certain accountability mechanisms or best practices promulgated by the nonprofit sector?

Possible answers...

No incentives:

financial gain

respect

efficiencies

effectiveness

Didn't know about them

No penalties (legal or reputational)

Conflicting priorities of multiple constituents (would please some, but not others)

Lack of capacity to implement (human and financial resources)

Our board does not consider it a priority

How salient or important are these accountability issues to you and your organization?

From what sources do you learn about nonprofit accountability mechanisms? Can you name someone who in the last year gave you some information about accountability? Please rank the sources you turn to for accountability information. Likewise, with whom do you discuss or share information about nonprofit accountability mechanisms? Can you name someone who in the last year you gave information about accountability?

Possible answers...

Other nonprofits in our industry (human services, etc.)

My circle of local nonprofit executives (in human services)

Nonprofits in general

Other staff in my agency

My board members

Staff from other nonprofits

Industry groups (Independent Sector, Council on Foundations, PANO, GWP)

Corporations

Foundations

Other Funding Sources

Academic literature/journals

Regulatory agencies (IRS, Bureau of Charitable Organizations)

Public (governmental) agencies

News media (television, news papers, radio, etc.)

Organizational Environment/Context Questions:

Would you characterize your environment as one with low, medium or high competition for financial and human resources? Why?

How does your organization engage in competition for financial resources?

Is your organizational environment one of low, medium or high uncertainty?

Are there elements in your political, economic or social climate that threaten your organization's ability to continue its mission work? How do you respond to these threats?

Do you think is the level of diffusion (how widespread) of accountability mechanisms/best practices the nonprofit sector is low, medium or high? Why?

What accountability mechanisms are required by your funding sources?

To what nonprofit industry groups do you/your organization belong?

Adoption of formal best practice codes:

Why did your organization pursue this accreditation? What is the value of your participation?

**APPENDIX C—NORMALITY TESTS FOR ACCOUNTABILITY COMPETENCY
THREE**

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
ACCTCOMP3	156	100.0%	0	.0%	156	100.0%

Descriptives

		Statistic	Std. Error
ACCTCOMP3	Mean	8.4539	.19369
	95% Confidence Interval for Mean		
	Lower Bound	8.0713	
	Upper Bound	8.8365	
	5% Trimmed Mean	8.4781	
	Median	8.5826	
	Variance	5.852	
	Std. Deviation	2.41919	
	Minimum	1.00	
	Maximum	14.14	
	Range	13.14	
	Interquartile Range	3.15	
	Skewness	-.227	.194
	Kurtosis	.407	.386

APPENDIX C (Continued)

Extreme Values

			Case Number	Value
ACCTCOMP3	Highest	1	44	14.14
		2	89	14.14
		3	152	14.14
		4	52	13.14
		5	15	12.90 ^a
	Lowest	1	45	1.00
		2	28	1.58
		3	150	2.37
		4	153	3.48
		5	133	3.61

a. Only a partial list of cases with the value 12.90 are shown in the table of upper extremes.

Tests of Normality

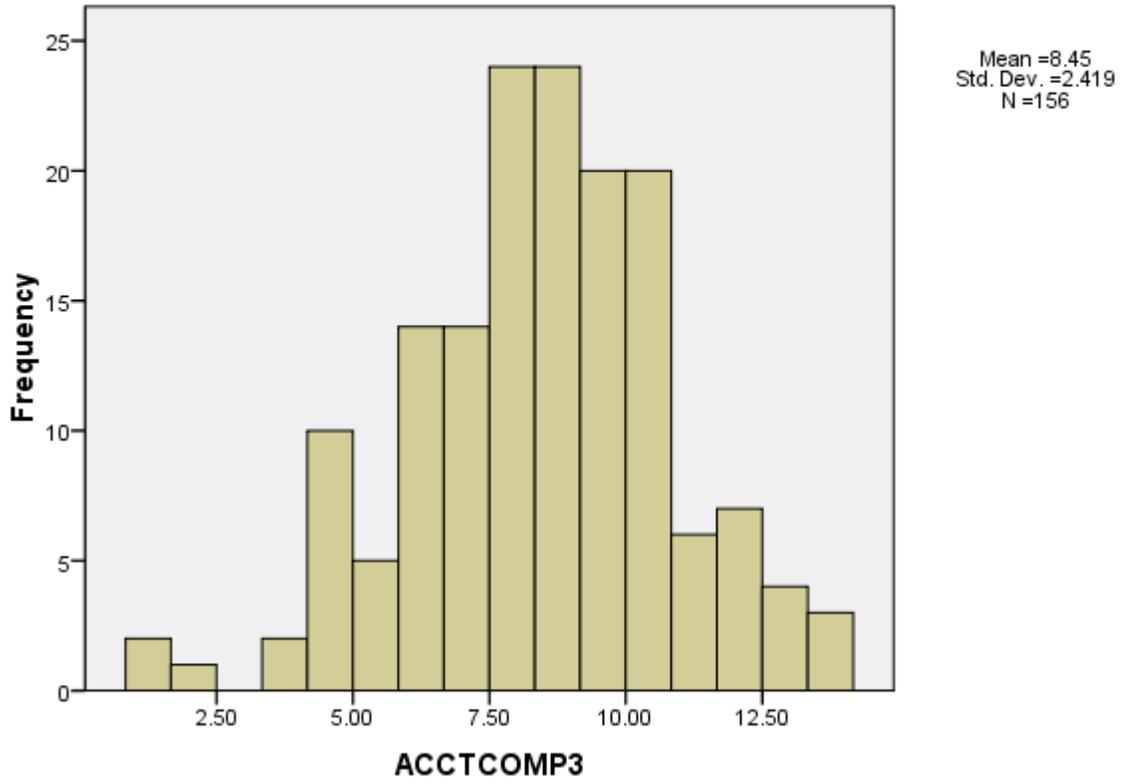
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
ACCTCOMP3	.061	156	.200*	.991	156	.382

a. Lilliefors Significance Correction

*. This is a lower bound of the true significance.

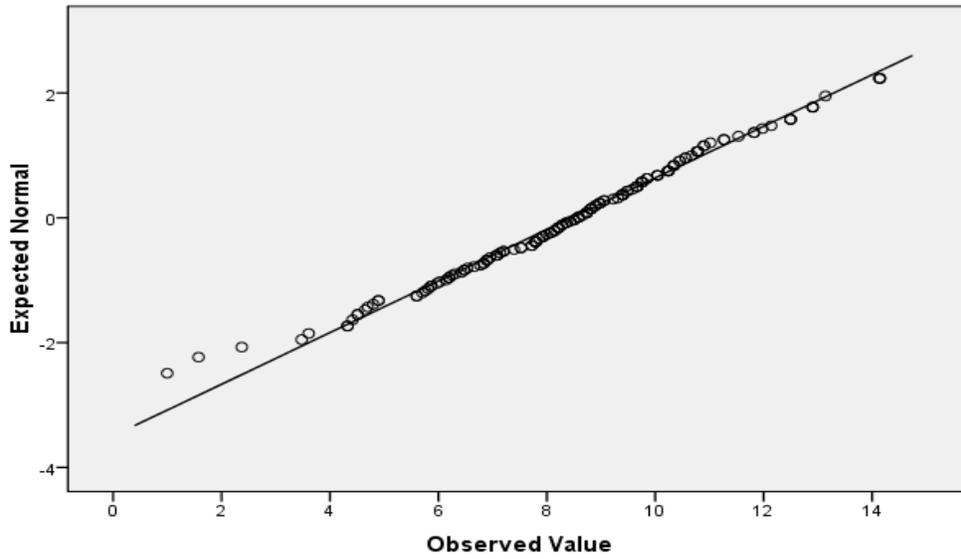
APPENDIX C (Continued)

Histogram

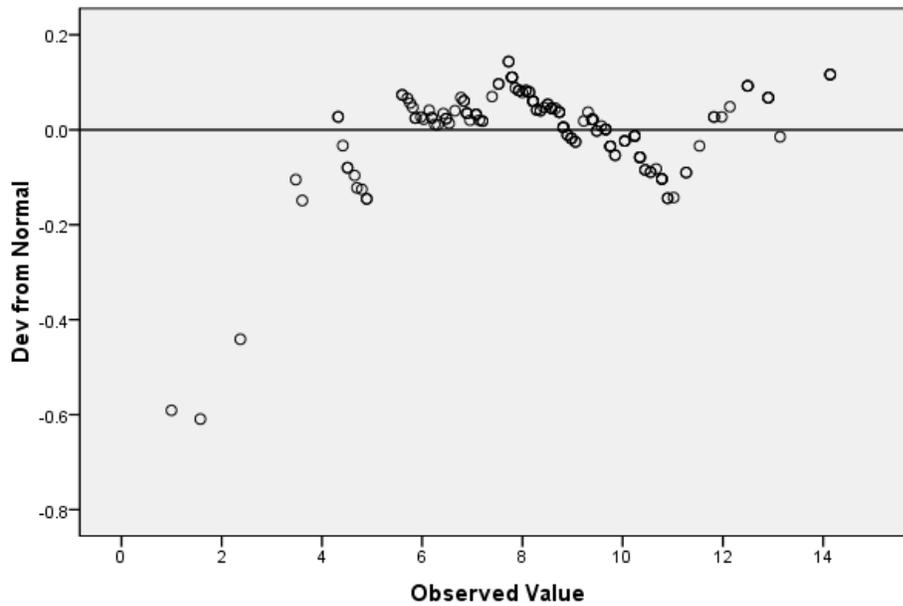


APPENDIX C (Continued)

Normal Q-Q Plot of ACCTCOMP3

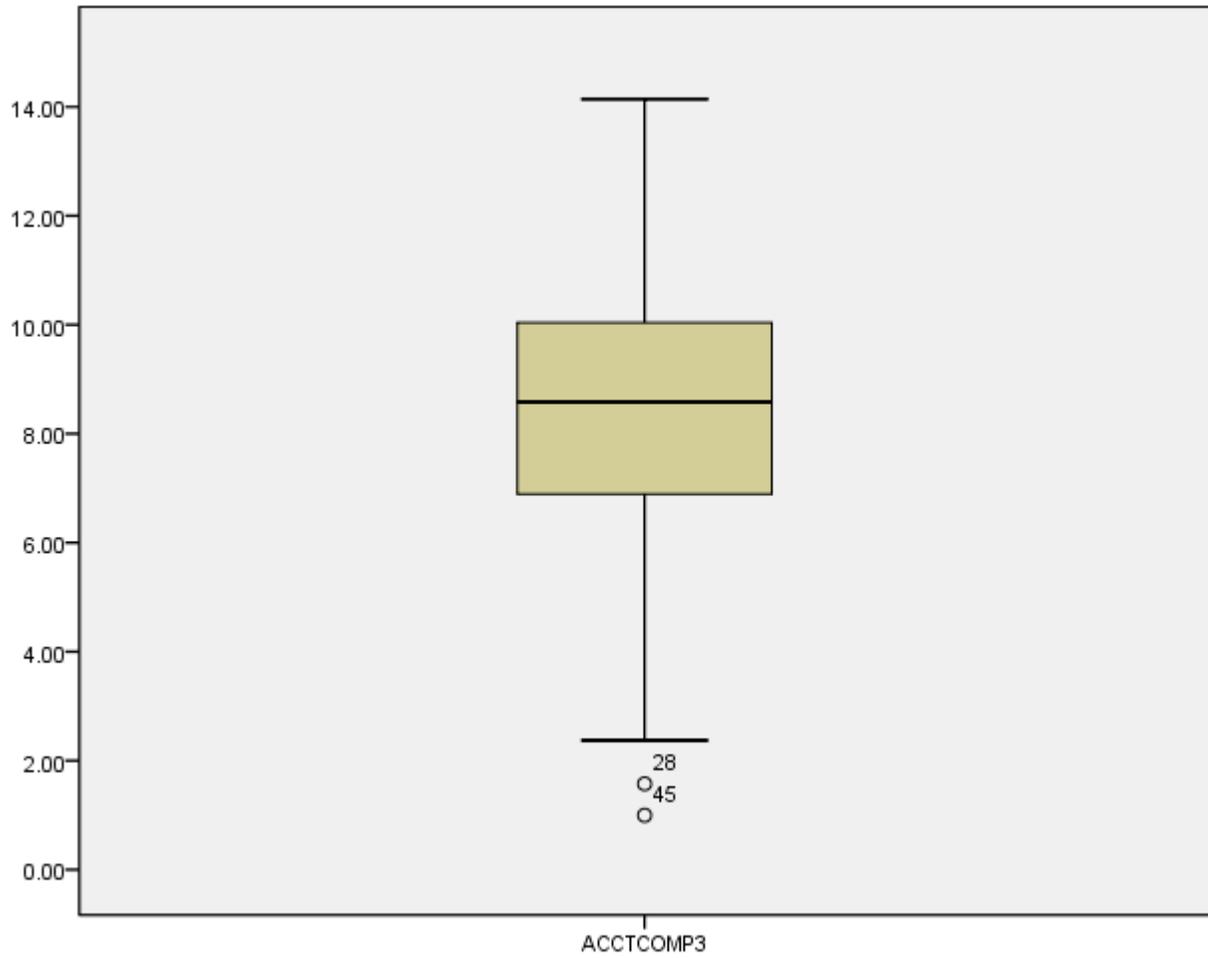


Detrended Normal Q-Q Plot of ACCTCOMP3



APPENDIX C (Continued)

Outliers for Accountability Competency Three



APPENDIX D—ANOVA RESULTS

Accountability Competency & Years of Experience for Staff Leader

ACCTCOMP3

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	26.219	4	6.555	1.124	.348
Within Groups	880.914	151	5.834		
Total	907.133	155			

**APPENDIX D
(CONTINUED)**

**Accountability
Competency & Years of
Experience for Staff
Leader**

**Post Hoc Tests Multiple
Comparisons**

(I) Years in position of respondent	(J) Years in position of respondent	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
0-3 years	3-6 years	.32993	.64594	.986	-1.4535	2.1134
	6-10 years	-.81267	.60651	.667	-2.4872	.8619
	10-15 years	.30324	.71289	.993	-1.6651	2.2715
	15+ years	-.19143	.57271	.997	-1.7727	1.3898
3-6 years	0-3 years	-.32993	.64594	.986	-2.1134	1.4535
	6-10 years	-1.14260	.61867	.351	-2.8508	.5656
	10-15 years	-.02669	.72327	1.000	-2.0236	1.9703
	15+ years	-.52136	.58557	.900	-2.1381	1.0954
6-10 years	0-3 years	.81267	.60651	.667	-.8619	2.4872
	3-6 years	1.14260	.61867	.351	-.5656	2.8508
	10-15 years	1.11591	.68828	.486	-.7844	3.0163
	15+ years	.62124	.54176	.781	-.8746	2.1171
10-15 years	0-3 years	-.30324	.71289	.993	-2.2715	1.6651
	3-6 years	.02669	.72327	1.000	-1.9703	2.0236
	6-10 years	-1.11591	.68828	.486	-3.0163	.7844
	15+ years	-.49467	.65869	.944	-2.3133	1.3240
15+ years	0-3 years	.19143	.57271	.997	-1.3898	1.7727
	3-6 years	.52136	.58557	.900	-1.0954	2.1381
	6-10 years	-.62124	.54176	.781	-2.1171	.8746
	10-15 years	.49467	.65869	.944	-1.3240	2.3133

**APPENDIX D
(CONTINUED)—Analysis of Variance Results
Accountability Competency & Highest Educational Level Attained by Staff Leader**

ACCTCOMP3

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	93.814	4	23.453	4.354	.002
Within Groups	813.320	151	5.386		
Total	907.133	155			

Post Hoc Multiple Comparisons

(I) Education level of respondent	(J) Education level of respondent	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
high school diploma	associate degree	-.67209	1.29119	.985	-4.2371	2.8929
	bachelors degree	-2.85776*	.92777	.020	-5.4193	-.2962
	graduate degree	-2.73133*	.91619	.027	-5.2610	-.2017
	doctoral degree	-.88096	1.24053	.954	-4.3061	2.5442
associate degree	high school diploma	.67209	1.29119	.985	-2.8929	4.2371
	bachelors degree	-2.18567	.99448	.186	-4.9315	.5601
	graduate degree	-2.05924	.98369	.228	-4.7752	.6568
	doctoral degree	-.20887	1.29119	1.000	-3.7739	3.3561
bachelors degree	high school diploma	2.85776*	.92777	.020	.2962	5.4193
	associate degree	2.18567	.99448	.186	-.5601	4.9315
	graduate degree	.12643	.40155	.998	-.9823	1.2351
	doctoral degree	1.97680	.92777	.213	-.5848	4.5384
graduate degree	high school diploma	2.73133*	.91619	.027	.2017	5.2610
	associate degree	2.05924	.98369	.228	-.6568	4.7752
	bachelors degree	-.12643	.40155	.998	-1.2351	.9823
	doctoral degree	1.85037	.91619	.262	-.6793	4.3800
doctoral degree	high school diploma	.88096	1.24053	.954	-2.5442	4.3061
	associate degree	.20887	1.29119	1.000	-3.3561	3.7739
	bachelors degree	-1.97680	.92777	.213	-4.5384	.5848
	graduate degree	-1.85037	.91619	.262	-4.3800	.6793

APPENDIX D

**(CONTINUED)—Analysis of Variance Results Accountability
Competency & Organizational Age**

ACCTCOMP3

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	64.523	4	16.131	2.891	.024
Within Groups	842.610	151	5.580		
Total	907.133	155			

Post Hoc Multiple Comparisons

(I) Organization age	(J) Organization age	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
less than five years old	5-10 years old	-.44947	1.24501	.996	-3.8870	2.9880
	10-15 years old	.05641	1.12173	1.000	-3.0407	3.1535
	15-20 years old	-.74634	1.31423	.980	-4.3750	2.8823
	20+ years old	-1.65155	.98880	.455	-4.3816	1.0785
5-10 years old	less than five years old	.44947	1.24501	.996	-2.9880	3.8870
	10-15 years old	.50588	.97379	.985	-2.1828	3.1945
	15-20 years old	-.29687	1.19046	.999	-3.5838	2.9900
	20+ years old	-1.20208	.81714	.583	-3.4582	1.0541
10-15 years old	less than five years old	-.05641	1.12173	1.000	-3.1535	3.0407
	5-10 years old	-.50588	.97379	.985	-3.1945	2.1828
	15-20 years old	-.80275	1.06086	.942	-3.7318	2.1263
	20+ years old	-1.70796*	.61314	.047	-3.4009	-.0151
15-20 years old	less than five years old	.74634	1.31423	.980	-2.8823	4.3750
	5-10 years old	.29687	1.19046	.999	-2.9900	3.5838
	10-15 years old	.80275	1.06086	.942	-2.1263	3.7318
	20+ years old	-.90521	.91917	.862	-3.4430	1.6326

20+ years old	less than five years old	1.65155	.98880	.455	-1.0785	4.3816
	5-10 years old	1.20208	.81714	.583	-1.0541	3.4582
	10-15 years old	1.70796	.61314	.047	.0151	3.4009
	15-20 years old	.90521	.91917	.862	-1.6326	3.4430

ANOVA Results: Accountability Competency & # FT Staff

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	164.360	4	41.090	8.353	.000
Within Groups	742.773	151	4.919		
Total	907.133	155			

APPENDIX D (CONTINUED)
ACCOUNTABILITY
COMPETENCY & # FT
STAFF

Post Hoc Multiple Comparisons

(I) Number of full-time staff	(J) Number of full-time staff	Mean Difference (I- J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
0-5	6-10	-1.96822 [*]	.60115	.011	-3.6280	-.3084
	11-25	-1.14075	.52163	.190	-2.5810	.2995
	26-100	-2.44320 [*]	.50616	.000	-3.8407	-1.0457
	101+	-2.38965 [*]	.52741	.000	-3.8458	-.9335
6-10	0-5	1.96822 [*]	.60115	.011	.3084	3.6280
	11-25	.82746	.65461	.714	-.9799	2.6349
	26-100	-.47499	.64235	.947	-2.2485	1.2986
	101+	-.42143	.65922	.968	-2.2416	1.3987
11-25	0-5	1.14075	.52163	.190	-.2995	2.5810
	6-10	-.82746	.65461	.714	-2.6349	.9799
	26-100	-1.30245	.56863	.154	-2.8725	.2676
	101+	-1.24889	.58762	.215	-2.8713	.3735
26-100	0-5	2.44320 [*]	.50616	.000	1.0457	3.8407
	6-10	.47499	.64235	.947	-1.2986	2.2485
	11-25	1.30245	.56863	.154	-.2676	2.8725
	101+	.05356	.57393	1.000	-1.5311	1.6382
101+	0-5	2.38965 [*]	.52741	.000	.9335	3.8458
	6-10	.42143	.65922	.968	-1.3987	2.2416
	11-25	1.24889	.58762	.215	-.3735	2.8713
	26-100	-.05356	.57393	1.000	-1.6382	1.5311

APPENDIX D (CONTINUED)—ANOVA Results Accountability Competency & Number of Directors Serving on Board

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	170.659	4	42.665	8.693	.000
Within Groups	736.197	150	4.908		
Total	906.856	154			

Post Hoc Multiple Comparisons

(I) Number of board directors	(J) Number of board directors	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
less than 7	7-12	-.88681	.58549	.555	-2.5035	.7299
	13-16	-2.20095*	.60977	.004	-3.8847	-.5172
	17-20	-2.31832*	.65390	.005	-4.1239	-.5127
	21+	-3.04033*	.60276	.000	-4.7047	-1.3760
7-12	less than 7	.88681	.58549	.555	-.7299	2.5035
	13-16	-1.31414	.51811	.088	-2.7448	.1165
	17-20	-1.43151	.56939	.093	-3.0037	.1407
	21+	-2.15352*	.50984	.000	-3.5613	-.7457
13-16	less than 7	2.20095*	.60977	.004	.5172	3.8847
	7-12	1.31414	.51811	.088	-.1165	2.7448
	17-20	-.11736	.59433	1.000	-1.7584	1.5237
	21+	-.83937	.53754	.524	-2.3237	.6449
17-20	less than 7	2.31832*	.65390	.005	.5127	4.1239
	7-12	1.43151	.56939	.093	-.1407	3.0037
	13-16	.11736	.59433	1.000	-1.5237	1.7584
	21+	-.72201	.58713	.734	-2.3432	.8992
21+	less than 7	3.04033*	.60276	.000	1.3760	4.7047
	7-12	2.15352*	.50984	.000	.7457	3.5613
	13-16	.83937	.53754	.524	-.6449	2.3237
	17-20	.72201	.58713	.734	-.8992	2.3432

**APPENDIX D (CONTINUED)—Analysis of Variance Results
Accountability Competency & County in Which Organization is Located**

ACCTCOMP3

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	37.238	7	5.320	.905	.504
Within Groups	869.896	148	5.878		
Total	907.133	155			

Post Hoc Multiple Comparisons

(I) County by numeric code	(J) County by numeric code	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Allegheny	Armstrong	-.10027	1.24141	1.000	-3.9173	3.7168
	Beaver	1.89882	.89799	.411	-.8623	4.6599
	Butler	.48530	.66260	.996	-1.5520	2.5226
	Fayette	.72796	.95464	.995	-2.2074	3.6633
	Washington	.39095	.89799	1.000	-2.3702	3.1521
	Westmoreland	-.30568	.52379	.999	-1.9162	1.3049
	Unknown	-.03375	1.73508	1.000	-5.3688	5.3013
Armstrong	Allegheny	.10027	1.24141	1.000	-3.7168	3.9173
	Beaver	1.99909	1.48463	.879	-2.5658	6.5640
	Butler	.58557	1.35528	1.000	-3.5816	4.7528
	Fayette	.82824	1.51957	.999	-3.8441	5.5006
	Washington	.49122	1.48463	1.000	-4.0737	5.0561
	Westmoreland	-.20540	1.29310	1.000	-4.1814	3.7706
	Unknown	.06652	2.09958	1.000	-6.3892	6.5223
Beaver	Allegheny	-1.89882	.89799	.411	-4.6599	.8623
	Armstrong	-1.99909	1.48463	.879	-6.5640	2.5658
	Butler	-1.41352	1.04979	.879	-4.6414	1.8144
	Fayette	-1.17085	1.25474	.982	-5.0289	2.6872
	Washington	-1.50787	1.21220	.917	-5.2351	2.2194
	Westmoreland	-2.20449	.96819	.313	-5.1815	.7725
	Unknown	-1.93257	1.91665	.973	-7.8259	3.9607

Butler	Allegheny	-48530	.66260	.996	-2.5226	1.5520
	Armstrong	-58557	1.35528	1.000	-4.7528	3.5816
	Beaver	1.41352	1.04979	.879	-1.8144	4.6414
	Fayette	.24266	1.09865	1.000	-3.1354	3.6208
	Washington	-.09435	1.04979	1.000	-3.3222	3.1335
	Westmoreland	-.79098	.75501	.966	-3.1125	1.5305
	Unknown	-.51905	1.81829	1.000	-6.1099	5.0718
Fayette	Allegheny	-.72796	.95464	.995	-3.6633	2.2074
	Armstrong	-.82824	1.51957	.999	-5.5006	3.8441
	Beaver	1.17085	1.25474	.982	-2.6872	5.0289
	Butler	-.24266	1.09865	1.000	-3.6208	3.1354
	Washington	-.33701	1.25474	1.000	-4.1951	3.5210
	Westmoreland	-1.03364	1.02095	.972	-4.1728	2.1056
	Unknown	-.76172	1.94384	1.000	-6.7386	5.2152
Washington	Allegheny	-.39095	.89799	1.000	-3.1521	2.3702
	Armstrong	-.49122	1.48463	1.000	-5.0561	4.0737
	Beaver	1.50787	1.21220	.917	-2.2194	5.2351
	Butler	.09435	1.04979	1.000	-3.1335	3.3222
	Fayette	.33701	1.25474	1.000	-3.5210	4.1951
	Westmoreland	-.69663	.96819	.996	-3.6736	2.2803
	Unknown	-.42470	1.91665	1.000	-6.3180	5.4686
Westmoreland	Allegheny	.30568	.52379	.999	-1.3049	1.9162
	Armstrong	.20540	1.29310	1.000	-3.7706	4.1814
	Beaver	2.20449	.96819	.313	-.7725	5.1815
	Butler	.79098	.75501	.966	-1.5305	3.1125
	Fayette	1.03364	1.02095	.972	-2.1056	4.1728
	Washington	.69663	.96819	.996	-2.2803	3.6736
	Unknown	.27192	1.77243	1.000	-5.1779	5.7218

APPENDIX E—UNIVARIATE & MULTIVARIATE NORMALITY, LINEARITY & HOMOSCEDASTICITY OUTPUT FOR REGRESSION ANALYSIS VARIABLES

(Note: Univariate Normality output for ACCTCOMP3 is included in APPENDIX C)

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
DEPSCORE2	156	100.0%	0	.0%	156	100.0%

Descriptives

		Statistic	Std. Error
DEPSCORE2	Mean	.4827	.01627
	95% Confidence Interval for Mean	Lower Bound .4506	
		Upper Bound .5148	
	5% Trimmed Mean	.4895	
	Median	.4771	
	Variance	.041	
	Std. Deviation	.20324	
	Minimum	.00	
	Maximum	.98	
	Range	.98	
	Interquartile Range	.35	
	Skewness	-.472	.194
	Kurtosis	.025	.386

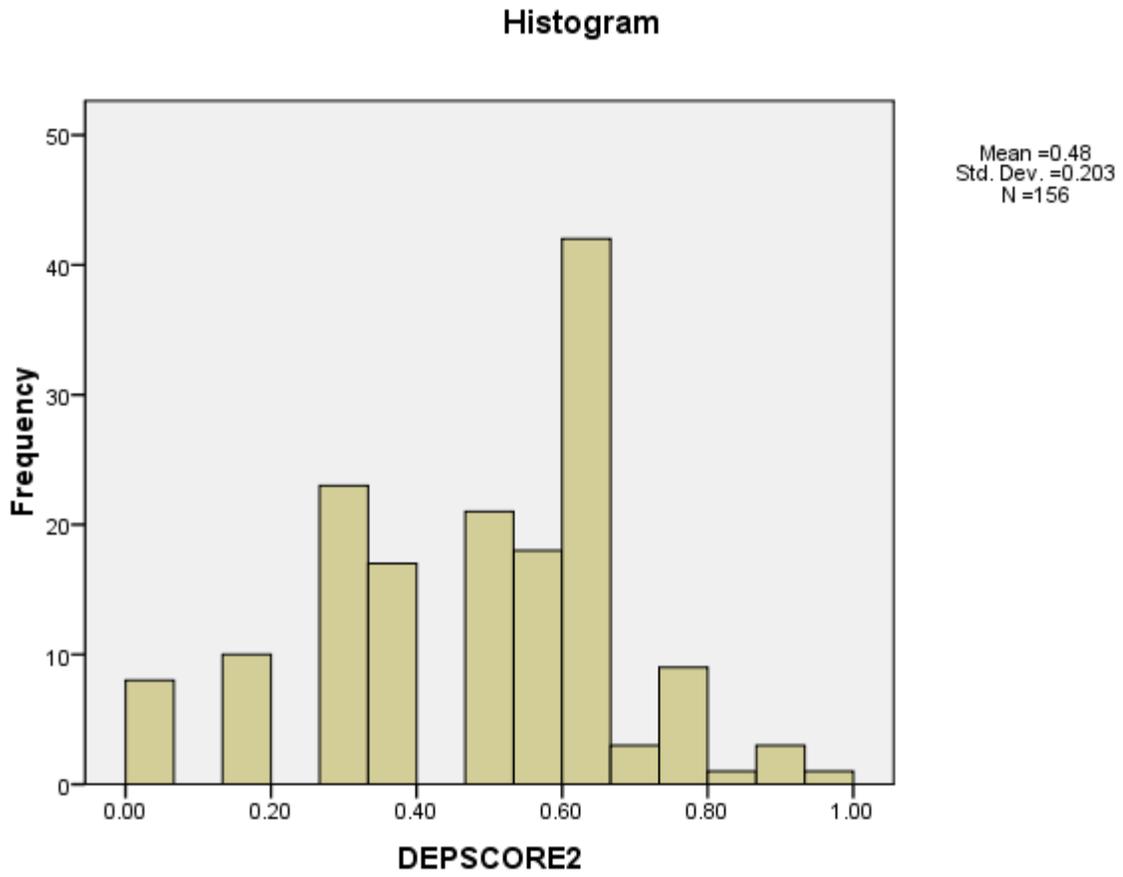
Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
DEPSCORE2	.117	156	.000	.956	156	.000

a. Lilliefors Significance Correction

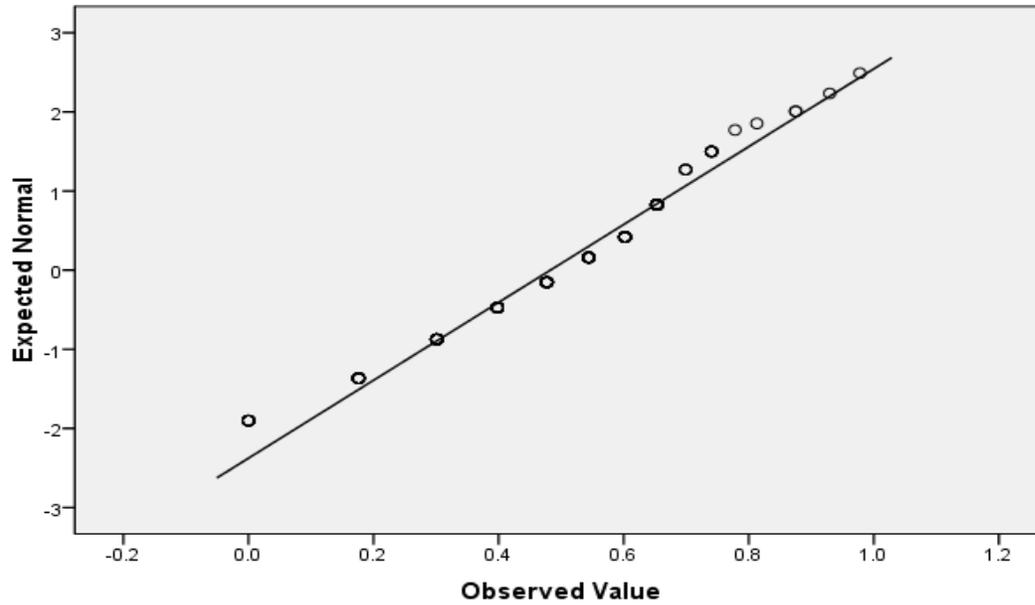
APPENDIX E—(Cont.)

DEPSCORE2

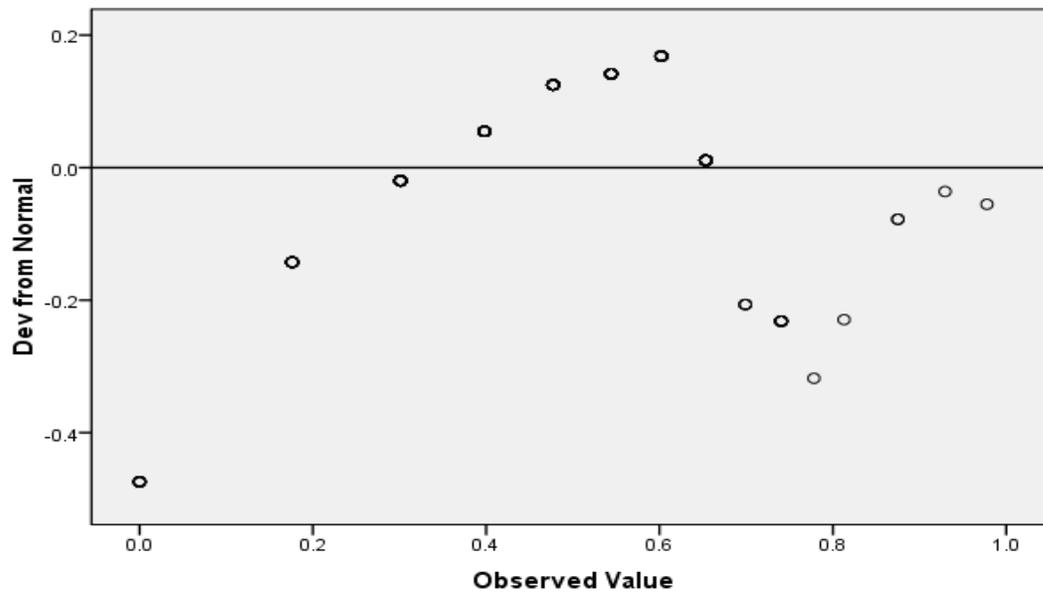


APPENDIX E—(Cont.)

Normal Q-Q Plot of DEPScore2



Detrended Normal Q-Q Plot of DEPScore2



APPENDIX E—(Cont.)

Normality Tests for NETCENTRAL

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
network central minus irs	156	100.0%	0	.0%	156	100.0%

Descriptives

			Statistic	Std. Error
network central minus irs	Mean		.06306	.003961
	95% Confidence Interval for Mean	Lower Bound	.05523	
		Upper Bound	.07088	
	5% Trimmed Mean		.06166	
	Median		.05350	
	Variance		.002	
	Std. Deviation		.049477	
	Minimum		.000	
	Maximum		.158	
	Range		.158	
	Interquartile Range		.093	
	Skewness		.233	.194
	Kurtosis		-1.242	.386

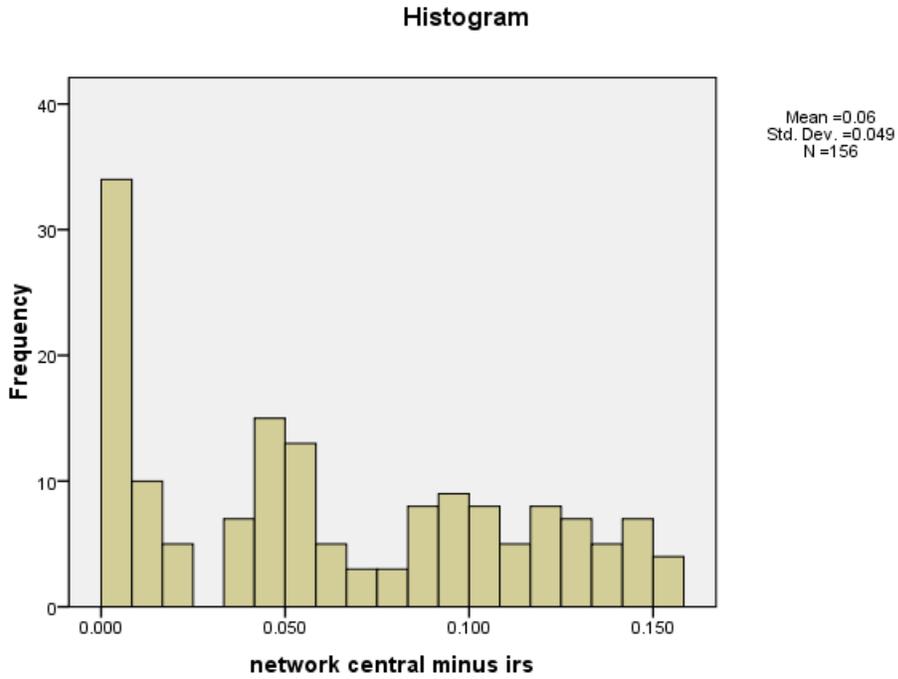
Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
network central minus irs	.113	156	.000	.920	156	.000

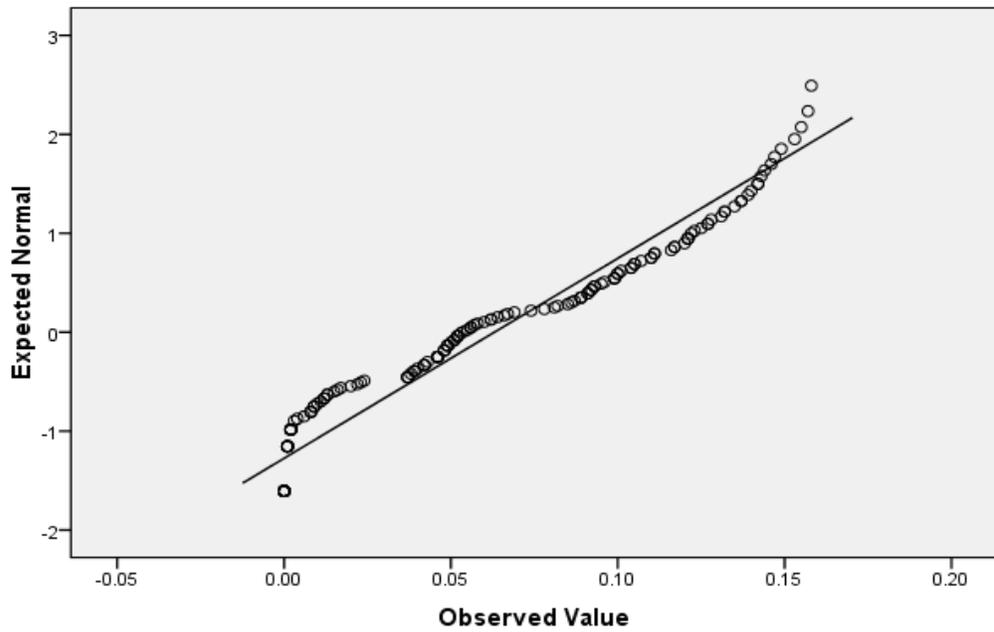
a. Lilliefors Significance Correction

APPENDIX E—(Cont.)

network central minus irs

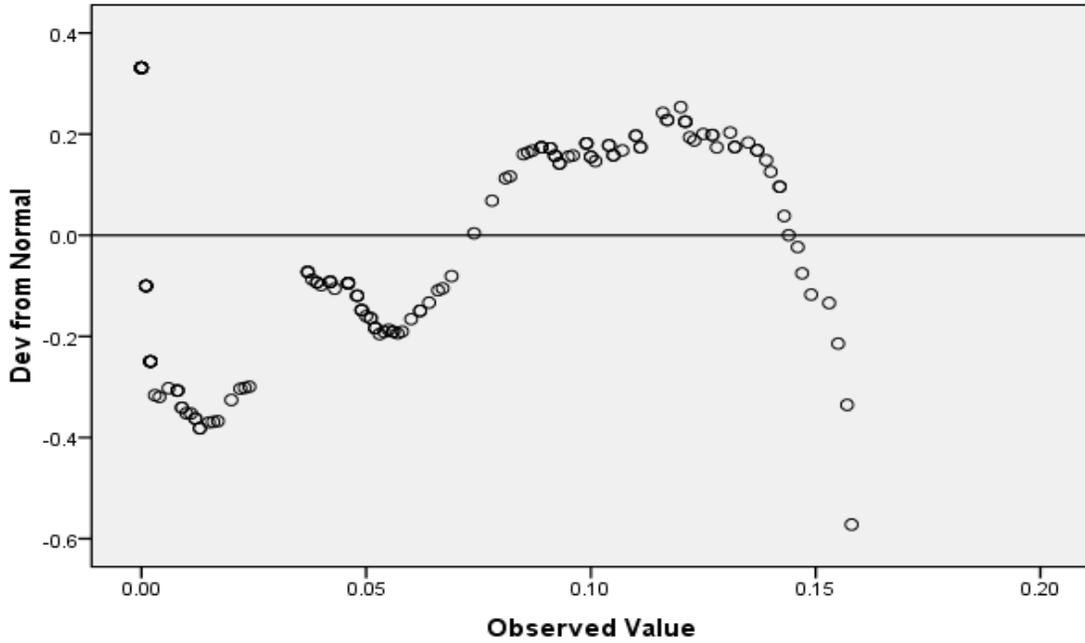


Normal Q-Q Plot of network central minus irs



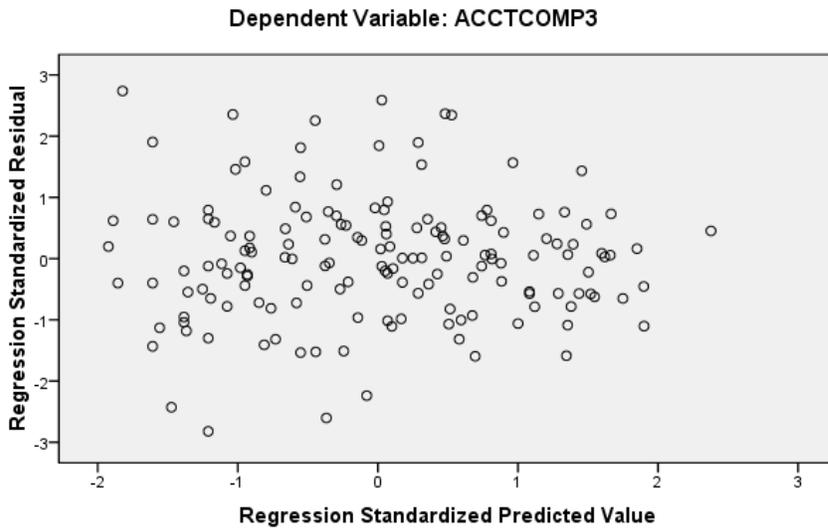
APPENDIX E—(Cont.)

Detrended Normal Q-Q Plot of network central minus irs



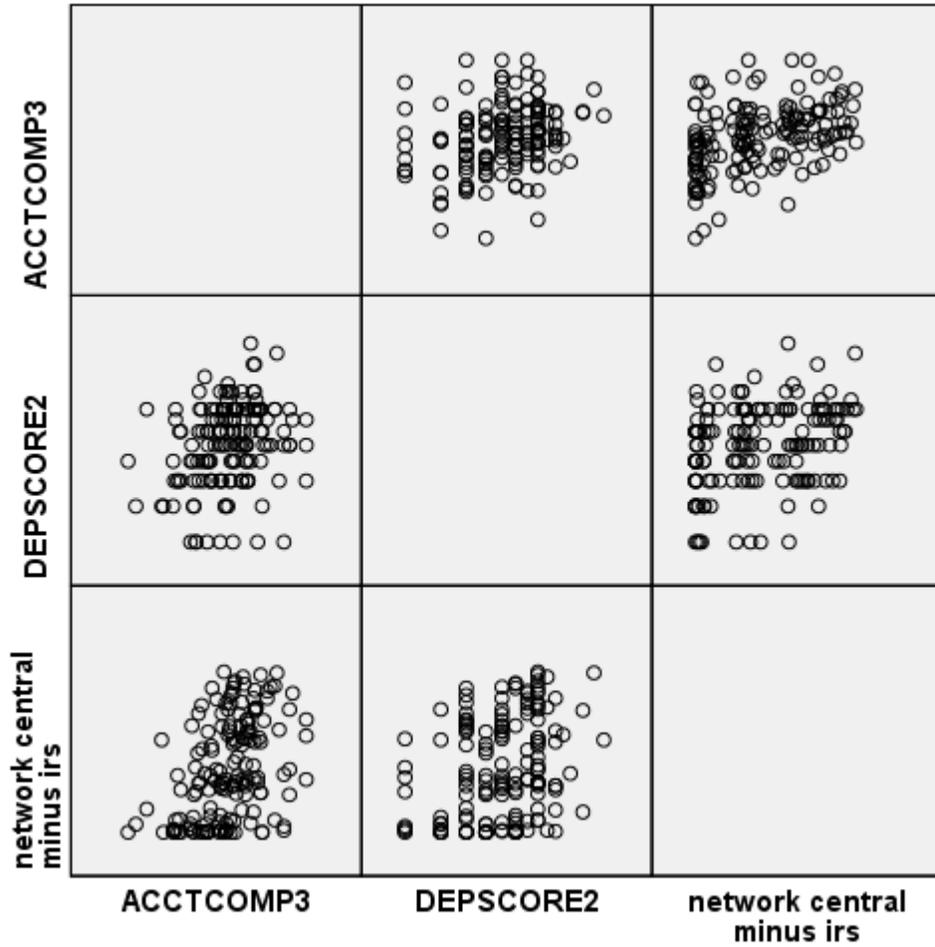
Residual Scatterplot of Regression Variables:

Scatterplot



APPENDIX E—(Cont.)

Scatterplot Matrix of Regression Variables



APPENDIX F— 20 TRANSCRIPTS FROM SEMI-STRUCTURED INTERVIEWS

SEMI-STRUCTURED INTERVIEW: CASE #003

Friday, 30 January 2009, 9:30 a.m.

Interviewee's Office

B: Bobbi Watt Geer

I: Interviewee

B: So what I'd like to do is ask you a few specific questions. On the mailed survey there were about 40-41 different practices that I asked you to reflect upon the degree to which you do them here at your agency (I: Uh-hum) and now I'd like to ask you why you do them or why not, depending on the particular instance, and there are about six of them that I wanted to ask you about. And if you could just brainstorm, its – you don't need to limit your answers as to why you do them; if there are other answers, please list them. So I'll start with the first one, which is filing the IRS 990. Why do you do that here at your agency?

I: (laughing) Because I have to. We do that because its -its you- you need to stay copasetic with the IRS, and that's certainly, you know, as an executive director one of the things I know I have to do every year. And if you don't, they'll fine you (laughing) so, (B: Ok.) I know the 990s are changing drastically. We're up for the next year in terms of having to look at the new form. I think the new 990 is going to help people think through some management practices. (B: Yes) Its interesting (B: Uh-hum) I went to a class about it.

B: Yes, there are certainly a lot more questions on it. (I: Yeah) I think it will become a useful management tool.

I: Yeah, certainly. I think that's probably what their intent was.

B: Ok, so how about your financial audit? Do you do that?

I: I'm in the middle of it right now, which is why it looks like a sea of paper.(laughing) Yeah, I know non-profits, even if you're a small non-profit and you don't have to do one, we're actually at a level – there's no one that actually requires us to do it. But, if you want to raise money in this field, you darn well better do it (B: Uh-hum) um, especially if you're a small organization like this – its me and a part time bookkeeper, I have a wonderful woman who only gets about 8-12 hours per month. (B: Uh-hum) The audit is really an important thing for us because it makes us keep those books straight. Seriously, because we're so short staffed that I swear if we didn't have the audit each year I probably would get sloppy about it, to be honest, you know, (B: Uh-

hum) if it's a difference between serving a client and keeping the books straight, sometimes the client might win out. (B: Right) But this way it, uh, really keeps us on the up and up here.

B: Ok. Do you have a conflict of interest policy?

I: Yeah. Yes, we do.

B: And why do you have that adopted here?

I: Um, we have both for the staff and the board (B: Uh-hum) and you know, I inherited the one for the staff. That was written many, many years ago and I think it's a good – it's a good thing because you don't want family members and, you know, people trying to profit from the organization, selling, you know what I'm saying, selling things to you. (B: Uh-hum) When we instituted one for the board, we had cases of board members trying to get themselves hired staff, or trying to get us to get their husband to rent a space – you know, just the kings of things that people will do in a greedy kind of way. So, you know, we adopted one on the board level within the past year for that very reason. You know, we had a situation and our board looked into it, we contacted some other organizations and asked if they would share theirs with us, and then we borrowed language from here and there and then we instituted one.

B: So it was in response to a conflict...

I: It was in response to a potential conflict. (B: Uh-hum) The board already discouraged this board member from thinking that she could have, you know, have a job here, but we just thought in the future if we have someone sign something when they joined the board they would get the picture. (B: Uh-hum) Like, "Don't join this board if you're thinking that this is what you want to do." So...

B: Uh-hum. Outcomes evaluation... I noted on your...about outcomes evaluation.

I: I know, I know. I am, uh, very much, uh, I had a feeling of that. You know, I went to graduate school about 30 years ago when evaluation was very new but I had the luck of being taught by Ed Ritchey – I don't know if you're familiar with him (B: Uh-hum) but he's one of the founders of evaluation science. And, uh, I came out of grad school doing that everywhere I went because I had taken classes in it and I think it works beautifully. We had a great deal of trouble when I came here. I had a board that was, uh, very invested in the program's roots, but not invested in outcomes evaluation. You know, I literally had to get a board motion passed to say that we would be embracing it from now on and if programs – all programs would have an evaluation component, if the evaluation components indicated the program was failing in any way that would – would then cause the board to have to re – see we have a program committee on our board looking at all of the outcomes. (B: Uh-hum) If the red flag is up we'll talk about A: tweaking the program; or B: killing the program (B: Uh-hum) and there have been some programs killed since we implemented that. We go across the board with it, and then we have another component to it. Not only do we do outcomes evaluation, we try to marry outcomes evaluation with best practices, whatever they are for the particular program. So its been a good approach, but I gotta tell you, as soon as we got that passed finally about two and a half years

ago this place took off. (B: Uh-hum) You know, once I was able to – you know, took off in terms of serving people. I would feel at the end of the day like we're doing something for these gals. It was one of the best things that ever happened to this place, I think.

B: So it was able to expand your service base.

I: Not only expand our service base, but expand the efficacy of the programming. (B: Ok) You know, I could sit here confidently and tell you I think we're doing a good job, but now I can show you. When I came here I couldn't.

B: I don't know if there are any accrediting agencies or bodies that...

I: We don't have any that we're required to do, but, um, we may get into the licensed drug facility – licensed drug treatment facility business in the future. We're kicking that around and if we do, then we will certainly be part of, you know...

B: And why are you considering that?

I: To grow. Um, needs of our clients. You know, there are funding streams that we can tap into if we have a drug treatment license. So, we're kicking it around.

B: OK. So it would grow not only the services that you provide to the client, but also your funding as well.

I: Yes, exactly. Its good solid funding.

B: Ok. The last one that I wanted to ask you from the subset was an executive compensation policy – do you have one? If so, why; if not, why not?

I: We don't. We barely limp along. I kind of level what I take. I don't take benefits to keep this place. My husband has some, so I just throw it back in the pot. We barely, uh, you know, we can barely keep afloat, to be honest (B: Uh-hum) um, and to keep the staff at the level that it is. This is not an (unintelligible) fund. People would much rather fund a kid with cancer than they would fund someone who's been to jail. Warm and fuzzy. So, we don't have such a thing; I haven't asked for it.

B: Uh-hum. Mainly because its just not a need...

I: Honestly, we just don't have the resources. You know, if I had the resources I'd ask for it, but you know...

B: The second set of questions kind of revolve around, uh, where you learned, how you learned, kind of any importance you attach to some of this. So I wanted to ask you, how important do you think some of these practices that we just talked about to you and ...

I: Evaluation I think is critical. I'm trying to think of what else we talked about, audit I think is critical. Everything we've talked about so far I think you've got to do (B: Uh-hum). I think there's some of the newer things that (Phone ringing)...I'm sorry, I have to get this. They've changed our phone systems and, uh...(came back after telephone call) um, some of the funding sources – like this one for \$7000 we didn't go after because, like, they wanted us to bond everyone in the agency (B: Uh-hum) and we had to make sure we had fire drills. It was all kinds of stuff with a staff of six, for \$7,000 it would have cost me \$50,000 just to do what you want. Um, so, you know, I think some of the foundations I think keep adding and adding...

B: So its not sensitive to the capacity you have to the...

I: We don't have the resources. If you have a large agency with all of the resources, you should be doing those things. (B: Uh-hum) For example, best practices say, now there are six of us here – one is part time. Many times there's just one of here in the office all day. I'm not supposed to open the mail since I'm the executive director – everything you read says "Don't open the mail, don't handle the checks." (B: Right) Well, hello, there could be week's worth of those to get open. I just think that a lot of the best practices are just not sensitive to the smaller organizations. Then we're held accountable for this stuff. Like when the auditor said, "What do you mean you open mail?" I said, "Well, you don't want it opened for four days?" (B: Best practices...) Then she says, "Why don't you walk the checks to the bank every day?" And I say, "Well it's a ten block walk! Some days there's a \$10 check, and I just don't have..." So we walk to the bank when it hits \$3,000 and we lock up the checks in between. (phone ringing) And I suppose that's not kosher... (I: answers phone...recording paused)

B: I wanted to ask you the question from the standpoint of the board as well. So you've reflected on how important these practices are to you as the executive director, but how do you think that the board perceives these kinds of practices?

I: We have a very – well, we started out with a very grass roots board. Our organization was started out as a faith based organization. We had a lot of people who came from churches, who came from ladies groups (B: Uh-hum) and they really weren't educated in the realm of non-profits. When I came in, I guess luckily for me, many of them were retiring. A few others were not welcoming to some of the new-fangled kinds of practices; they wanted more of a religious kind of thing. So there was kind of – as new board members came along they began adopting new resolutions to make this more of a, you know, best practices organization. The group I have now is very invested. At one point it was quite a battle. We had, uh, gotten funding from the Bayer Center, you know, Robert Morris to have a sustainability plan because, you know, we were almost constantly going under (B: Uh-hum) and so all these issues were explored on the board level, you know, led by a facilitator...(phone rings again...recording is stopped momentarily.) Um, the board is extremely invested in all the practices that we talked about. I have people in positions of leadership now who are very knowledgeable about non-profits and – and I think that is all.

B: Ok, I'd like to ask you about from what sources do you learn? If I asked you to think about maybe the top two or three in kind of rank order, where do you learn about this kind of stuff?

You mentioned recently adopting a conflict of interest policy...where do you learn about best practices?

I: My board members have been a good source of information. There are great training sessions, you know, thank God for email, you know, people send you invitations all the time from – foundations are a great source of training, and I had another little grant when I came in. It fell out of the sky at me – one of the best things that happened to me. I was here maybe six months when I got a call from Duquesne University, Michael Kumer (B: Uh-hum) of Forbes Funds. And they had a very, now this was in the heyday of Bush's faith-based assistance, but anyway, they had put money aside for small faith based organizations to try and professionalize them. I got a call out of the blue asking, "Would you like to be one of these six agencies?" And I was like, "You betcha!" It was like executive director 101 training; things I never learned in graduate school 30 years ago. (B: Uh-hum) Um, it was fabulous. Everything from how to walk through an office and see if the building is falling down, to learning about the 990, I mean all these things – buying insurance, what kind of insurance should we carry. I mean, it was a six month program. I think we met every 2-3 weeks depending on the weather (B: Uh-hum) board members were afraid to go. It was wonderful. It truly was. So I learned most of what I needed to know from that, and it just truly fell out of the sky at me – it truly did. But, you know, where to turn for help.(B: Uh-hum) Michael Kumer helped again, you know, we paid him to come to some board sessions and contacted him when we needed to know something. You know, he does a great "How to be a Board Member" thing. We've had him come a lot of times...

B: Yeah, I've done a lot of work with Michael. He's a dynamic...

I: You know, its not your job to criticize the executive director about the color of the pamphlets...you know, he hits on a lot of the big stumbling blocks that will, you know, staffs against boards. You know, he tells you – this is your corner and this is your corner. You know, and he really was fabulous. So that, for me, was a great opportunity to learn about stuff. Otherwise, you chat with other executive directors, I've got, you know I'm old enough that some of the people I worked with when I was 25 are still in their positions. So you know, you just chat people up. You just pick up the phone. (B: Uh-hum) Marilyn Sullivan was a great help to me (B: Uh-hum) I really regret her retirement. (laughing)

B: So if you had to rank, you've mentioned a few: the NLI program, the Bayer Center, board members, peers...if you had to rank those...

I: That training I got through Forbes, and that was probably an unusual opportunity. Um, board members. Peers would be third – no, no, no, the Bayer training sessions would be third.

B: And likewise, who do you share that information with? You learn from these various sources, do you share it?

I: Oh sure. Anytime somebody says, "How do you do this?" or...

B: What kinds of groups or organizations, people do you...

I: Well, we belong to PANO, you know, Pennsylvania Association of Non-profits, um, I joined that, um, my mind's going, during that thing that Forbes Fund started...

B: The Coffee and Conversations? Greater Pittsburgh Non-profit Partnership?

I: No. No, it wouldn't be – one of my problems is that I don't have time to get out to stuff as much as I'd like because we're so short staffed. I was in charge of another small non-profit before I came here and I had more time then and I remember in those days I had time and I could go, but I can't do that here. So I don't take advantage of that enough. If I had a couple more staff members I could.

B: But in terms of sharing information with your peers, you had already mentioned that, are there any other...

I: Oh, you know what, the Presbytery gives us a grant because we're Presbyterian and the executive director says that we get their grants, then we have to meet, and that's what we do. We have that little group. Like I said, I wish I had the part of getting that grant means going to that meeting, and thank goodness, because that means that I have to go. (B: Uh-hum) And there's a lot of good stuff that we share with each other.

B: Good. So, my last set of questions sort of revolve around kind of the organizational environment, the operating environment for your organization. And I'd like to ask you to characterize your overall environment as one with low, medium, or high level of competition for financial resources.

I: In our neck of the woods its extremely high competition.

B: Can you elaborate?

I: There isn't enough. You know, there are no entitlement programs for people once they come out of jail. You know, there's WIC and there's public health money and they're entitled and there's funding streams, but we don't really have that in this neck of the woods.

B: So its high competition because there just isn't...

I: High. Very high. Highest I've ever seen. You know, I was working in child welfare before this, and geez that was a walk in the park compared to this. An absolute walk in the park.

B: So how do you deal with that, knowing that there are few funding sources?

I: I write a proposal every week, for two years, to keep this place alive. You name it, I went after it. I didn't care if it was \$500 or \$15,000. It was the only way we could stay alive. I have a good part-time program developer who's a Cracker Jack...(B: Uh-hum) we crank one out every week when we want to.

B: The same question, but whether or not the environment is low, medium, or high competition, but this time for human resources, meaning for volunteers and board. How would you characterize the environment in terms of competition for human resources?

I: You know I haven't had any trouble recruiting board members, you know, we don't have a high powering board. We have more of a working professional board (B: Uh-hum) they're not deep pockets. You know, Michael Kumer talks about the two stages of an organization; when I came in, they were in that very beginning grassroots stage, then you hit that second tier. And we've hit that second tier. We've got the working professionals who are trying to spruce the place up. (laughing) Um, we don't have any deep pockets board members, so I suppose that's what we need to do next. And the competition for those kind of people –its - they're highly sought after. Um, but at this stage in the game, the people on this board are people I've met in my lifetime, that I've gone through growth with. (B: Yeah) You know, when I first got here I thought, "I gotta fix this board. I gotta get good people in." I spent the first year and a half calling anyone I ever knew that I thought would come out, and then they brought some good people.

B: Good. Ok. This next question may seem a little silly to ask, because I think you said it again and again, but I'll ask it. Is your organizational environment one of low, medium, or high uncertainty? And when I say that, I mean in its ability to operate day-to-day.

I: Since we are in the third month of I guess the Great New Depression, I would say its highly uncertain. (B: Uh-hum) Um, if the economic conditions were different, maybe I wouldn't be as panicky. Um, the budget is based on donations. I need a certain percentage in order for us to survive. I don't know what the capacity is for mom and pop Pittsburgh residents to write \$50 checks this year. (B: Uh-hum) And that worries me. Other than that, most years we really rode out the ship. Most of my funding right now is coming from two fee-for-service contracts that I, and we worked hard to make that happen here.

B: And in those fee-for-service contracts, what level of accountability are those government contracts then requiring of you?

I: One is through CCBHO which is a quasi-government organization. They are the conduit for mental health – medical assistance money. (B: Uh-hum) We were the first organization, even in the state, I guess, that does, uh, counseling for women coming out of jail that's billable through medical assistance. And we're getting...I'm thinking... that would be about 25% of our budget right now – between 25% and 30%. Um, that's been a Godsend. And that - if we do really well for the first few years, they said we might be able to up what we can bill. (B: Uh-hum) We also have a contract with an alternative housing facility to counsel some of their – their residents and that's working very well.

B: Do you feel that those sources require a lot in return for those services?

I: People in Renewal doesn't and CCBHO doesn't. You know, I worked in public health years ago and they aren't requiring nearly what – I used to work for (unintelligible, but another agency) and we were, you know, all kinds of paper. You know, I think their papers are

reasonable given the givens – given how bad it could be. We’ve had a- a very nice, well it was rough getting it set up – they had to write a new computer program and they went eight months into the contract without allowing us to bill because they didn’t have things done up, but you know, now that they have things set up its really nice. Its really nice.

B: Ok. Are there elements, are there other elements in the political– we’ve talked a little bit about the economic uncertainties, but are there elements in the political or social climate that are threatening to the organization’s sustainability?

I: (sigh) Well, I mean, I guess this is gonna sound crazy. You know, resources are limited, as I said, for this neck of the woods, and we’re just seeing a burgeoning population of female drug addicts. And their high out with their kids- I mean, its just unbelievable. And they’re not many, you know, there are really just a couple of places here in the Allegheny County area and we’re in the same situation in terms of trying to stay afloat. We’re being inundated with need, and I guess that is part of what’s going on outside. You know, the number of women who are incarcerated has increased by 500% since 1980. I mean, its just unbelievable. And, uh, I don’t know about you, but everywhere I turn, from all walks of life I’m meeting people who’d kids are drug addicts. (B: Uh-hum) Its like everywhere you walk in the jail; its like a college dorm – they’re all kids. They’re all kids. They’re 20-year-olds.

B: So certainly that’s the social climate that’s changing the face of, or putting extreme pressure on organizations like yours to respond.

I: Right. We can’t possibly serve everyone that we, uh, that we could.

B: How about the political environment?

I: I’m hoping that things are going to change now that we’ve got a new president. Um, it was a horrible political climate before. I mean, there was a lot of talk, but no action in terms of helping prisoners. I mean there was a lot of talk from the Bush administration, but nothing ever seemed to get appropriated. I’m hoping, hoping that at some point with this stimulus bill that something might get thrown this way. You know, we get more people incarcerated than anywhere else in the western world, so we better start paying attention here.

B: Uh-hum. I’d like to ask you just two final questions, and they’re a little bit broader. Uh, we were talking about your organization. Based on your experience working in the non-profit sector would you characterize the level of diffusion, or I guess how widespread would you say these practices are, and would you characterize that as low, medium, or high in the non-profit sector?

I: Could you phrase that again?

B: I guess what I’m trying to get at here is – is that, in your opinion, do you think that the adoption of these best practices, these accountability practices across the sector is low, medium, or high?

I: I guess its medium. I think people are – I don't know, I'm so – you know, maybe I can't even answer this correctly – I'm so new to being an executive director in some ways, I mean if I had been one 20 years ago I could probably answer that question. Um, you know, I kind of walked into this world as these requirements were being made, and so I guess its medium. I don't know.

B: And we talked about some of the non-profit industry groups you belong to. You belong to GPNP and PANO, are there other ones that you belong to – and you commented that you don't have really enough time to fully benefit from membership...

I: ...and the money. You know, I have to budget to join PANO every year. Seriously. Um, there are things that I'd love to have time to go to more. National groups. (B: Uh-hum) I mean, that's another thing I used to have more time for in my last job, I was involved with Children's Defense Fund, which was a wonderful place for me to get training. And we do have a Children's Caput here and I'd love to have enough money to go to their conferences and stuff. I don't have it here. Because they used to be like a semester of grad school going to some of their things. (B: Uh-hum) But I don't have the resources here for better training, I just don't.

B: That brings us to the end of the scripted questions there.

SEMI-STRUCTURED INTERVIEW: CASE #16

Tuesday, 30 December 2008, 9:00 a.m.

Interviewee's Office

B: Bobbi Watt Geer

I: Interviewee

B: Now where I would like to start is that I would like to take a few of the accountability mechanisms that were listed on the survey and ask you to tell me as many reasons as you can think of, or that come to mind as being important for you, as to why your agency here has adopted those accountability practices.

I: Ok.

B: So, we will start with an easy one. Filing the 990. Why does your organization do that here?

I: Why we do it?

B: Why you do it.

I: It's required.

B: Ok.

I: It's a required document. There are a lot of things that are required by the state and federal government and the local government. And, and we've had to become aware of all these things and follow through on them yearly. And, that's just a practice. That's just a business practice. It's like being in business. It's no different than being in business. You know, there are processes that you have to follow through.

B: Ok. Are there other reasons why you choose to do that here? Is it mostly the legal requirement aspect?

I: Well, yeah. That's it. I mean, It is required. It is a required function of business. I mean, I don't know how to elaborate beyond that. It is a required function of business. You just follow through on these things.

B: Ok. How about financial audits?

I: Uh...Financial audits. All I can say early on when I got here, uh, we did not do an audit, so to speak, we did a review for years. And then it got to the point where, ah, the business, you know, the business grew, and, uh, we came to the realization that we had to do an audit every year. And, uh, funders started requiring it more so too. The funders seemed to require audits as opposed to the review, so we've been doing an audit every year.

B: Ok. How about conflict of interest policies? You have adopted those here. Why do you choose to do that?

I: Ah, several years ago...Let me go back 25 years, 30 years, when I took over the agency, the agency had in six pages, their personnel policies, their operating policies, their business policies and everything else. That was all on six pages. You can imagine what was left out—everything. So, over the, over that period of time, we began to develop business policies to meet the growing needs of the agency. We began to develop operating policies, personnel policies to meet the, the growing requirements of an agency. And ah, then, the last piece to put in place was the board manual, ah, and the conflict of interest policies, ah, going back to, ah, ten years ago. We had a conflict of interest that was reported to the board. And we said, “Look here’s a conflict of interest.” The conflict of interest, some of the board members took it differently than what it should be, and it caused a lot of ah, hissy fit’in. And as result of that, the agency developed a conflict of interest policy that said, “this is what a conflict of interest is. This is how it is to be treated...datta, datta, datta...” Um, it just goes to the growth of the board here as well. When I came on board, the board met maybe two times a year. They were kind of, uh, they did “yes” voting to whatever the director wanted, by and large, and that was the purpose of the board. When I took over, we had to go and develop things like personnel policies and operating, other operating policies and things like that. And, the board had to grow. When I took over, there were maybe four members on the board, and we had a requirement for 12. We tried to get up to 12, and it got the board members involved with the development of these policies and procedures and things like that. Ah, this is really more aside to...I am trying to picture...put this all in a picture. B: Trying to frame it, right? I: Ah, and as the agency grew, and we got more money and actually got more support, ah, there became more staff for the agency to do the things that the volunteer board was doing initially. One of the things that the board didn’t have at the time was a time limit that they were on the board. They were on forever; I mean you couldn’t get rid of them. Ah, well, you start with getting a board involved and you know, having them involved with making decisions like developing the personnel policy and then, ah, you go to a period of time when the agency is making these things or supporting these processes, and the board gets to feel alone.

I: So, the board felt like they had nothing to do. And some board members got very angry about that. And, uh, it was like a switch. We were going from a board that was involved in the management of the agency to a board that was a governance body. And that was a tough time. And this conflict of interest issue that came up was nonsense, but it was the issue that, ah, helped the board develop to a governance body.

B: So you see it as sort of progressing in the growth of the organization, that you professionalized by developing this and other policies?

I: Yes, this and other policies and, and it was a good thing for the board. And we also included in that a time limit for the board participation, which went from zero, forever, to...we also had a founder’s issue at the same time. So, it was just a tough time. Believe me, it was a tough time. But, you know, hey that founder’s issue was tough. That’s made it, really a tough issue. But, we have gotten through that, and the board has developed these personnel, board policies to deal

with that kind of stuff now. We don't have those things now. We have a board that pretty well functions as a governing body.

B: How about outcomes evaluation? Why does your organization choose to evaluate the outcomes of your programs?

I: Ah...I guess because we want to know what we do. You know, we want to know we have some success at what we do. We have two...our mission takes care of two different bodies...one of those are the inmates and ah, the ah, their success, and the other one is the people that we serve in the community. Ah, we kind of take a look at that piece of...the group in the community...just to know what we do there. We just want to know what we do there. The other thing that is just a little bit different. Ah, we want to know, ah, you know, we're saying that what we do is...reduces recidivism in some form. And, we've gone about trying to keep statistics on that and set up systems to monitor that success. About ah, 17 years ago we got involved with a federal grant from the Department of Education, and one of the things that it helped us find out was we really have an impact on recidivism. And as a result of that whole process that went on for six or seven years, we found that we have a definite success in terms of recidivism versus just the general population from the state. And we found that we also for every dollar spent, we save the state three dollars.

B: Um-um. That's a powerful message.

I: It is a powerful message. And we have continued those statistical...we continued collecting our statistics year after year after year. You have to realize that one of the things that has been most gratifying for me...One of the areas that we lacked, I think, in program, for all the years I have been involved is...ours has always been a work program. You go out and learn a craft by getting involved with pounding nails, you know putting up roofs, building buildings, and we've never really had a method to measure what the inmates learn, excuse me, in the community. And, ah, and to translate that so that they could take that knowledge into the community just like we would take...if you went to college and you, for two or three semesters and had a transcript...you passed pottery 101 and you know, whatever. We got involved with a, ah, a group down in Florida, NCCR, which, ah...I am trying to look for the name...NCCR...What the heck is the name of that—National Center for Construction Education and Research. And basically, ah, our instructors, because they are journeymen, can teach these courses. And these courses are tied to what we do in the community in terms of construction projects, more or less. And, when an inmate leaves here, during the time he is with us, when an inmate leaves here, he's tested in different skill areas, both written tests and performance tests. And, in the end, he receives a transcript from NCCR which ah, is transferrable and which he can pick up in the community in different places. In working for different groups of folks who are (noise over talk)...One of the things that happened more recently, we never really had that opportunity. We always gave a certificate, and we always knew we did well. We always measured our we tried to measure our recidivism, you know, going back to this study that was done and follow through on that. But we never had the opportunity, now, we can measure what an inmate actually learns. And he has the opportunity to take that transcript along with his resume and say look, "this is what, you know, I was able to do." Now for somebody who has never been involved with construction, what their gonna learn from us is just general, ah, general deportment around a job

site and some specific skills like putting on a roof or doing dry wall or doing siding. Ah, but when you look at the job market in the skills area, most of the people out there are willing to ah, it's something; it's a step up. It's feeding into the skills...it's just a strange process. This gives them the opportunity to get fed in there with something that they actually do.

B: Right. Now are there other reasons why you do outcomes evaluation? It sounds certainly in terms of measuring the effectiveness of your programs.

I: No.

B: What about...I know your organization has sought accreditation...Why have you done that? What value do you see in seeking accreditation from outside...

I: You mean from like PANO?

B: Correct.

I: Well, like I said when I came on board we had six pages. And, when PANO came about, we had most everything ah, and we were working on the board stuff. And it gave us the opportunity, gave me an opportunity, and gave us an opportunity as an agency, to take a look at those things that were ah, underpinnings for most nonprofits out there and to take a look at our underpinnings. And to ah, maybe modify our underpinnings to go with the national norm and to ah, work on those things that perhaps we didn't have a need for, but they were still underpinnings for other nonprofits. And uh, so it only made us a stronger agency, I think.

B: Ok. One other question about specific accountability mechanisms. Do you have an executive compensation policy here?

I: No.

B: Why don't you? Why have you chosen not to adopt that particular policy here?

I: We get tied in with the regular salary policy. We have just never done it.

B: Ok.

I: We just have never done it. We just tied everyone in, we have a salary policy and structure, and we just tied everybody into that. We just never really did it.

B: It is not perceived as a need?

I: No. Not at all.

B: Ok. Alright. How important do you think these kinds of accountability mechanisms...we have talked about a few of them, and there were about 40 of them on the survey...How important are they to you and to your organization?

Long silence

B: I guess to be a little bit more specific...Do you, are they issues that you talk about, that you and the board monitor regularly. Do you find that this is something...

I: I think that they are things that we sometimes monitor. Ah, sometimes we talk about them with the board. You just have to have, you know, in the kind of world we live in now, it is not good enough to tell a person that you do a good job. You have to have some things that you can hang out there to let them know that you do a good job. Ah, and that's the kind of world that we live in. We live in a world that requires some proof that you do a good job, and so some of this accountability stuff is tied to all of that.

B: That was the word that I was going to ask you...whether or not that this "proves" that you are doing...

I: It proves what we're doing. I mean, that's the purpose of it.

B: Question about where you learn about various accountability and management practices. Can you name an organization or a person that...

I: Well, within the last few years, it's been PANO. Before that, it used to be DCED. DCED for years used to have a lot of training and education and conferencing and stuff like that. Ah, that kind of died about ten years ago. Their human resources out there used to be a big deal, and they used to have a lot of trainings that I went to. Ah, American Correction Association ah, for ah, the corrections side is where I attached myself to years ago. In fact, ah, I mean for me, it's been pretty neat, two years ago in 2007, we were named the top correctional rehabilitation program in the country by the ACA. Ah, that's kind of something that you wear around. There's an evaluation process with that, and they've looked at things and looked at all these accounting things that we talked about earlier, and they named us that. That was something they named us. And I have tried over those years to go out and ah apply for awards, ah, because it just kind of testifies to what you are doing. I mean a couple of years ago Peoples Gas was giving awards away, and um, we got one year for a project up in Lawrence County. And we got one another year for projects uh down in Westmoreland County with what was WHO at the time. Ah, it just kind of validates you as an agency. All these little things that I have applied for. I don't know if I have gone astray from the question or not.

B: No. It adds more context to the question. So you learn from ah, PANO; you learn from the American Correction Association. Are there others locally or regionally that you learn from?

I: You know, I started to glean information out of the Pittsburgh Foundation area through Dewey...whatever they are called down there...

B: Dewey and Kaye.

I: I think so. They send stuff out. We have gotten involved with Duquesne University ten years ago when they just started their ah board training expose. We got involved with them.

B: Um-um.

I: Ah, in fact, one time I had Ben Hoades up here to have a training session for my board for a day. Ah, Ben's a great guy. You know, he's no longer there. That was back at the time, it was interesting, when we were having all of this fuss and confusion with the board. That was good. That was a good thing.

B: Good. I guess the flip side of that question is are there individuals or organizations that you share this kind of information with? So you learn it from these resources, do you share it back out to other organizations or directors?

I: You know, I have at times offered my experience, ah, I remember, you talk to Nancy up at the United Way. She was ah, I was one of the first persons to talk with her when she came back from the state. She came to town, and I took her to lunch and said anything you need and told her this is what I know, yadda, yadda, yadda...Ah, back years ago when I was working on my board stuff, I was on WHO's board at the time, and I pushed through the idea of a board manual with WHO. And I spent a year before I left their board working on developing that. I have gotten involved with other...I have gotten involved with the Boy Scouts on their board.

B: So, other local agencies?

I: Yeah, other local agencies that I run across that have said something. So, I have said come on down and spend some time. So, you know, I do that, and I do that because I know how hard knowledge was for me to get. Knowledge...when you are trying to run an agency, some of that knowledge is just out there, and it's just, it's not necessarily hidden, it's just...you don't really think of it...

B: It is not apparent?

I: Yes, it's not apparent. You don't think of it. You just don't think of it.

B: I would like to ask a few questions about, and we talked about this actually before we started the interview, about the environment that your organization is now situated in. Would you characterize the environment as one with low, medium or high competition for resources, financial and human resources. So, do you think that at this current point and time that your organization is situated as one with low, medium or high level of competition for financial and human resources?

I: Medium. I think medium.

B: Medium. Why would you say medium?

I: I knew you would say that. I just wanted to say that. Ah, I suppose um. I don't know. I have to think about it. I don't know. Let's skip that question...

B: Ok. Do you think that your organization competes for financial resources?

I: Well, do we compete? Yeah, I think we compete. I think we can do a better job.

B: Who do you compete with? How do you compete?

I: Ah, actually, I think. Let's go back to the previous question now.

B: Ok.

I: Ok, ask me that previous question now.

B: Is your organization situated in an environment with low, medium or high level of competition for financial and human resources? And you said medium.

I: I said medium. Let me, let me talk about this agency. This agency has always had a tough time competing, ah, for monies. And the reason, now just don't write anything down now, and the reason we've had a tough time is because we've had a product line that is not sympathetic to the public. Ah, inmates are just not cute and cuddly, you know. So, we have always had a tough time competing for that. And when you go back to all this accountability stuff, and all these awards and other stuff, it helps us get into the door. Alright. Having this certificate by PANO helps us get into the door, I would like to think. Having this and that and this and that helps us get into the door. But it is still is a tough sell. A tough sell. It is just tough. You are working down at the United Way, alright. And I have tried to get funds from the United Way for 25 years. Nobody wants an inmate program with United Way; nobody down there wants us. You know. Nobody can understand the value of what I am doing down there. No matter how many awards I have. I think it is terrible, you know. But on the other hand, there are also people out there, and if you throw enough spaghetti against the wall, you get some help along the way. And, ah, I have tried over the years to throw spaghetti against the wall. And, we have gotten some help. What I most, and this is a time now when I have to throw more spaghetti, and I am just not physically able to do that. I think that's the thing that is frustrating to me. I just don't have the strength.

B: Do you think that this is a time of...I put this protocol together before we entered this latest ah, economic crisis, but do you think that this has increased, made your environment more uncertain...the current economic crisis?

I: Oh yeah. Oh yeah. Yeah. That's part of it. It has made us very uncertain. That's part of it.

B: Are there other...what other political or other things in the environment that are...

I: Making it tough or making it uncertain? Ah, what this economic environment has done for us has made...we always...we have been with the Department of Corrections, and we didn't get

funding from them for the first 12 years. We were an agency that was out there hawking around for money. Then, '72-'84 was a time that there was operating money given out. There was the governor's justice commission at the time. The governor's justice commission gave us money. And once they gave us money, they gave it to us year after year after year. Same with DCED, or DCA, or whatever it's called. They gave us money for 30 years through certain programs. Ah, but then people, you know, things stopped, like the new CETA...they don't give us money. They don't give money out for me. I used to get money from them. I used to get money from them for Southern Alleghenies; they just don't do that anymore. So, I am stuck with the Department of Corrections. And it's been good, don't get me wrong; it's stable income, and I have been allowed to build because of that. But, because of that most of my funding is from the Department of Corrections. Now, right now, we have in power a governor who was a former DA, who you would think, even being Democratic, would be a little bit more nurturing toward programs that come out of the prison. I put ten crews of inmates every day into the community. God forbid that I have an incident because my program would be done. It would end. You know. Even though I have managed risk every day, one issue, and I would be dead. That's the kind of environment that we have grown to be in. I also, the secretary is...the secretary and I...when you know, you have been around a man for 18 or 20 years, and he is now the secretary, yeah, you develop good and bad things, you have a lot of baggage. So, sometimes I think if he had an excuse to get rid of me, he could do that.

B: There's a lot of political impact on your work here.

I: That's right. And, it is just...now is a frightening time. Very frightening, believe me.

B: And in terms of the Department of Corrections being your sole funder, what do they...do they require a lot of accountability mechanisms, a lot of accountability from you?

I: No.

B: They do not?

I: The bigger the funder, the less accountability. Tay, HSDF, requires more than the Department. Oh, if I don't do my job, believe me, but as long as I do my job, they're fine. Oh, that's not true, they have required certain things with this last contract. We started in this last five year contract last October and with that they required certain things.

B: But, when comparing to some other accountability...you don't feel that it is particularly onerous?

I: Minimal. No it is not.

B: Ok. I just have two other questions for you. The first is, do you think that the level of or how widespread accountability mechanisms or best practices in the nonprofit sector is low, medium or high? So how widespread do you think the adoption of these kinds of mechanisms are in the nonprofit sector?

I: Pretty low.

B: And why would you say that?

I: Because you have got an awful lot of nonprofits out there that are fighting for money all of the time. So they really can't afford to look at other needs or underpinnings.

B: So they can't focus on the foundation...

I: No, they are out there fighting for money. I mean, that's what the Department has saved us from doing. I mean, had we been out there fighting for money, we would have been out of business. Ah, I think that's the key thing for most of the small to medium nonprofits. They are just fighting for money all of the time. And I think that's...they just don't have time to look at those other things.

B: Which happen to be, I think I just read, 83% of nonprofits are small to medium size in the country. I am just curious. You had mentioned the American Correction Association. Do you belong to other industry or association groups?

I: Oh, I belong to ABC, which is the Association of Builders and Contractors. We used to belong to the Builders Association at one time. But no more or less, I belong to PANO and American Correction Association.

B: Alright. That's it.

I: Oh, that's the question. We are done?

SEMI-STRUCTURED INTERVIEW: CASE #19

Thursday, 11 December 2008, 10:00 a.m.

Interviewee's Office

B: Bobbi Watt Geer

I: Interviewee

B: So what I would like to do first of all is to look at a small subset of the accountability and management practices that were addressed in the survey, and ask you specifically to give me some reasons why or why not your organization has adopted or not adopted that mechanism. And don't limit your answer to perhaps just one reason. If you could give me all the reasons that you choose or not choose to do that. So we will start off with I think an easy one, the 990—filing the 990. Why does your organization adopt that accountability mechanism?

I: It's an important, ah, item of information for people who may be considering funding us. Um, it also, I think it is very important for a nonprofit, particularly a large one, to, ah, make it easy for the public to understand their financial statements.

B: Ok. And in the same vein, financial audits in your organization.

I: Well, with, without the financial audit, you have no way of saying that someone has given us a seal of approval. Someone, a reputable firm that looks at, ah, financial statements all around the county or the state or whatever the case may be, has looked at ours and said, "We are doing ok."

B: Ok. How about conflict of interest policies in your organization?

I: There...I think there tends to be a negative assumption about public service organizations that we must have some underlying reason to do it, and that's not a general assumption, but there's a little bit of that out there. Ah, I think it's important to make it very clear that we all are engaged in many, many things and we may at some point in time be asked to make a decision that affects some other ownership or participation we have. And so, it's important for us to be clear to the public that we understand that and it's also important to be clear that we don't make that decision when, at that point in time when it would be a conflict. And for board members and for staff, it's important that that be in a policy so they understand when those situations are arising and what they should do when they arise.

B: So, both in terms of the public and internally, with your staff and board to help them understand the situations.

B: What about outcomes evaluations? I am sure that you have a number of programs. So why, in your agency, do you do outcomes evaluations with those programs?

I: We, ah, when you are working on a program for years and you continue to do the program, sometimes you lose sight of why you do it, and sometimes you lose sight of what you could

possibly do with it to take a step farther. If you are looking at the outcomes as perceived either by consumers or as measured by some acceptable scale, it becomes clear what impacts your programs are having. So that, you can change the program based on changing the impact because after all, that's what people are either paying for or uh, or being supported to have. Um, so, it helps, first of all, it helps staff to do better services. Ah, second of all, it helps, ah, the public' representatives, i.e., the public bureaus and foundations and so on and so forth to make the right decisions about what they should fund. And I am confident that if we understand what we are doing we can do it better than others. So, I want that measure to show how we do it better than others.

B: In terms of having an executive compensation policy in your organization. Why do you have such a policy?

I: Um, the board who hires the executive needs to ah, understand, ah, what the executive does and its worth as compared to like organizations. And so, a policy that clarifies how you determine executive compensation is a way to do that.

B: And, I know that you hold some accreditations from accrediting bodies. Why do you pursue those?

I: Well, for two reasons. One very specific reason, ah, in the field of mental health, and throughout other agencies in other fields, if you have an accreditation, insurance companies will accept that as a seal of approval. So, you can, your customers who come in the door may have ABC insurance, and if you are accredited, it is more likely that ABC will pay for them than if you are not accredited. Secondly, it enables you to set standards for the staff and the board to pursue in making the services better, more competitive or whatever interests the agency has.

B: And what value do you as an organization attach to having those accreditations beyond the practical of getting paid by insurance agencies?

I: Oh, the accreditation really enables us to keep our policies and procedures up to date because you have to, have to renew all your policies and procedures to get your accreditation. And when you put your policies and procedures up to date, then you have to change your practices in the way you deliver services. And you have to become aware of what the national standards are for all of those things are and try to reach them.

B: I think that given the size of your agency, and I was reviewing your survey earlier that there are none of these that you haven't adopted, so that question is as relevant. How important do you think these types of accountability issues are to your organization, meaning your staff and your board and your clients that you serve?

I: I don't know how important they are to the clients. I believe they're important because when you meet with clients, and I do. Ah, when you talk with clients about what they like about the organization and what they would like to have change, they tend to identify things that are um, up to date with current practices, ah, that reflect good facility maintenance, and all the things that tend to be in the accreditations and covered by the policies. And so, that's my knowledge that

it's important to clients. Ah, staff, ah, tell you, and I just had a meeting with staff for our strategic plan, and they actually told me that they were very pleased that our agency won the Wishart Award, that we were accredited, cause it makes them, they didn't use the word "proud," but it makes them proud when they're talking to their friends about where they work. So, I think it brings a sense of being connected to something good. Ah, for the board, it's the same thing. It's a quality assurance type of thing, ah, which helps them be assured that their oversight role is working because an outside body is saying the audit is good or the accreditation is good and so on and so forth.

B: I would like to shift gears just a little bit and ask you a couple of questions about where you learn, where you learn about best practices. And can you name either an organization or if you can, I guess to make this a little bit more clear, perhaps can you name the top two or three sources that you look to for best practices--what are some of the management and accountability practices. Where do you turn for that information?

I: Well, the organization that I tend to use most is the Alliance for Children & Families.

B: Ok. Is that a national organization?

I: Yeah. Um, I also, I teach at the university level, so I really do use journals a lot.

B: There are a few of us who like that resource...

I: I really do use that, and not only look at them myself, but provide articles to the staff if there is some practice that we want to influence the staff to do. So those are the two areas that I use most of all.

B: And what about more locally? Are there other peer organizations or regional based organizations that you turn to?

I: The, uh, well, there are two good consulting organizations that we've used. Dewey Kaye is one, and uh, Robert Morris Nonprofit...B: The Bayer Center? I: The Bayer Center, yeah. Uh, I am not particularly...sometimes the, ah, peer organizations are a total waste of time. Ah, usually they are a partial waste of time. And very occasionally, they have been stimulating because they tend to be...you were going to ask why...we all tend to be sort protecting our turf as we interact, so you never really get a real dialogue. That doesn't mean that they are not important because there are opportunities there for collaboration so those local, uh, peer groups do provide that opportunity. Uh, Pittsburgh Nonprofit Partnership has done some good things in terms of stimulating vision.

B: This question, and this may go to your comments about networking with peer organizations...who do you share or discuss this kind of information with? For instance, you learn from some of these resources, who do you pass it on to?

I: Uh, the staff and the agency...and the board.

B: Ok. And, I am assuming to a lesser extent, to the peer organizations.

I: Yes, to a lesser extent. I teach. I use some of it when I teach as well. We do however, have partners among other organizations, so if the information is relevant to one of those partnerships. We have a partnership with two other mental health providers; it's a shared MIS. But we do also share state of the art information, and we do some joint planning.

B: Good. I would like to ask a few questions about the organizational environment, the overall environment that your organization is situated in. And, actually, this protocol was put together before the economic situation escalated to what it is, so if some of these questions seem a little obvious, they weren't as when I was thinking this through. Would you characterize your environment here with your organization as one with low, medium or high level competition for financial and human resources?

I: Oh, high level.

B: And why?

I: Um, I believe there are fewer, maybe not fewer in number, but I think it's true, um, fewer highly capable people going into the field of social work right now than there were 30 years ago, and there are more agencies and more demand for high levels of competence than there was 30 years ago.

B: And what about the financial resources piece of that?

I: Well, the financial resources are not adequate, that's one of the reasons why there are fewer people. The financial resources are not adequate to recruit people into this field. If I were a young person right now, outside of the fact that I probably couldn't avoid being a social worker because that's what I am. But, if I were a young person right now, I would be very reluctant to start uh, in a field that pays so little.

B: Who do you think, um, you engage in competition most with for financial resources?

I: Oh no one agency. It's competitive with everyone who does similar things. For instance, the United Way agencies, ah, are all competitors, probably more so in Allegheny than in Westmoreland, because there are more of them. And we talk about being collaborators, but we are competitors. And we all know that.

B: And do you think that goes to some of the protecting the turf in some of the peer meetings?

I: Sure.

B: Who is your, I know that you receive a lot of government funding, who would, if you had to say, is your top one or two major, most important funders of your work here? Who would they be?

I: Um, on a public bureau level, the Department of Public Welfare by far. Um, there really is no second bureau that even comes close to that. Yeah.

B: And how did that funding source impact your, if it does, your management practices, your accountability practices, thinking about some of the ones we have talked about or others? Do they dictate or drive or impact?

I: They impact it, but they don't always drive it. We get funded by different sources within the Department of Public Welfare, and they all behave differently. Uh, the, uh, the mental health, mental retardation funding sources tend, are the two largest, and they definitely have criteria that you have to meet. They definitely have state of the art programming they expect you to provide, so they have a large impact on it. Uh, there are other smaller sources of funding, uh, children's bureau funding through counties, which is DPW initially, and then to. They also have some impact; they have less impact on the state of the art programming and promoting it. That doesn't mean they don't do state of the art programming, but they have less push.

B: Do you think that your organization is situated as one that has a low, medium or high level of uncertainty right now?

I: Uh, I think it's medium. Most of the staff would think it's high level. I think it's medium level of uncertainty because I have done this for 36 years. Uh, if you were coming in five years off the street, you would think it's highly uncertain.

B: So, your view is because you have a longer view. You can see this as a cycle rather than an immediate threat?

I: Yeah.

B: Are there elements in the political, economic or social climate that threaten this organization's ability to achieve its mission? Specific things that are occurring now that really impact or threaten this agency.

I: The, um, the current economic situation would affect this agency in terms of what happens to Medicaid support to the states. Twenty-four percent of our funding eventually is from Medicaid. So, if the federal government does not, ah, increase its support to the states, increase its share to Medicaid funding in the state of Pennsylvania, we will get cut. And that will have a serious impact.

B: And how do you respond to this particular threat?

I: Ah, we're holding a legislative meeting next week. (Laughs). We use our trade organizations particularly to promote this position.

B: And thinking of the nonprofit sector in a broader context outside of your organization, how widespread or how diffuse do you think some of these management best practices have made

their way out through the, let's talk about this region, perhaps the southwestern Pennsylvania region.

I: Oh, I think, again comparing things over 36 years, I think that the state of art of management in the nonprofit sector is 100% better than it was 30 years ago and probably 50% better than it was 15 years ago. I think there has been a tremendous improvement.

B: And what is your sense of where we are now, and in terms of improving further?

I: Ah, I think, ah, it's very, very important for modern social service leaders to be able to integrate concepts and um, find efficiencies in how they manage. And um, that's being promoted, and I think we will reach a higher stage.

B: Offline, I will have another question for you about that. I don't want to get too off the script here. Ah, I guess really, I have covered most and I have already asked this question here. What nonprofit industry groups do you belong to?

I: Um, we belong to the Alliance for Children and Families. Ah, we belong to the National Council of Behavioral Health. Um, Pennsylvania Community Providers Association. Um, what else. We no longer belong to the Child Welfare League of America. I think that's it. I am probably missing something. But those are the three big ones.

B: And you already spoke to the importance of the Alliance for Children and Families as being one of your primary sources of information.

I: Yeah. The PCPA on the state level.

B: PCPA??

I: The Pennsylvania Community Providers Association...

B: I wrote it out. I didn't do the acronym. I received a number of surveys with acronyms on that I am going to have to go back and decode. I: "What is that??" B: I know many of them, but not all of them. OK. I think that does cover the main questions, so I am going to turn this off...

SEMI-STRUCTURED INTERVIEW: CASE #23

Monday, 26 January 2009, 11:30 am

Interviewee's Office

B: Bobbi Watt Geer

I: Interviewee

B: What I want to do is take a small subset of the mechanisms that I asked you about on the survey and ask you to reflect a little bit on, um, why you do or why you don't do some of those things at your agency. As you might recall, I asked you originally to respond, on a scale, whether or not you knew about these particular mechanisms, all the way through it being institutionalized at your agency. So, uh, you may or may not do these things. If you could just reflect on why you do or do not do these things. So, filing the IRS 990...why do you do that at your agency?

I: Mandated by law to do it. (B: Uh-hum) Um, that's really why. Anything the law requires of us we-we attempt to do. The 990, it's a little tough, but it isn't anything that we haven't incorporated or instituted before - it just asks more questions. (B: Uh-hum) But that's really why we do it, because we're mandated to do it. The auditors check it too

B: And the financial audit... why do you do the financial audit at your organization?

I: It's required too. Agencies, at least in this county, with (unintelligible) are required to do an audit. (B: Uh-hum) Its also, technically, in a business sense, its good for us to know if we have an issue. The board, having that fiduciary responsibility, needs to have that information; they can't just assume that it's what you're telling them. This is another back up for them and it protects their responsibilities...

B: So, a management tool for the board. Do you have a conflict of interest policy?

I: Well, let's see... many years ago, I did a conflict of interest policy with the board, then I stopped. But now with the new 990, I'm going to start again.

B: So a yearly institute on, uh...

I: ...the last time I did it, uh, you know, I don't really have a lot of turnover on the board. Um, though we have had to term people who have wanted to stay on. Most of all if there was a conflict, what it would be was that, it seems stupid that some people would do this, but they just signed off on...

B: So the driving reason is the new 990? I don't want to make an assumption, but what I think

I'm hearing you say is that the new 990 is driving that.

I: And also trying to keep up compliance with demands, but...its...

B: How about outcomes evaluation - programs evaluations for the services you offer, do you do outcomes evaluation? And if so, why?

I: Uh, a number of years ago, again, we were doing ...

B: But no longer?

I: No, we did it - we were probably the first in the county that I was aware of, because at one point the county kind of stated that if you evaluate your not-for-profit you won't have to go through licensing. We thought, "This is great! We'll do it!" But that never came to fruition and the cost, it's like \$10,000 every three years, so its not cheap. (B: Right) And then, there's always a conflict between what the county wanted and what the state wanted regarding the licensing. But when we said that we couldn't do it because of licensing, no one seemed to care, because it didn't meet CARF accreditation. So I can't change what the state is telling me. So the fact that we (unintelligible) we stopped writing that. But we still keep up with our own certain outcomes, like we try to keep up with the CARF standards anyhow. (B: Uh-hum)

B: So the outcomes evaluation - sort of the Genesis of that was when you were doing it for CARF accreditation, but you're continuing this.

I: Its - its really looking at things we were trying to monitor, and we found it extremely difficult because we're a residential program. For instance, days in the community we would measure. So they'd look at it and say, well, the clients are not in the hospital, they're in the community, or they're not in jail, they're in the community. That's not solely relying on residential care, (B: Uh-hum) its kind of hard to measure what we do - we need to measure separately. (B: Uh-hum) Because, um, its not-It takes a whole village to raise a child; it takes a whole community to work with these people. So, um, we just reinstated the program committee of the board, trying to get more measures. (B: Uh-hum) We'll probably measure about 10 or 12 things. While it looks nice, but you know, you can measure anything you want. We're trying to get down to 3 or 4, um, that would show something significant for us. Part of the reason I want to do this is for, not so much residential care, but similar providers doing similar services (B: Uh-hum) trying to find this...

B: ...value added, which is (unintelligible due to background noise). Great. Uh, does your organization have an executive compensation policy? Any formal policy that says what executives should be paid or benefits that should accrue?

I: Every few years, uh, the board will look at salaries surveys of the area. They look at goals.

B: So they do that overall for the whole agency, versus necessarily having a policy just for the executives?

I: They do it overall for me, look at these salary surveys, but there's...

B: ...there's no formal policy. And why, I guess in this case, why hasn't your organization pursued that?

I: When I started with this organization, there was only 200,000, but there wasn't any - it was a good board, but not well trained in how to do a lot of...my thing with my board is that you'll have more information than you'll ever need to know, so you can't ever tell me you didn't know something. Um, and with an agency that small starting to grow, there wasn't a need for it. We're not a highly competitive group of people. I know some of my peers that have memberships, expense accounts...but that's never been really important to me so I never really pursued it. I think that if I would ask the board, they would do it.

B: Uh-hum. So you're saying you've never really seen a need for it based on how the agency, which has grown from being a fairly small agency...

I: And I think what other agencies have done, it just hasn't been important to us. Now, I get the same benefits and the same reimbursements as any other employee, so I think that's the right way to do it; I don't think there should be any (unintelligible due to background noise).

B: The next few questions deal with learning and where you learn information, uh, the first one I think is a little bit more general. I wanted to ask you how important you think these accountability mechanism policies, like the ones we've been talking about and there were many more on the survey related to disaster policies, whistle blower policies, or human resource policies, personnel policies, things like that, how important do you think these accountability mechanisms are to you, as a director, to your organization, meaning your board and other key staff?

I: I some - I used to feel that sometimes we wrote personnel policies never really see too many policies that you write because people tend to write them and then... its always, uh -um, its always been my mantra to the staff to say that the only way to do that would be to have some guidelines by which we can all, you know we're all held accountable to the same standards. I can tell you in all my years here, I think we've only lost 3 of our unemployment appeals. (B: Uh-huh) because we're pretty clear when we document what we do and follow through. Um, and - and staff know that coming on that if you're terminated with cause, we're going to fight it. And we do; we fight every one. I don't care if we're only held accountable for 1% or 100%, there's a reason that these are here. So, it makes it easier to decipher, it makes it easier for the site directors, it makes it easier to be in charge. (B: Uh-huh) Here it is, this is what we require. It makes it easier for the employees. So as much as you can have things in writing and document...(brief interruption) Um, I think that it's clearly written, and we have to follow procedures. Um, one of the things that we think implies meaning, we do it in some areas where law...

B: Interviews maybe...

I: What we're going to start doing it again is maybe (unintelligible due to background noise) insurance, try to get this on a rotating basis so you know, year one you're bid this, year two

you're bid this. Again, I'm getting to set things in place that I think makes a learning curve for anyone else coming in.

B: So, I'd like to shift a little bit to where you learn about some of these practices, like accountability practices for this agency and I'd like you to think about one or two or three places you turn. It could be an agency, it could be some other kind of resource that you would refer to.

I: Um, hmmm. Some of it comes from what CAP refers, or puts out for our organization online (B: Uh-huh) so we get the information. So that we can read up and then we know more about it. (B: Uh-huh) Um, some comes from some of the board (B: Uh-huh) sometimes they'll have access. We have a couple of attorneys and they'll get information for us if possible. (B: Uh-huh) And I would say peers would be the third, and that's just because we talk.

B: So in that-in that order that you mentioned?

I: I think it all depends on the...

B: ...the context?

I: ..right.

B: So, to flip that question around, with whom do you share this kind of information about management and accountability practices? Who do you share it with - if you share it?

I: I share it with the board. I try to share it with the administrative staff, because it can make them better, we can share the information, and we're not keeping any secrets. Then with peers. Its a lot of - we do a lot of informal networking. I may find that some agencies are doing something that makes a lot of sense, so we'll try it here and vice-versa.

B: The group you mentioned, CAP, could you tell me again what that stands for?

I: The Conference of Allegheny Providers any agency is eligible, uh, to join if they have a contract with Allegheny County Human Services. (B: Uh-huh) So the mental health agencies, drug and alcohol agencies, mental retardation agencies, children's agencies (B: Uh-huh). I think in our peak we were 51, but with mergers and all, we're probably down to about 40. And the dues are \$100 per year.

B: So would this be a group then that you would share this kind of information with on occasion?

I: Yes. Well, I think some of the people- I think that the idea of forming that HR subcommittee was important for that reason. The best practices there. I don't think there's anything there for HR people; (B: Uh-huh) that's a lonely group of people. This was a way that they could come together. I think its a great way for the agencies to participate.

B: Great. Um, I'd like to just ask a few questions about the overall organizational environment you're operating in right now. And when I say organizational environment I mean the political,

economic, and social environments, and I'll be more specific as I ask the questions. Would you characterize the environment that you are operating in as one with low, medium, or high competition for financial resources?

I: Is that within all the non-profit sector?

B: Yes, with where you're situated, when you need to compete for financial resources, do you think that its highly competitive, medium level of competition, or low level of competition? (I: Could you give me the question again?) Sure. Would you characterize your operating environment as one with low, medium, or high degree of competition for financial resources?

I: I'm not sure how to answer that...

B: Do you feel like you have to compete to attract the contracts and the financial resources that you need to...

I: Its different. I mean, there's the one that comes from the state account, so we get what we get. I think that we compete against everyone for the legislative money that's given out. On a local level, um, I think that its become much more competitive.

B: So, you're saying it depends on the context, but some of the government money you have as much leverage around - you compete for more of, here's your allocation.

I: I am saying that in our field, Human Services, we don't have a lot of lobbyists out there. We have a statewide association with part-time lobbyists that are fighting against the hospital insurance companies and all. We get the little attention. Uh, so it makes that difficult, although, as a statewide group and as a local group we go out and we meet with our legislators, (B: Uh-huh) um, we also have the legislators - when we go out and we meet with the legislators and we talk, they take it back up and its just - its not enough.

B: So locally, you're saying that if you were competing for any foundation or any corporate funded dollars you would say that's a higher...

I: I would say that right now, in particular right now, everyone's looking for alternatives, which makes it even more difficult. I would have put that into context too, depending on what foundation or what funding I was going after, (B: Uh-huh) but I think that landscape is changing too.

B: What about the same question, but with regard to how competitive here as a director to attract human resources? Board members, staff members, any volunteers you may use to engage in and carry out your work, would you say its low, medium, or high.

I: Very competitive in, um, getting staff, but what I've seen over the years and continue to see, is that staff will leave one agency and go to another one, so we have staff that go all around. And its like in any field, there's certain people who are going to be in this field and certain people who aren't. They're gonna be in the field. As far as the board, we don't have, uh, a great amount

of difficulty, either because I know a lot of people, or I've met a lot of people and we'll go out and talk. I've never had anyone tell me that they didn't want to be on the board. When they get on the board they seem to like being on the board. (B: Uh-huh)

B: This other question is coming back for a second to, uh, how you compete for financial resources. You said that it really does depend on the context and what you're asking for, whether its government or its, uh, more local, how do you think that you as an organization competes? What do you do to try to be more competitive for those funds when you need to?

I: Well, the process has changed. Um, they've made it a little bit different. It used to be...I guess what you do now is respond to RFPs. The way the county has changed it is that they want to bring consumers and families to the table and they have the Consumer and Family Voice. So as a smaller agency, um, if I'm competing against Western Psych or Mercy, a lot of these consumers and families may know Western Psych and Mercy, but they may not know (agency name). So that makes it difficult. I don't think they're looking just at the technical things, they're looking at name recognition (B: Uh-huh) and that wasn't how it was ten years ago. It could have been more about quality of services. Uh, so that makes it a lot more in depth- I don't want to be Western Psych with the name recognition - I want to be (agency name). So there's a size difference. Bigger agencies are grabbing more of the pieces right now. Smaller agencies are sitting back saying, "Why even bother with this?"

B: So there's not a lot of ways to combat that other than to say that "We can't compete with the big names?"

I: There was an RFP that came out that recently and I wanted to respond to one part, and I knew we could do the one part and do it effectively, but you had to apply for all three parts. That didn't make any sense. So, one of the larger agencies who could do it all got it all.

B: Do you think that there are elements in the current political, economic, or social environment that threaten your organization's ability to continue, or to carry out its mission? Could you just speak to that a little bit?

I: I think that the nation's crisis is going to have a major impact. We've been looking...We as a county system, um, we've been looking for years at how we can consolidate, and manage and this new budget crisis is just going to worsen that. I'm not even sure if next year - I don't want to say to the board maybe we should look at our contracts (B: Uh-hum). \$5 Million to whatever we are is not small, but its not huge in this particular field. (B: Uh-hum) So our mission is how to best meet the needs. Can our savings be consolidated or merged with someone? I think there's going to be some issues, and I think that some agencies are already seeing that.

B: Um, are there other pieces of that? I guess its hard to separate those out, you know, with the economy and where it is.

I: Well, again, I'll just use...I'll just say in out county, closing Mayview State Hospital. As good as that seems, and we still have Torrance, but the idea is that you don't want to put people back it the hospital. So we were supposed to be building the infrastructure out here. It's a build as you

go model, as it works. Then you look at the state who is wanting to build three more prisons. If you look at Allegheny County Jail, I think 80% of the population there has mental illness. (B: Uh-hum) So all we're doing is building a different holding place for these people. (B: Uh-hum) If they're not being treated for their illness as well, they're going to end up in jail. Part of its economics. (B: Uh-hum) Part of it is because of their illness, sometimes they do something that if they were well they wouldn't do. Then they end up in jail not being served. You're not dealing with the illness, you're punishing the criminal, so to speak.

B: I just see that we keep shifting...

I: You know, in ten years we'll come back to, "We probably should have more state hospitals, more regional hospitals. Its always a political move, allegedly to save some money. I don't think it was really people thinking that we don't need institutions now. (B: Uh-hum) We don't have enough infrastructure out her to take care of the people. If we then look at the economic crisis, we see more and more people coming through our doors that need help, but we don't have the ability to help them. So the strain is just getting huge. Does that make sense?

B: Yes, yes it does. So, um, then would you... I'm just trying to wrap this whole theme into one final question...would you characterize your overall organizational environmental one of low, medium, or high level of uncertainty? Day to day when you think of the work you need to do and your organization's ability to continue that on, how uncertain is that?

I: Well, I definitely think there's change, so I'll answer this two ways. If I went to my board and my staff, they would say its is strong and we could continue. And we could. But if you ask me personally, I would say there is a high, me personally, mid to high level of uncertainty, because I don't know how it helps to keep stripping away where there's nothing effective left to...

B: Um, that's certainly a good multi-perspective, uh, answer to that question. Um, I'd like to ask you about your funding sources. I'm sure a lot is government driven funding, but do you think that the level of accountability that your funders ask of your agency is low, medium, or high? Before I...

I: I think its high.

B: Could you comment a little bit about that?

I: Well again, you're - we have the state inspection, and you know, they come in and they're looking through regulatory information, which I also think we're overregulated. You never see them regulate or take away in the state; you see them add on, but you never see them...and they never seem to update. You see, most of the regulations we're under are 25-30 years old, so, you know, the use of modern developments are thrown right out the window. (B: Uh-hum) I think that the county in the past 10 years has gotten stronger. I think a lot of it goes back to our audit. They get a copy of the audit. They review it, then sometimes they send their auditors to check out auditors, which is fine, but, the forms we have to send from the county are extensive - they're very detailed, so they know - they know where the money goes and how we spend it.

B: Do you think that, I guess, if you could comment on whether or not, how reasonable do you think those requests for accountability are? Are they asking for information that really does demonstrate what you are using the money for? Do you think that they ask for too much or too little?

I: I can only speak for my agency. We're program funded. So, I'm not other people, or I would answer this differently. Last year we did have a few perceptions...on a program funding basis, it's pretty straightforward. Here's your funding, show us how you spent it. Here's income; here's expenses. If you're service, there's a completely different way that they look at it. I don't think there is enough accountability for fee for service. I can bill for something and write a note, but there's no real measures unless you're doing it internally to say that you really went and visited the person. Program funding is separate.

B: I have two final questions that are based on - outside of your agency, but based on -you've worked in the sector for a long time and you've obviously have a network of peers that you interact with. Could you comment on your opinion on whether or not you think the accountability mechanisms are, um, widely adopted, or I guess low, medium, or high in terms of how widely adopted they are in the sector.

I: It depends who I'm thinking about. Um, in smaller agencies, I don't think accountability is in there. (B: Uh-hum) I don't think they have good accountability methods. I, um, I could tell you about a peer, it would have been about four years ago. I want to say that the agency budget was about \$750,000 and she was paying auditors \$17,000 and she just thought that was normal. (B: Uh-hum) So I sat down and talked to her about putting out proposals. Then it went from \$17,000 down to about \$5,000. So, um, again, I think that the larger agencies are a little more savvy about accountability. I also think it is the experience of your executive boards. I've met with some boards that - I don't even know why they're on the boards because they have no idea what their agency does. (B: Uh-hum) So, again, I think its persons, places, situations, etc. I think that the larger agencies, the more accountability.

B: I just have one more question. I know you mentioned this CAP group that you are affiliated with, but do you belong to any non-profit industry groups, or are you aligned with any organizations that you would just get overall information about the non-profit sector into your organization.

I: I get Dewey and Kaye's Newsletters and I attend some seminars, like the Not-For-Profit Seminar, The Business Times. We've really cut out everything that I could think to cut out.

B: So you currently do not have any formal memberships, but you - you attend these other opportunities.

I: We don't even belong to the Statewide Association any longer, but we still get a lot of the information. We use the internet a lot, so...

B: Alright.

SEMI-STRUCTURED INTERVIEW: CASE #33

Wednesday, 21 January 2009

Interviewee's Office

B: Bobbi Watt Geer

I: Interviewee

B: What I'd like to do first is the mailed survey included 41 different accountability practices that you've responded to. What I'd like to do is take a subset of those and ask you to respond to why you either do them here at your agency to the extent that you do or why you choose not to adopt them. So, and don't limit your answer to, "Well, it's required." Any of the reasons that you can think of you can provide on each of these ones. So, I think the first one is an easy one: filing the 990...

I: You're asking why we file the 990?

B: Why does your organization choose to do that?

I: Well, the only reason we do that, uh quite honestly, was United Way required it. (B: Uh-hum.) Because we're not required; we're under the umbrella of the Western Pennsylvania Council of the United Methodist Church. (B: Uh-hum.) And so uh, we actually do a file that's made out - that says right on the top of the file all that he does that for is (B: Ok.) and it's because United Way requires it. (B: Ok.)

B: The financial audits...

I: Uh, they're done every year. Uh, we, hmmm, trying to think here, one is accountability, uh. Personally, I think it needs done. Uh, again, we started we did a, uh, review, and then the United Way required the audit (B: Uh-hum.). Uh, so we did make a transition because and uh, but it's still been good for us. Uh, we've never had any difficulty with the audits, uh, the people who do it are very thorough. Actually we've had two different companies. Uh, the first one stopped after about three years. They stopped doing audits because there were changes to the audits. And we hired a different company, which cost considerably more money, but uh, still very thorough, and uh, (B: Uh-hum.) it's been helpful for us. The suggestions they've made, they've never found any problems, (B: Uh-hum.) but they have made suggestions.

B: Management practices...the suggestions have pertained...

I: Uh, what they suggest we do

B: Uh, I can't recall specifically from your survey...do you have a conflict of interest policy? And if so, why did you adopt it?

I: Oh, trying to think...Uh, back to that. I know we've had that because of so many... we have a large volunteer staff. (B: Uh-hum.). As a matter of fact, we've got at least probably 90% of our staff is volunteer. And, uh, so that's one reason. The policy wasn't always written, uh, I had to have that done and uh, we have every volunteer sign it. We even have an application for volunteers, that they must complete. It's just almost a common sense thing, but yet, with grants, uh, we see it all the time. That's a lot of the reason we keep it up to date. 'Cause we are dependent upon a number of grants. And a good number of those are looking at that type of accountability.

B: Ok. Outcomes evaluations...evaluating the outcomes of your programs. (I: Yes.) Uh, why do you do it to the extent or not do it here at your agency?

I: We don't do it enough because it's very difficult. We find it very difficult with most of our clients. Uh, we do it in order to understand better how we're serving clients. And the one, it's just a personal thing with me and our staff; we all agree that a lot of our clients are irresponsible. That's why they're clients, (B: Uh-hum.) and unless we're working with them in the one special program, we can actually lose clients. It's in our Partners program. That one's a lot easier to get the – the feedback. And the other ones getting through are what we call crisis, and it's a lot more difficult – it's a lot more difficult to get feedback from them. (B: Uh-hum.) We would have to go and track them down, and that's not easy. Because they move all over the place. (B: Uh-hum.) So, to answer your question, uh, the one program we have good feedback on, uh...

B: So, if I'm hearing correctly, you do outcomes evaluations to the extent that you feel that you can get valuable feedback, and the programs – that some programs don't lend themselves aptly to, even to the kinds of evaluations that would be helpful, nor can you track people down. (I: Yes. Yeah, that's...) So in those cases, (I: Yes) you choose not to do it for those reasons.

I: Yes...very difficult to get to.

B: Uh, I don't believe that you hold any outside accreditations, from any non-profit accrediting bodies.

I: No.

B: Ok. Why do you - have you chosen not to pursue something like that?

I: There may be more time involved with it than just the amount of work... I know when the PANO, or whoever it was came through, I looked at it with the amount of – the amount of work it would take. We are accountable. We do an internal evaluation and to our conference, the church, we are - we do an annual evaluation there, so we do it that way. (B: Uh-huh.) But, uh, really, our staff because our paid staff is small, they're all overworked (B: Uh-huh.), so uh, to do that would make more– more work for us.

B: So it's a capacity issue. (I: Yes.) Ok. There's one other mechanism before we move on to the next section, is, uh, compensation policy. I can't remember if you have any type of executive or staff compensation policy, a formal policy, and why or why not. Overall compensation

I: Uh, I do through the Methodist church. Uh, (name), the assistant director also has a – a unique situation with her. She's our staff, so she works here, but again through the Methodist church mission outreach, which is worldwide, she's actually an employee (B: Uh-huh.), uh, we share. They actually pay half of her salary, and we pay... she has a compensation policy also. We are the only two. Uh, the other paid staff are considered part-time and there is no compensation policy.

B: But specifically in terms of you as a director is there a policy around what your compensation should be?

I: Yes, that's pretty well handled by our board of directors...

B: And why do you choose to have that in place?

I: Well, I think their choice is that, uh, they are very concerned about, I guess I'll use the term quality, because the administrator of this agency, uh, is to work directly with them (B: Uh-huh.). When we actually went through this, I was going to retire, but for one thing, I didn't so they went through a great deal to review it in the last year, and through all of that, and they really wrestled with what do they want in a replacement. Then, so uh, it was an opportunity to bring the standard higher, but they chose not to do that. We don't want to do that. We want to keep him here.

B: Just a sidebar question: How long have you committed to stay?

I: I've committed for another year. (B: Uh-huh.) Two reasons: because they wrestled with replacement and the way it happens within our denomination, which, uh, is the umbrella for us, uh, became effective until early in October they did interview individuals who could come the next fall, but that person all of a sudden said, "No, I'm not coming." And at the same time, I was looking at my retirement and everyone else having to start the process all over again, and uh, That's when I said, "If you're gonna start over again, how about if I just stay" because I wasn't entirely ready for retirement. He said, "Great, if you stay we can put this off." He wanted to keep me here, that was very clear.

B: Moving on to the second set of questions here, I'm curious to know how important you think management accountability issues are to you, and to your organization.

I: I don't think you can minimize it at all. It is very important, and that's why we have worked all of our s- all of our paid staff are evaluated at least annually. It's a process. And, uh, you know I'm evaluated annually by a, by a committee we have, plus the board of directors. And so accountability is very important. I'm accountable not only to our board, but also to our conference. I don't think I could memorize that, it's so easy to let that slip and then the whole agency starts going downhill. (B: Uh-huh.)

B: From what sources do you learn about accountability practices, perhaps the ones that we talked about, and then in the larger scope as well.

I: In seminary, uh, you know, through our denomination, we have, as a minister, uh, there are certain accountability things that they keep holding out to us, and a minister, as an ordained minister in our conference, I'm accountable to certain standards. And so, they always, uh, uh, through United Way has been a good one, I didn't always like it, (laughing) you know, they say you have to do this and this, but I found it to be helpful, uh.

B: I think somebody characterized it as a love-hate relationship.

I: Uh, yeah. (laughing) We also have – I-I found out through other relationships, uh, you know we're a cooperative and a point of reference with Fayette County Community Action. There's interaction there with other agencies, so I pickup a lot of things that way, which I in turn take back and I forward it to our denomination, and uh our conference representative, and to a group called the Appalachian Ministry Network, which covers the east coast. (B: Uh-huh.) We meet, uh, we meet twice per year and that's another place where I get feedback. And, uh, our agency discovered that, it was five years ago now, we went through a – a group in Pittsburgh called the United Methodist Foundation, and we were offered a grant. And they in turn came back and wanted to provide us with what, at that time, uh, they called in-kind service. I had to call them and say, "What do you mean by this?" (B: Uh-huh.) and they provided us with an individual who was directed by an internal small group financial person. He came and did a whole overview of our organization. Anything that he requested has actually, well, helped us to grow. And uh, he worked with us for about a year and a half. Then we developed a relationship with a financial management consultant, uh, through a small satellite, and that was very good for us. (B: Uh-hum.) But he was very good, uh, to work with us that way, uh, I sincerely appreciated it. A good organization. (B: Good.) That worked out really well.

B: If you had to list one, or two, or even three sources of information, how would you rank them.

I: Well I think, uh, I think definitely our conference. They've always been good for us. Um, United Way has been a good one – that was a good term you had: "love-hate relationship," um, and uh, I think the cooperative, I'm not sure that's the word I wanted, working with other agencies. That way I can get feedback about how other agencies are doing it, and uh, whether or not what we are doing is as good. See the thing is, there's an agency I contact in Tennessee, and there's a receipt that they give to their donors. And I told our group, "They've got a good one – it's better than ours. We're gonna change ours." (B: Uh-hum.) So we added a couple of things to ours so it will accomplish...see, ours was adequate, but the donors should have...(B: Good.) We're always looking to improve.

B: I think that you've answered this to some extent in that answer, but also, you know, who do you share that information with? What various resources do you share with ...

I: Yeah, the same thing, my district superintendent who is, uh, the minister who is over me in a sense. There's a group of churches in Uniontown who have formed a cooperative that we can get a hold of, because we can, so we can share with them. We've had several other small agencies who are doing the things that we're doing, and recently, there's one up in Scottdale, there's one (unintelligible) and they've come in and asked us, "How do you do this, what should we be doing, what should we be looking at?" And we share everything we have with them to a point.

B: Good. My last set of questions has to deal with the environment that you're operating in right now. Please keep in mind that I drafted this protocol before the economy really tanked, so a few of the questions may seem incredibly obvious (I: Uh-hum), but perhaps a few months ago they did not (I: Uh-hum).

(there were a few seconds of whistling noise...)

B: Yeah, we're still on. This last set of questions has to deal with your organizational environment. The first one is, would you characterize the overall environment that you're operating in as one that's low, medium, or high levels of competition for financial and human resources. So, if you want to take a look at the financial piece of that first.

I: I would say that it's probably high competition right now. I think it's been increasing over the years I've been here and I've seen it increase.

B: And, so why would you say high?

I: Well, there's other organizations in the area, and not that we're better than they are, or they're better than we are, but it's just the idea that there's just one piece of pie out there and it is just being cut in smaller pieces

B: What about with human resources? How hard do you have to compete for that? Do you think that there's a low, medium, or high level of competition out there for human resources? You say you rely a lot on volunteers....

I: Really, we...I don't feel much competition out there. Quite honestly, we've got more volunteers out there than we know what to do with. There's always a constant turnover – a large turnover, uh, the volunteers do come and go. Because they get other interests or obligations sometimes, but we also have volunteers who have been around for many years. Some have been here longer than I have. We constantly have more turnover, you know, so we don't feel much competition.

B: Ok so how do you, how do you think your organization engages in competition for financial resources? Uh, how do you fight for that "piece of the pie," as you put it.

I: Well, uh, you used the term, "fight for" ...uh, we have not been, shall I say, falling short, as a matter of fact, this year has been close to our best year since I've been here (B: Uh-huh.) I was looking for it to go down, considering the economic condition, but, uh, we still met out budget.

What we have found is that, uh, our resources, like grants and so on are limited. Most of them are start up, and they continued. So I don't see much competition so much there, and uh, we don't rely as much on grants as like a lot of people do. We have a strong, individual governance (B: Uh-huh) and I think that's helpful to us. And I know that comes and goes also, but uh I think our financial base is pretty diverse.

B: Uh-hum. Overall, in your organizational environment, do you feel that it's one of low, medium, or high level of uncertainty?

I: You're talking fiscal environment?

B: Just the overall operating environment that you're situated in right now. You know, when you think of your organization's ability to carry out its mission, to be successful each year.

I: Uh, ask me the question again?

B: Doo you feel that this is an environment of low, medium, or high level of uncertainty for you organization to continue...

I: I would say low. I don't feel that its uncertain, uh. This agency is pretty stable. It's been here thirty-five years (B: Uh-hum.) uh, we're well known in the community. Not only the community, but again, through our denomination, which is, uh, still the key player. And so, uh, its well established, and I sense a lot of times we stand on our reputation. We have a good reputation in the community. Like utilities and so on we deal with, uh, we can call them over the phone, and again (B: Uh-huh.) handle things right over the phone. Again, we are well grounded, as far as our reputation is concerned.

B: I get the picture that you feel pretty secure.

I: Yeah. With regard to...uh, we actually have people who would like to widen our reputation. We guard that pretty closely.

B: Do you think that there are elements in the current political, social, or economic climate that are threatening your ability to carry out your mission here?

I: No. No, I don't – I don't feel threatened that way either. Gain, when I'm thinking about answering that I'm looking at our diversity, sometimes in politics in our municipality is not good, uh but we can sustain through that and, uh, whether they're supportive of us or not, again, because we've got a wide enough base (B: Uh-huh.). Uh, so I've seen administrations go up and down.

B: Uh, a couple of questions about, uh, when I was asking about your specific organization, what were you thinking about in the non-profit human sector- human service organization sector overall. How do you think the level of understanding is usually pertaining to accountability practices throughout non-profits and the human services sector? Do you think they're low, medium, or high?

I: I'm trying to think – overall... I think it's pretty low.

B: Speak to that a little...

I: I was telling you that we guard our reputation, uh, we have other - even wannabe non-profits that come to us and want to attach to us. And in, uh, other places, now, uh St. Vincent De Paul, they're well grounded. We work really closely with them. Uh, Red Cross, you know. What I see is, I wouldn't even call them wannabe non-profits. They don't have any kind of accountability to anyone. I got a call last week from a couple of individuals who wanted the organ used for their (unintelligible) and I cautioned them; I said, "Do you know what you are saying to me? You're saying that you want the ministers from Connellsville to do the work, but you're using us. I'm not gonna let you do that. Who are you accountable to?" It's apparently his organization, and he's an individual. (B: Uh-huh.) I say that if you don't have somebody that you're accountable to, don't ask for my people. I'm not gonna share. So (B: laughing), and he also talked about using high school students, and I said, "Now you're talking about using high school kids – you can't do that." Uh, and so those types come across our doorstep quite frequently, again, but again, they know our reputation and want to come in and do something, but unless they're accountable to somebody and they have a board, uh, I move them along pretty quick. (B: Uh-huh.) I've never turned anyone away who wanted to do something and they do it well, just like these other organizations that got started. Our board is ready any time to be supportive of that. (B: Uh-huh.) In fact, one of them is attached directly to our belief that we are not of our own, (B: Uh-huh.) its about reaching others. So that's what I see next...

B: And what about other established and human service agencies that you keep in contact with? Do you feel that occasionally there's a level of-of adoption of accountability practices being low, medium, or high in those types of agencies?

I: (Sigh.) I'm holding my seat as well. Uh, I don't know how to explain that – that's why I'm not even gonna mention the name because it's a well known organization, but uh, it's a legal, accountability issue going up the ladder. Because we'll work with them and go back and forth because the standards we have are much higher, and we recognized that right away. We explain, "Now if we were to do that, uh, for our board wouldn't be too happy with us." (B: Uh-huh.) It's common practice for them. So, uh, I've seen that a number of times. Its always hard to explain because it varies for different agencies.

B: Ok. Uh, in terms of accountability mechanisms that are required by your funding sources, can you speak to what types of accountability mechanisms are most often requested or required by your funding sources?

I: Uh, I think that you mentioned the, uh, conflict of interest. That's very common. Um, we have a procedures manual, as far as that goes, that's not too hard. I was surprised, but that wasn't, because we didn't have a whole manual in place and um, and it seemed like it was requested (unintelligible) funding that came from the county to us. A onetime situation. If we wouldn't have had that manual in place, we wouldn't have gotten the funding. (B: Uh-huh.) So, back to answering your question, I think the conflict of interest is the most common one. Uh, the other one that's becoming very common is the, uh, equity treatment (B: Uh-huh.) and that's

becoming very common. We have put that in place three years ago. Those are probably the most common that I see. (B: Ok.) The audit, uh, now the term audit should mean the same thing to all organizations. Uh, I know with United Way what they mean by audit – they're very clear, (B: Uh-hum.) but I know another funding source we have, when they use the term audit it is nothing more than you or I sitting down and going over somebody's books (B: Uh-huh.) and do I think that they look ok. And I think...(B: laughing – Uh-huh.) They use the term loosely. However, the term they use is audit, and what I think is a true audit is very...

B: Do you think that your funding sources rely to a significant state on your accountability mechanisms? Or, I guess what I'm driving at here is that, what type of influence do you think your funding sources have on what you adopt here?

I: Uh, I think they do, yes. It's made me personally more aware of, uh, the way we do our budget, uh, we've worked on that very closely with some of our funding sources over the years that I've been here I know that our budget format has changed (B: Uh-huh.) in the past dramatically, uh, in the last ten years. We strive to be very accountable, uh, 'cause I believe our budget is, you know, when we produce it and one of our treasury accounts produces it, and you know, at the end of the year I don't take it lightly that we know that accounts are exact. It all comes out ok. (B: Uh-huh.) I can see it all, and that's alright. And that comes from funding resources.

B: I just have one final question for you. I'm interested to know if you belong to any industry groups, affiliated groups, or what kinds of groups do you align with for your organization?

I: Hmm, I guess I would have to say all our name would be aligning because we are faith-based. (B: Right.) Probably our conference alignment, that's very close. Uh, industrial...ok, to respond to the industrial I don't know too much industrial... but with other organizations, just there is no other organized group...

B: Or any community group, uh, or any um, I guess any, um, partnerships or memberships that you have in the community.

I: Ok. The part-partnerships would be like St. Vincent De Paul, who we work very closely with, we were looking at forming a formal partnership with them (B: Mm-hum.), we haven't done that yet, that's even – working within faith-based organizations – they're Roman Catholic and we're Protestant and it can become very ecumenical and it's still crossing a major boundary there (B: Uh-hum.) Uh, right now we still work closely together. They do some things differently than we do, but that's where we talk and hear how we could partner that efficiently (B: Uh-hum.). And so we're looking at our rules again and we're very much interested, but we have to go very slowly because we're crossing big (B: Uh-hum) borders there. We need to cross the big border because he is Roman Catholic and I am a minister (unintelligible) so to speak, (B: Uh-huh.) but it's been a good relationship and that took time. It has also brought us closer with St. Vincent De Paul and the Italian churches. I don't know if that answers your question, but uh, we work closely with Catholic Community Action County Organizations, Fayette County Economic Development, you know that's another through Fayette County. That's a county organization

that we work with. We work closely with them. So we do try to work closely as a form of leadership.

B: A little less defined...

I: Yeah, a little less defined. (B: Ok.) Like an organization to cover then, the uh Rotary. You know, we just need congressmen.

B: Just uh in, I guess just to draw to a close would be that, so you don't have access – you don't have as much access to those, uh the Greater Pittsburgh Non-Profit Partnership that operates theoretically in the region but given your location it makes it less practical for you to be a member. (I: Yes.) That's what that question was more driving towards, but I didn't want to put words in your mouth; I wanted to let you respond to that.

I: To respond to that, is, uh, our partnership, a specific partnership through Fayette County Community Action is our food pantry, which connects us through Community Action to Pittsburgh through the food bank, uh, the distinction is we're a food pantry, not a food bank, but uh, that gives us a great direct connection uh, through which Community Action actually produces part of our food supply. (B: Uh-huh.) We produce part of our own, but that gives us a direct connection there and that's a key also. Some faith-based organizations want to be independent, but we've never taken that approach.

B: That brings me to the end of my list of questions...

SEMI-STRUCTURED INTERVIEW: CASE #34

Friday, 23 January 2009

Interviewee's Office

B: Bobbi Watt Geer

I: Interviewee

B: So what I'd like to do is ask you a few questions about some of the accountability mechanisms practices that you have adopted here at your agency. (I: Ok) Some of them you may not have adopted to a large extent (I: Ok) but what I'd like you to comment on, and we'll take them one by one (I: Ok) is why or why not (I: Ok) you do them here. And sort of as a brainstorm (I: Ok) – not necessarily (I: Ok) one answer (I: Ok) if there are several reasons why (I: Ok) just sort of shout them out (I: Ok). So the first one is pretty basic: filing the IRS form 990. So why...

I: ...why do I do it? Because I have to do it. (B & I: laughing.) (B: Ok.) Yeah! I mean we're required to do it, uh, I think its certain, uh, it-it helps to, uh, define what our administration and fundraising costs are. So that's the vehicle that we use to describe how we spend our money. (B: Uh-hum) Um, it is, uh, it's a, you know, a report needed by foundations, you know, always requested by foundations, uh, and other funders (B: Uh-hum) and um, uh, you know, I guess for us it helps to keep a particular focus on donors over \$5000 a year, and um, you know, another way, you know, that um, auditors can kind of oversee our investments, so it's a good practice. (B: Uh-hum) But I'm sure primarily we do it because we have to. (B: Ok.) You know, its been around for so long that...

B: Ok. In a similar light, the financial audit. (I: Ok) Why do you do that?

I: Well that I think would probably be, you know, um, more of a good management tool. Certainly because of the size of our agency, you know, for many reasons we're required to do it, you know. Even if we would do, at the minimum – depending on the revenue, do a review, its just a good thing to do (B: Uh-hum) as a – as a check and balance of um, of uh, of what staff are reporting. Ts a good liaison to your board, um, so they can feel comfortable that things are being reported in a good way, that you know, that you're particularly um, uh, receivables that you're stating are accurate so that, you know, that you're not misleading people and, you know, shows prudent use of contributions and that kind of thing. And um, additionally for us, uh, it helps us track trends over the years (B: Uh-hum) and it's a – its a sort of an independent num- you know, its an independent um, uh, review of numbers and we use that all the time in terms of tracking trends. We're just going into a planning process and, you know, I will always use the audited figures as opposed to using internal financial report (B: Uh-hum) just because, um, I think they have been, you know, they've been checked and, uh, verified, and we-we- try to keep them consistent. Uh, we try to keep sort of the line operating budget – the line items the same from

year to year so that we're able to track as well as we can. (B: Ok) Those are some of the ways that we can use that and then of course they're then required and requested by funders.

B: Ok. Uh, how about conflict of interest policies? I do believe that you have a conflict of interest policy...

I: We do – we do. Um, uh, you know we – (agency name) had a conflict of interest policy since I've been here, is – its required by certain groups and those kind of things, so you know, that's certainly one reason we do it. But, uh, I think its, it is a useful tool to have, and if we wouldn't have had it, I would have implemented it both from a, you know, particularly from a board perspective, so that um, you know, I'm the executive director and it makes it easier dealing with your board of directors to avoid conflicts, (B: Uh-hum) you know, because you have a conflict of interest pol- (B: Uh-hum) and-and, um, you know, it just helps-it just helps people be aware that you need to be sensitive of who you contract with and what financial relationships people have and – and the same with staff. Its also helpful with staff. You know, we rarely ever have to, you know, use it, you know, only when we-its good that we have it. People are aware of it if-if we were ever going to contract with a board member's company, or you know, which we (B: Uh-hum) rarely do, but in the situations that we would, we would visit that policy and pay attention to it. So its-its good for those reasons.

B: Ok. Shifting gears a little bit, I'd like to ask you about outcomes evaluation; what kind of program evaluation you do. (I: Uh-huh) What motivates you to do that?

I: Ok, um, well, I think that- I think for us here at (agency name), um, certainly for the staff, the main priority is our programs. So whatever we can do to improve our programs, we really try to do. So- so program evaluation and outcomes evaluation are becoming more of a required element for funding applications, but we've done this for a number of years. And being a United Way agency, we also have the benefit of their emphasis on outcomes, (B: Uh-hum) um, that kind of thing. Um, but, uh, in both, we-um, really the way we're structured is-there are these two major programs: senior center and adult day services, and we do an annual program evaluation in each of those areas. Um, both satisfaction and also sort of an impact is how I would describe it, (B: Right) you know, what impact you're having on people's lives. You know, for a long time, most of what we do, um that is, uh, kind of a self report in terms of, um, uh, impact, particularly in the senior center and adult day services, some of that has to do with avoiding institutionalization, so we're kind of able to track those figures, (B: Uh-hum) you know, based on clinically nursing home eligible, how they've maintained community living, and we've recently just started an evidence based program- home disease self management program, which will be one of our first- first- first attempts in the senior center to, uh, to measure impact over time (B: Uh-hum) so we just started that, but I would certainly, um, you know, so its hard for me, because we've been a United Way agency forever, uh, there has been a focus on outcomes through the years. (B: Uh-hum) And I would – and- and-in the time that I've been here, which has been about eight and a half years, um, you know, we've formalized those, you know, just as an agency grows we're able to formalize those things more. So I think I would say that we- this is something that we do more because we really believe in it and, um, you know, but its also becoming more of an emphasis of funders.

B: Uh-huh, that was the clarification I was going to ask you for. (I: Yeah! –laughing-) so thank you for going there (I: Yeah! –laughing-) without me having to ask it, so that's more, uh, you feel that the primary motivation is for program improvement (I: Yeah) and service delivery (I: Yeah) versus necessarily (I: Yeah) being required.

I: Yeah, and I think that just comes from, its- its just a focus that we as a group of staff have, and you know, that managers of our programs here have a long – actually they've all been here longer than I have, (B: Uh-hum) so you know, we have a strong program, and so that's kind of natural for us to focus on that.

B: Great. I am not sure if you hold any accreditations through any other agency.

I: We do not.

B: And why, or I guess...

I: Um, well, let's see, we're licensed, but we are not accredited, so the adult day services is a licensed program. Why we do not, really, is because in Pennsylvania, it doesn't mean anything. And its-its expensive, and uh we've made the strategic decision not to do it because it doesn't mean anything...yet. You know, no one rates us on that. The public, you know, the senior center accreditation, at least in our area, is not something that is recognized, you know, the public doesn't recognize (B: Uh-hum) it or anything like that. And you know, the county went and did their own thing with the standard project, (B: Uh-hum) and um, so Allegheny County went and developed its own standards. Why they didn't just go with the national standards, you got me, but they decided to do, so, you know, so we have to- we have to follow those Allegheny County standards. They're not exactly the same as the – you know, so for us to go after accreditation, at this point in time has not been, has not been feasible financially, but we felt that it would not be a wise resource of our very extremely limited resources.

B: Not strategically exact...

I: Not strategy- no, and the same in, um, adult day services, you know, the CARF accreditation, um, I think there was one agency that did it, I'm gonna say ten years ago, but now they've stopped. There's no real reason yet (B: Uh-hum) for us to-to do it.

B: Ok. One other mechanism that I wanted to ask you about before we shift into the next section. And that is relative to an executive compensation policy. Do you have, in your organization, a policy that outlines how the executive is compensated and evaluated? (I: Ummm) And why or why not?

I: Uh-huh, uhh, let's see, do we do anything formal? Um, we definitely have a practice that we follow, to the best of my recollection its not documented anywhere, with the exception of, um, with United Way we agree to an annual review of my salary with the full board, (B: Uh-hum) so we do do that. Um, how we do it and, you know, what our practice is, and we follow it, is um, we –we primarily, um, we do use the United Way survey that they do every few years...

B: ...I think every two years...

I: ...yeah, uh-huh, of local salaries and stuff, and we use that as our guide, actually for all of our positions. (B: Uh-hum) So we follow that (B: Uh-hum) and um, the board, really the executive committee is really who does my evaluation and they will review those, you know, those are my ranges, and for me I do that with the staff, but for me, they'll do those ranges for me. When I started here, that was what we kind of, you know, used as a guideline for starting salary. And, uh, um, throughout and um every year we develop goals for the year and then, um, you know, towards the end of the year, we report on those goals (B: Uh-hum) and um, and then the in between time, I report directly to the president of the board. And, um, you know, we do it that way. (B: Ok.) But there's – that's just- its not writ- its not necessarily written down anywhere. You know, I'm sure we've done memos around it and stuff, but its not like in a personnel handbook, you know, specific to my position, and its not-its certainly not in the bylaws or anything, so.

B: Ok. Good, so we're going to move on to the next section of questions (I: Ok.) and I want to ask you to think about some of the-the mechanisms that we talked about and there were many more on the survey, I don't expect you to have a sharp recall on all 41 of them, (I: Good.) but kind of as a group, when thinking of accountability issues, how important would you say they are to you as a director (I: Ok) and to your organization? Meaning your executive staff, your board; (I: Ok) are these things that are on your radar?

I: Um, so are you allowed to give me a- allowed to help my mind, um...

B: In terms of the others, I asked you about the financial pieces of the 990 and (I: Right, right, right...) but there are things like, um, the disaster management policies information management policies...

I: ...you know, so, I would say off the top of my head that things are very- internal control policies are very important. Is that like, is that one?

B: Uh, in-in having, you know, having any policy to handle any grievances in the organization, confidentiality policies...

I: Um, you want to tell me the ones that-do you want me to tell you the ones that I find most important?

B: Uh, uh, -I'm-I'm asking you to think about these more as a group...and

I: and how- they're very important to me...

B: And –and if you could comment on that and how you view that with your board...(I: Right) and key staff as well.

I: Um, I think its important to have policies around, um, operational issues that are of importance, such as how you take care of the money, (B: -laughing-) how you take care of participant records and confidentiality, and um, how staff are-are treated and-and so, all these policies I think are very important. I think they're very important that you communicate them particularly with staff because, um, that's the expectation of, um, uh, of performance, and you know, this is how we do this stuff (B: Uh-hum) and its important that this is how we do it (laughs). So I find that, as a management tool, very important because, uh, I feel that if its well communicated I have mangers I can trust. That's how they're operating, if they're operating outside of that, um, that's a problem, (B: Uh-hum) that's important. In terms of the board, its important – its important to the board because then that s how they can-they can trust that we are a well managed organization and that we are doing what we say we do. And, uh, from their fiduciary responsibility, we are managing funds the way we say we are. Uh, I do think, you know, they're important. You know, I think there are some that are, you know, we have some things like that - you mentioned emergency management, there are things like that, that you have to submit to, to you know, government funders that make no sense in your day-to-day life, but you know, you have to do, but as far as what we're most responsible for. You know, one of our most important things is an evacuation policy for goodness sakes. And so, in terms of the people we serve and the people we care for, um, that's critically important. So, uh, I think they're, uh, important, overall.

B: Ok. I'm interested to know, from what sources do you learn about some of these accountability practices, in terms of, can you name your top two or three sources of information with regard to management and accountability practices?

I: I would say our accountant, our auditor, I guess, is a better... (B: Uh-hum) our auditor, um,

B: Um, again, thinking globally about not just financial...

I: Right, not just financial, but that would be one, um, in terms of, um, let's see, well, in terms of, well, I would say a lot is based on, frankly, a lot is based on the collective experience of our managers, (B: Uh-hum) and uh, and, and learning. So a lot is based on experience and what we learn day to day and we revisit things when we've got problems. And, so what do we need to improve on this policy, so a lot of it does come from ex- you know, just personal experience (B: Uh-hum) and the delivery of service and then, you know, sharing your learning with other people. Um, uh, and then, um, you know, some of the – some of the conferences that – that you'll attend certainly will give you, you know, specifics, and you'll hear examples from other people and, um, and, examples of what other agencies do, (B: Uh-hum) you know, sample policies that other people have. We use that a lot.

B: Which kind of leads me into my next question, which is, so you learn about and experience this information. Do you share it with others? And who do you share these kinds of practices with?

I: Um, yeah, we do. If other providers call and say, "Do you have a policy in this area? Can you send it to us?" We will...um,

B: Does that tend to be more locally? Or...

I: It tends to be more – for us it tends to be more local. (B: Uh-hum) Allegheny County local.
(B: Uh-hum) Yeah.

B: Ok. Alright. I want to ask you a few questions about the overall environment, and when I say environment, I mean the economic environment, the political environment, you know, all those things that impact doing business – the business that you're in. Uh, please keep I mind that I put this protocol together before the economic (I: -laughing-) crisis really (I: Kicked over...) kicked into high gear. (I: Ok) This was well in the works before that. (I: Ok) So if some things seem a little obvious to you, (I: Ok) they weren't as obvious to me at that point. I'd like you to characterize your environment as low, medium, or high level of competition for financial resources. So how would you...

I: High.

B: High. Ok. And why?

I: There are a lot of non-profits in Allegheny County, and, uh, so, you know, everybody's looking for money, um, uh, currently, you know, needs are increasing, particularly for people who are out of work. Right now, foundations are really having to focus on the impacts of the current financial crisis, (B: Uh-hum) and so you know, there's the-you know, that problem. Everybody's into that problem. Uh, investments are down, so you know, that makes it more competitive. Um, uh, other reasons its high? So, dollars are limited, and um, and um, I'm not sure if its – you know, and funders are requiring sort of more um, specific information on outcomes, so even the process itself is more – is more competitive.

B: Uh-hum. And so how do you – how do you manage that as a leader of an organization leading in a highly competitive...

I: ...try not to lose sleep, um, (laughing) well, I think how we have managed it here is just we have tried to remain focused on, um, our core services, uh, you know, watch how we've – we are really aware of not becoming distracted by many different projects. Um, you know, we're – in these times you are managing really with limited – you're limited...you're really...you're stretched to capacity, and so you just have to be really careful that you're not trying to do too many things because you know, frankly, you know, one person that's off, that affects everyone else's day (B: Uh-hum) because you're just really operating with, you know, as efficiently as you can (B: Uh-hum). So, um, so, does that ...

B: Yes, yes it does. It actually sort of segues into the next part of that question is, same sort of construct – would you characterize as low, medium, or high level of uncertainty in your environment, uh, in terms of, uh, competing for human resources? Staff, volunteers?

I: Um, I'm more low to medium on that. (B: Ok) You know, we have good retention here, so when we would lose someone, which would be unfortunate, I think (agency name) has a reputation that we would be able to recruit somebody, you know, so, I have high- I am more

anxious about somebody leaving as I am...I mean, I think we could find somebody new, but you know, it would not be good if somebody left (B: Uh-hum) if one of the managers left. You know, its sort of a team that we've established, (B: Uh-hum) so that makes me a little more nervous than having to recruit. (B: Uh-hum) Especially now.

B: Uh-hum. Yes, sort of um, an employer's market, so to speak.

I: Yeah.

B: Um, in terms of the overall organizational environment, would you characterize it as being low, medium, or high level of uncertainty. When I say uncertainty I mean, uh, in terms of you being able to complete your core services and mission work here.

I: Yeah, um, right, in terms of, uh, I have a right now – right now, how would I phrase it, um, right now I know we're doing a good job around our core services. Three years from now I have high uncertainty about our ability to, um, continue.

B: And can you comment on-on why you have that concern? Is this funding?

I: Uh-hum. Uh-hum.

B: And I guess...why?

I: I suppose the major funding source here, uh, is uh, we, our major funder is really sort of government funding, (B: Uh-hum) and, um, so I- there's not a lot – I don't have a lot of hope that there will be changes in the way senior centers are funded. I am uncertain about what will happen with adult day services funding and how the state's shift from institutional to community based care will end up working out. And additionally then for (agency name) specifically is the changes that United Way is implementing for their funding. (B: Uh-hum) And even though we were one of the agencies chosen and we competed in this new RFP process and we were chosen and funded, um, we still will see a significant decrease in the allocation that we receive.

B: So you're sort of a double whammy with your United Way (I: Yeah) and your government sources (I: Yeah) being...

I: Yeah. Yeah. So our...yeah, yeah... a lot of uncertainty.

B: I guess that speaks to part of another question which doesn't seem as distinct here, as the elements in the political, economic, or social climate that also threaten your ability to continue in your mission work. So what I'm hearing about the political piece are the shifts...

I: Yeah. The political piece and how small, community based agencies like ours are able to access these individual donations to-to provide the support that you need.

B: Yeah. So, knowing that you used this time frame of three years, you really have this high degree of uncertainty. What steps...you know, how do you manage that now? And how do you deal with what you think is coming down the road?

I: Yeah. Well, the way we're dealing – we're currently going through a strategic planning process, and we've engaged a consultant to help us do that. And, um, and, uh, you know, and – and uh, building off the experience of benefiting from implementing the strategic plan...what I'm trying to say is-is that I think we know – we certainly know as a staff that the implementation of the strategic plan is important. And – and we're just coming off a plan where er, where we focused our efforts and directed our efforts and um, we're seeing success from that, so we have a degree of confidence in strategic planning, because sometimes it can have a bad (B: -laughing-) kind of like a bad reputation and that kind of thing, but I think for us, I-I think we've learned the benefits of it and, um, we know that we are in some really difficult times ahead. Which is why we've engaged a consultant to help us. We don't always – we don't always expend those resources towards that, but this year we did. Do we have it? Not rea- I don't know. But the board and I felt that if we're going to do it, this is the time to do it because we really are going to be impacted by this United Way thing.

B: Um, I was curious to know, and since we're speaking of funders a little bit, um, what level of accountability do you feel your major funders require of you. Is that – do you feel that they put a lot of demands, um, sort of a medium level, or a low level of demand on you in terms of reporting back on accountability for the funds they provide for your service here.

I: Um, I think that, uh, I think that the government funders can be demanding in a silly way. And, uh, but then I think that other funders, um, you know, it depends what, uh. I think that United Way is a relatively decent organization to work with in terms of reporting back. Uh, yeah they have their requests- their stuff, but its generally – its generally important quality information.

B: So you find its reasonable...

I: I find that its reasonable. You know, its always-its always – sometimes a pain, but I think generally the information they request is reasonable. Uh, I think the county sometimes is silly in what they want to know and I think that foundations can be, um, uh, really great to work with frankly. (B: Hummm.) You know, if you do what you say you're gonna do they're happy (B: Uh-hum) and you're happy, so I don't – I never really had, um, issues with foundations here, at least here at (agency name). And you know, some of the information the county wants is good, but there's a little bit of, well I think, overkill.

B: Uh-hum. In that is not particularly helpful and doesn't really improve your ability to manage here in any way. Ok.

I: That's good. That's good. (-laughing-)

B: I thought so. Uh, I just have two, uh, last questions for you, and one I'll just – I'll skip to the end here, do you belong to any industry groups? Memberships?

I: We belong to SWPPA, (B: Uh-hum) we belong to, um, we belong to PAADCA, which is the state association for adult day centers, we belong to PAASC, which is the state association of senior centers, and we belong to NCOA, the National Council on Aging (B: Uh-hum).

B: I'm quite familiar with them. I'll tell you about that in a minute.

I: Ok. And, um, and that's really it.

B: And do you turn to these organizations for information?

I: Um, we do, uh, we do. NCOA a lot, um, in terms of national trends and stuff. We're gonna – we're gonna become more involved in PAADCA and PAASC. You know, they've not – they're not staffed organizations, so – so you know, they're challenged in what they're able to provide, and you know, I will be likely joining the board of PAADCA soon, so we're trying to get more involved at that level. You see, we use NCOA a lot, particularly for program development issues.

B: And my last question is, if I could ask you to think about the non-profit sector overall; not just your particular industry, or, uh, not just human services, uh, I'm just interested in your opinion about how widespread or deeply embedded accountability practices happen to be in the non-profit sector, based on your experiences, would you consider that as low, medium, or high?

I: Um, I would say medium.

B: And if you could comment on why...

I: Well, I think that, um, uh, why, because um, you know funders are moving in that direction. A lot of these accountability things are required, and um, and, uh, you know, just I think, um, and you know, I say medium because they're probably half of your organizations that are really interested in being high performing organizations and the other half who really are not gonna think in that way.

B: Uh- hum. So somewhere in between. (I:Uh-hum) Ok. Great. That is the end...

SEMI-STRUCTURED INTERVIEW: CASE #36

Friday, 23 January 2009, 10:30 am

Interviewee's Office

B: Bobbi Watt Geer

I: Interviewee

B: What I'd like to do is take a few of the - there were 41 mechanisms listed on the mailed survey, and I asked you respond to what extent those practices are adopted in your organization. What I'd like to do is just take a subset of six of those and ask you to just brainstorm or just reflect why it is you do those practices here at the organization. And you don't have to limit yourself to just one answer; there can be multiple reasons. We'll just start with an easy one: filing the 990, the 990 form to the IRS, why do you do that here at your organization?

I: One, because it is a law (B: Uh-hum) and two, just its a reassuring practice. (B: Ok) Plus, our boards...

B: Uh-hum. Financial audits...why do you do financial audits?

I: (Sigh) Compliance, best practice management... ok, I'm not sure of the best way to put this, but I guess I've always been inclined to make sure that we, we uh, overproduce - under promise and overproduce. (B: Uh-hum) The term management by measurement (B: Uh-hum) and a lot of that has got us in from day one to how do we look at what we do and to pin eyes on what we do. And not just financial realms, but program evaluation and monitoring (B: Uh-hum) and the congruency of all of those pieces come together to give you a much better management overview of what the organization is really doing instead of individual pieces of it. (B: Uh-hum) And sometimes I think just...you know, the audit piece is just really in and of itself just (unintelligible) in terms of just looking at the financial parameters as opposed to the performance parameters. (B: Right) so more of that we embrace that by doing the annual, traditional audits, (B: Uh-hum) we do the, uh, the federal audits, I'd say the, um, I'm trying to think - we'll come back to that (B & I: laughing). Um, but yes...

B: I believe you indicated that you have, uh, conflict of interest policies...(I: unintelligible comment) Uh, conflict of interest policies, I believe you have one here for your organization. Um, why have you adopted that?

I: (Sigh) Um, again, I believe some of it is practical, uh other is that it is best practice, and third - trying to stay ahead in the current with all the federal regulations, along with the 990s, compliance, best practices... (B: Uh-hum) uh, part of the background to it is really-is that we are a conversion foundation. (B: Uh-hum) And we really have a mixture of interests merging at one time in our organization, which gets you pulling in totally different directions, (B: Uh-hum) so I

can't tell you that it's always been practiced the way that it should be, but the intent of it had been obviously embraced, um, and I shouldn't say it with a negative connotation to it, its just sometimes its harder and its more- there's so many - there's grey matter-grey areas to work through and I think that the more we ratchet down and clarify some of those with the new -new policies that are coming out from the group events (B: Uh-hum) or, uh, much more uh - much more prying in terms of we're guessing at stuff now we're looking at some precise tools that need to be measured or upheld.

B: Ok. Alright. Just, what year was the foundation started? What year is the anniversary?

I: 1983...back in the heyday that most medical foundations were.

B: Uh-huh. You spoke to this a moment ago about outcomes evaluation, so I'd just like to come back to this and ask you why you do outcomes evaluations here at the organization.

I: Well, actually, part of this is actually the human learning side is - fear. Uh, and fear in a way that we made the decision as organizational leaders to - to get out of some of the rat race of chasing part philanthropy, part foundation funding, because how fickle it is. You know, one year you can have capital, and the next year you can have operating fees. You can never have the same thing, you know, that sort of thing. So we started going after larger federal grants, first we went after city grants then the federal grants that afforded us some opportunities for a broader, longer-term, (B: Uh-hum) to compete at a different level than what we had been doing. Um, and with that I'd say fear just making sure that we're crossing every T, you know, dotting every I and crossing every T. And, and that got into the example one day that first programs we got into were called job access and reverse commute. They were using federal dollars to promote transportation assistance to low income individuals transitioning from welfare-to-work services (B: Uh-hum) and when you're novice is something you say - and you start looking to see what else is out there, there's nothing on the shelf that told you how to do it because it's new, (B: Uh-hum) so my goal has always been from the beginning to make sure that we look at every single piece to the fullest extent that we could possibly look at it. That meant actually creating some - creating technology, different models and things that were not mandated, there's no standard for it. Uh, but if we did that, we found that we learned more and to have built a better case subsequently for larger funding for more significant programs that competitively put us in a position that we could literally sit back and let everybody else sort of wallow in it because we knew exactly what we were doing and why we were doing it. We could account for the expenditures and we could account for utilization at any given time, uh, to a level that was far superior to anybody else that was in this region. (B: Uh-hum) And having your team that way its sort of, "Well this works. Why not make it that way across the board." So basically everything we do now has some-some measurement criteria to it. Our area education programs for instance, we have multiple programs from the state funded grant, federally funded, private funded, but everyone had a different outlook and evaluation, as well as independent research associated with it.

B: So if I could clarify what I think I'm hearing, what you're trying to say is that you've built in a continuum that starts with the learning, so that you can build the best possible program, which then leads to the additional funding, and the potential of additional programs.

I: Yeah. The first word I would use would be accountability. (B: Uh-hum) If we're using federal funds or anybody's funds, you know, I want to be, let's say, as bullet proof as possible. (B: Uh-hum) To the best economic advantage, to the best outcome, uh, possibly curb our other expenditure and at the end of the day we don't have to worry about audits and 990 because they take care of themselves.

B: Uh-hum. Ok. I'm not sure if you belong to, or if there's any type of accreditation available, uh, for your organization. Uh, I'm not aware, but I want to ask this question anyway, whether or not there have been any opportunities for you to gain any types of accreditations, and if so, why did you pursue those?

I: Programmatically or organizationally?

B: Organizationally...uh, then maybe we'll talk about (I: Yeah) it at a programmatic level.

I: There have been opportunities, obviously certifications for - for fundraising executives, et cetera, but I will tell you that I purposefully stay away from them because I find most of them tainted, uh, I guess I feel that a lot of them are tainted, uh, my personal experience in fundraising and development over the years has been that most people talk; few people do. (B: Uh-hum) And that's not - I don't want to cast that, you know what, my point- and I'd rather do - my proof is in the product. (B: Uh-hum) I don't need, you know, some people have (B: A seal...) yeah, I mean, its great. I respect people that have it, but I just - like I respect what you're trying to do because its - that's your personal goal and ambition, but at the end of the day I'm more inclined to feel good about doing what we set out to do; fix a problem, fix a social problem, an education problem, you know, a social - whatever. Its the product not the process.

B: I think that's a good way of putting that. There's one last practice or mechanism that I wanted to ask you about in regard to, um, this one is about executive compensation policies. Do you have such a policy in your organization?

I: Just as of recently...

B: And why did you adopt that?

I: (sigh) Again, transparency. Um, the changes nationally. Like when we're working with the 990 regs, and not that we would do anything that was inappropriate, but its more of a professionalizing it to a greater extent.

B: Uh-hum. Ok. My next...

I: And always, I'm sorry, just to get back to...where are you at if you invite clarity, transparency, then you need to be able to stand the scrutiny. If you don't have something to get you there, there's no other...and I go back to the - there's certain things programmatically, let's go back to quality education and there were well, we reach life with inequities and the system at a national basis was not an (unintelligible) national protection of education (B: Uh-hum) that was not - uh,

did not allow for that areas that were economic driven, in terms of certain different areas of the country who were unique attributes that certain areas were serving, uh, more or less, it was a standard that few. That said, we went through the process of going after it, you know, (B: Uh-hum) it was challenging - on a learning curve, how do you get to it. But subsequently, its the-the-the ability to start talking about it again, starting to promote best practices, and what would that look like if we're trying to help parents understand what's good for your kids, they need to know what's good about appropriate education and where it fits (B: Uh-hum) in terms of the whole education experience. But then again, what do you say and how do you say it? And after the case there was a process that, (unintelligible) you put yourself through just because it-it you want to make a difference at any minute. (B: Uh-hum) So that had more value than individual...

B: Uh-huh. So it would be more - you would judge it more on a case-by-case...

I: Yeah. If you just put into context that if you use an individual certification, particularly for fundraising, it really doesn't mean that you know how to do what you do, it just means that you've been able to follow a prescribed (B: You've passed the test) right, you've passed the test, so that doesn't mean that its given you a soul. You've seen the Wizard of Oz; it doesn't give you a brain, it doesn't give you a heart, or the character that you actually need to get the job done. (B: Uh-hum) It gives you a set of parameters that are guidelines. (B: Uh-hum) Its like social work and ethics. How do you describe ethics. You describe when you have a specific set of circumstances you can talk about.

B: Situational...(I: Yeah.) you gotta take it in context. Ok, thank you for coming back to that. That was important. I'd like to ask you a little bit about, if you can think about this in terms of a director of an agency, and your board, and your key staff here, how important do you think that these accountability mechanisms that we've been talking about and some others that you may recall from the survey, are important-how important would you say they are to you and to the organization?

I: (Sigh) From the board perspective, I think its great because it takes individuals that have good intentions but not necessarily a wide, diverse set of credentials in terms of non-profit management (B: Uh-hum) it provides a tool or a standard measurement. (B: Uh-hum) I think universally, on the individual level sometimes, uh, I guess it confounds me that it replaces logic (B: Uh-hum) that it is sort of like many things in society; we gotta create these rules because people failed to do the right thing. (B: Uh-hum) So, why am I- do we all make mistakes? Absolutely. Do we all learn different ways? Absolutely. But there's nothing out there that-if you sat there and thought about, "Is this the best way to do something?" Its not rocket science.

B: Ok. I'm curious to talk about some of the sources from which you might learn about these mechanisms and where you turn to, and that could be other organizations, that could be, you know, a whole range of things...

I: ..and I think it is a whole range of things, from collaboration. A lot of the work we do we are very, you know, if there was a test to say how does one organization compare to others using, you know, collaborative work, I think we'd measure very high. I think once you-the more work you do with other organizations, the more you have the ability to pick up what works, what's

best (B: Uh-hum) um, what allows you to, you know the hardest thing in the world is to – the easiest thing in the world is to say collaboration; the hardest thing is to do it. Its kind of- if you can do it successfully a couple of times, it really sets a tone for ya. (B: Uh-hum) Uh...

B: You've been interesting trying to define that term. It means...

I: That's because it means so many different things to so many different people. (B: Uh-hum) I mean, obviously, we're not oblivious to newspapers, we're not oblivious to funder requirements. It – one of the things we're blessed with is we have a pretty diverse group of funders. None of them are the same; (B: Uh-hum) the foundations react quite differently than government, state government acts quite differently than federal government, local government acts...and – and if we'll be attuned to jumping through so many hoops, you have to learn all the rules and there are some similarities that cross them, but more often than not they're different.

B: Could – could I ask you perhaps to be even more specific? I get that you have a lot of different funders and other agencies from who you learn, but if you had to actually name, "Here's an organization or resource that, you know, I turned to in the last month, or I turned to in the last year to learn about some of these accountability mechanisms, how it should be..."

I: I can tell you there are more sources toward board development and management practice (B: Uh-hum) uh, I pick things up through Chronicles of Philanthropy, uh the Association for Health Care Philanthropy, we still have a piece even though we're not doing any direct health care because its a different animal. (B: Uh-hum) Um, I try to stay pretty close to what's going on, particularly in DC nationally because there's such a range of organizations in DC that put out so much it could almost be-you could almost inundate yourself with it at some times, (B: Uh-hum) but it's seriously a never-ending pile of them.

B: Ok. And likewise, from the flip side of this question, and you've addressed this a little bit, so you learn from these variety of resources...

I: ...and technology (B: Go ahead...) and I think that's the other piece that makes us different than we were five to ten years ago, but if you've got a question, its ten times easier to find a range of potential answers for resources and I think I do that more than I've ever done in my life. (B: Uh-hum) But I use it more as a tool and say, here's all the things that I've found, now do I go and you know, pick up the phone or get in the car – whatever it takes.

B: Ok. I – I was going to flip that question around and ask you, ok you learn from these variety of resources; with whom do you share information about, you know, if you do, who do you share the information you learned with?

I: We do- we do a lot of technical assistance (B: Uh-hum) um, we have incubated a number of non-profit associations, um, some that have never gotten the full 501 filing status and are simply out there trying to do the right things, um, we collaborate with partners, um, and oftentimes we may have some (unintelligible) because we've done a lot of work in creating educated social service case management and behavioral health services directly. Not that they're not out there in the other world, (B: Uh-hum) but we focus specifically on a zero day and what does it look

like on a generalized model (B: Uh-hum) that's allowed us to gain some insight and some expertise that now attracts colleges and universities to say to us, "How did you do that?" like this conversation (B: Uh-hum) so, you know, it's a way for us to share, but its-its also a learning process for us. The reciprocal of that is we get to pick their brains and say, "Ok, here's the next piece we're working on. Um, and I think part of our whole organizational mantra is trying to stay – it sounds competitive, but I don't mean it to say, for six months to a year, or six years from where you see the curves going. It's like, "Ok, this is what's happening..." Never be happy solving yesterday's problem; let's just pick tomorrow's...

B: ...and be agile to move towards that...

I: And – and if you set it out that way it sets a lot of anxiety out for employees because you're always dealing with the unknown (B: Uh-hum) but that's what makes our jobs fun; that's what gets us out of bed in the morning.

B: I'm just curious, you had mentioned that you have incubated some non-profits, um, I'm just curious to the types of organizations that you've kind of helped to launch...

I: Music, arts related, um, we've worked with some folks in child safety, um, bicycle helmet safety, um, we do a lot of fiscal agency (unintelligible) for some programs, um, community development, (B: Uh-hum) sort of...you-you know, we've done some consulting work for some organizations, you know, "You guys know how to do this, can you teach us how to do it?" (B: Uh-hum) We can do that.

B: So it seems like, if I can characterize, what I'm hearing is that you do a fair amount of sharing of, um, board information, management information, with your collaborators, um...

I: For instance, we do tours all the time, for instance we have people coming from all around the country who are really interested in educational-we so presentations, uh, to groups that whether it's a group, or community services, or Phoenix who wants to create an early education program. (B: Uh-hum) Some of its formal; some of it's very informal, uh, how we're built, um, come tell us how you actually did, you know, funding is great, government is great, you know at the end of the day, you know, someone's actually gotta do something in the community – how do you do that? (B: Uh-hum) You know, its really easy to devise a project on paper – its really hard to make it work because in reality its like designing a car; until you actually get out on the road, you don't know if its going to work. (B: Yeah.) So, I like to say a lot of the time to sit the car out at the curb and let the people come and kick the tires. We have funders come in all the time. You know, we'll have funders say, "We have X, Y, and Z going on in the community. What do you know about it and what are your thoughts?" (B: Uh-hum) Because at the end of the day, the way the world is, you know, you end up with twelve kids with twenty-nine hens because everybody wants to fund that piece rather than....

B: Right. I'd like to shift gears a little bit and talk about the environment that we're all operating in right now, specifically the environment you need to operate this organization in, and I will preface this by saying that the protocol was put together before the economy really went south, so while some of this may seem painfully obvious, its, uh, actually wasn't thinking as much in

that direction when I sat down to do this. So I'd like to ask you first if you would characterize, low, medium, or high, uh, your environment as one of low, medium, or high competition for financial resources at this - this point in time.

I: That's a gray answer. We compete at a high level when we go after national competitive grants (B: Uh-hum) which are a different kind of competition than competing with other organizations that do community development for foundation funding in Pittsburgh. (B: Uh-hum) Um, we do both and I think that we have tried desperately to reduce the amount of competition, by trying to think – trying to think a little bit differently than just...perhaps if everyone is going this way, let's go that way. (B: Uh-hum) Um, and we-we've been fortunate in the nature of our organization in that we've not fully empowered with large wealth, but we have some resources that allow us to be a little bit more selective in what hoop we want to jump through (B: Uh-hum) when we need to chase funding. We purposely try not to do that, but that doesn't mean that we don't get stuck in some of those situations, but at the end of the day, the worst thing we can do for our community is take the funding somebody else wants to give for a problem and solve other – what we need...

B: ...other things that happen in the community. (I: Yeah.) So, you know, what I hear you saying is that you're highly competitive when you're seeking national grants and what you bring into the community, but less so because, hmm, you know what is that you want to be doing and that you're not -

I: Yeah, there's a lot of different ways of looking at – but portraying this... I think it's a waste of time and resources for us to compete for the same programs with a dozen different programs who set out to do the same work. For one thing, we don't set out to do the same work. (B: Uh-hum) But that doesn't mean that funders in general are capable of discerning the nuances between us, so part of our job becomes how do you separate yourself out by, so it's ...messaging. Telling a story about what you're trying to accomplish. Over time, you know, we've been through some of these cycles when you rely on one funder for too much and that funder goes away. Or the economy takes a dive like it does now and the knee-jerk reaction is just padding, let's just pull the stops on everything and kill all the babies (B: Uh-hum) uh, at one time. What we've tried to do, and I think we've had modest success – nowhere near what we've wanted yet, but its looking at how do we diversify enough that we're generating, uh, I'd like to have 20-30% of our income generated by fee for service at one time. We started out five years ago with less than 1%. So we're doing that. We've diversified rather than going after, you know, just the general foundation funding or the corporate funding. Uh, we've gone after state and federal grants(B: Uh-hum) as a result of some of that effort and some our work in programming we've also been very fortunate to get federal earmarks because its now become (unintelligible) work. (B: Uh-hum) Some of it generates itself by the outcome, but at the end of the day if we lose 20%, its better than if we lose 100%. Its easier to replace 20% than it is to...and again its just been one of those conscious desires to say let's make sure we don't put all of our eggs in one basket.

B: That's a smart way of going about it. Um, the same kind of question, with regard to human resources, and you can view this as staff or any volunteers that you might have engaged in the organization, do you find that it's an environment of low, medium, or high competition to attract the human resources that are required?

I: Its – its hard in the regard that's some of the work we do is in an inadequately compensated. A good example is early childhood education. Um, now- I'll give you a couple of examples, right now we've just broke the 100 people barrier of employment and about that half, or a little over half, of them are involved in early education or education related activities. Our professional staff has the same credentials that any school district has. Um, but the salary matrix is about a third less than what they are, but ours is about 25% higher than what the industry standard is in the general community. So while we've worked really hard to raise that bar (B: Uh-hum) we're automatically behind that bar because the state systems pay people to do the same positions in a different setting with, and I guess I get real frustrated because all the government take and there's not the same level of accountability and you have to chase the dollars every year and show outcomes (B: Uh-hum) so again it feels – and I guess I should say different levels of more professional staff and for those interested in development it's a little bit more of a challenge because the area we work in isn't as (unintelligible), so you've gotta find the right person that has not only the talents, but the inclination to work in some pretty harsh conditions sometimes. Um, this isn't - this isn't the Oaklands, you're out in the streets and you're meeting real people, dealing with real issues. We have people working with kids that, unfortunately, live with people who've lost their jobs or have drug addictions, um, physical abuse, sexual abuse – you name it, we see it. You've gotta have a stomach.

B: So you would characterize that challenge, that competition as perhaps a little higher or a little more complex that the...

I: I would say its higher. I mean there's obviously comparable jobs out there that have less responsibility and a lot less, um, opportunity to see real world stuff taking place.

B: Uh-huh. Ok. Kind of attached to these questions is one that, you know, your overall organizational environment, do you see that there's any uncertainty with regard to your ability to continue the work that you do here, and would that be low, medium, or high in your mind?

I: It's high every day. We're threatened every day, um, but that's also the motivation. There are, and this is a philosophical, I guess also a political comment, you know, we have a tendency to fund too many things for too many reasons without having a lot of accountability for outcomes. So I am particularly sensitive to the number of organizations in our region that are funded for perceived achievement, but at the end of the day, kids are still dying, kids are still hungry, kids are still not getting health care, uh, people aren't working, the educational system is failing, I mean we've got all these failures we continue to support, so I count that as competition. (B: Uh-hum) How do we continue when there are some people who don't care and you'll throw money at it just because its the easy answer. Maybe that was too philosophical...

B: No, it actually it spins into another question about the political, economic, and social climate in, and trying to extend this question a little bit further, ask you specifically ask you if there are elements in the political, economic, or social climate that threaten your ability to achieve your mission here, and I think that's really what you were driving at with your answer.

I: The way the systems are set up, they are contrary to, um, we fund a lot of things in education

because they're good examples, um, we know that our education systems are failing, particularly in low income or distressed communities. And for low income families, particularly, uh, African American families, unfortunately the answer to it at the end of the day is lets allow money to be diverted into creating charter schools. And to create EITC program - while we participate and love it, at the end of the day, its dismissive because its taking resources out of one pocket and putting it in a different pocket that is not following the same direction, (B: Uh-hum) um. And – and that's a big pea and a little pea. Society is allowing this stuff to happen and you know what, its not acceptable to have kids dropping out and becoming unproductive and in juvenile justice systems, going to jails faster, and you've worked with this – you're in this business, so it's just getting to the politicians and having the politicians – when they're able to be more visionary and thinking about, “You know what, its alright if I'm here for two years if I can create substantial change.” (B: Uh-hum) Because that's what its all about as opposed to this isn't a career, uh, and I know there are some folks out there, but again, it's a system. Now their system is, it creates uh, again, its all insidious in some ways (B: Uh-hum) I think the business can be a great example of what a political day can be, you know in Allegheny County the perception is that the Allegheny conference knows everything about economic development and where labor markets are, but the industries that are represented in that only represent about 5% of where the real jobs are. When you look at the numbers, 90% of the businesses in our region that have under 50 employees, they're not represented (B: Uh-hum) but that's where all the people back there are working. So which message are we following? They're all doing good work, but unfortunately they put too much emphasis on what they're telling us. (B: Uh-hum) We're training kids for jobs that died three years ago, as opposed to where the jobs are gonna be five years from now. (B: Uh-huh) One of the things we look at out here is that when you look all around you see it that its-its been decaying for 25 – 30 years. The good news is that there's a huge potential over the next few years for a lot of large scale economic development activity to take place, to bring in new job opportunities, but very few people actually sit back and say, gee that's wonderful, except none of the people here have the skills that will be able to sustain those jobs. When we have the latitude sometimes to think about it, but not necessarily do we have the resources, but its close to – I always start thinking about it, where numbers in our community need to be. And that's a tactical advantage, I guess, of having an organization like ours, which there's enough of out there (B: Uh-huh) you know, community foundations that are thinking more strategically, um, (B: Its – its...) system dysfunction...

B: Yeah. I was getting at that word systemic because in our conversation, more so than any I've had to this point when discussing those issues, people are quick to focus in on our current economy or current changes in administration, or the current – whatever it is. I think what I hear from you though is the systemic malfunction over the course of a long period of time not isolated to particular environmental conditions right now.

I: This is not a profound statement by any means because its obvious that (unintelligible), if you look at what we spent at the state level or even the federal level, lets pick on the state now, we spend so much money and we have no clue how we're spending it (B: Uh-hum) or what the return on that investment is. (B: Uh-hum) One point, not that its exact, several years ago we were really into doing a lot of work with transportation. If you look at the state budget, there were 65 or 67 different programs that funded elements of transportation. It could be career transportation, student transportation, senior transportation, medical transportation, there's just a

plethora of different programs. (B: Uh-hum) But there's nobody at the state that can tell you what they are. Or how much money was spent, or how many people were served. We have taken it because of our interest, but we've drilled into a ridge and started looking into what's going on. You've got some people who are eligible for multiple programs, and those-that one individual could be counted as five individual products out of five different programs, that they have so many more resources, I mean thousands and thousands of dollars in resources in associated overhead. I mean its-its out of – its unbelievable! And the end result is that we're not looking at all prospects (B: Uh-hum) and we keep doing this, and we keep doing this. Education was a great example. Governor Rendell, Marty and everyone who helped us do some of this stuff. We were spending so much money on the wrong stuff, just the ideological. You had a state that, until a few years ago, was one of nine states that didn't fund early education – didn't touch it, is that right? (B: Uh-hum) We've now flipped – we're now one of the top ten I think. But at the end of the day, the same large amount of money is going to education, for early education, was coming out of the Department of Welfare. The Department of Welfare never took the time until a few years ago, and they really mandated it, instead of telling the Department of Education, "What are we spending this money on and why?" Again, it's like oh my gosh! (B: laughing) And you could just do that all day long, I mean, every one of these departments do pretty much the same things – we set up all these silos, but no accountability (B: Uh-hum).

B: So, it was fair for me to say that you're not isolating this to a particular point in time, you're saying this is an ongoing challenge...

I: Its ongoing. The only thing that the economy is going to impact dramatically right now is probably the piece that supplies the funding. I would quote the (unintelligible). (B: Ok.) Look at the budgets and look at what we're talking about in Washington. You've got the printing presses running 24/7. (B: Yeah) Money is not an object. What is an object is – where is it all? The money didn't go away; everyone says they lost it all in the market (B: Uh-hum) but guess what, somebody put money on the table (B: Uh-hum) there was stuff that was bought. That money is all out there.

B: Large issues. Um, I want to ask you a little bit about – you, you have a variety of funding sources. You've done a lot of work to diversify that and I want to ask you a little bit about what you think, in terms of accountability, your funding sources require of you. And would you characterize that, particularly, as low, medium, or high with regard to your government contracts, or your other funding sources...

I: I think they all shoot high. And probably – probably half of them will look at the wrong stuff, but we don't look at it, we just – it becomes a – how do you make a – a odd system so generic that you put out a piece of paper and everybody follows the rules. It means you've got to pasteurize it somehow to (B: Can you use common denominators?) So you're shooting low, um, great example – another example, it you've got somebody at the federal level that says, "What do we measure?" Nobody's taking the time to say, "Let's just spend a little bit of money to see what a good measurement should look like." Because you're dealing with – we are, we fund a lot of work on private vans, van shuttles in the communities, in the isolated areas where people aren't convenient to mainline port authority large buses, and along the way if they get to job training programs or a job opportunity, that's great, but we're not competitive with the – the public

infrastructure. (B: Uh-hum) But at the end of the day they count our numbers the same way they count access, senior services, medical transportation, and general bus services. None of them have a center measure. (B: Uh-hum) Its, uh, a great example is, ok, if I'm spending money on a port authority bus system, do you even have a clue where people are going and what they are doing? No, but our public dollars are subsidizing that, (B: Uh-hum) but at the end of the day, look, someone's getting in a vehicle. You have no accountability on the other end about whether that vehicle should be there and are they running productively, and what should it look like when compared to Westmoreland County's transit system or Beaver County's Transit system. They're not measured that way.

B: Ok. I'd like to ask you to think about, and blow this up to the whole non-profit sector overall, versus your particular agency and what you do here, and you've done a lot of work with other organizations and have a lot of other experiences, I'm curious to know what your opinion is with regard to the adoption of accountability best practices and management practices within non-profit organizations, and whether you would characterize that as being low, medium, or high across the sector as you know it.

I: Low, medium, or high priority? Or...

B: Uh, actually adoption and implementation of...

I: Ten years too late. Maybe twenty years too late.

B: Ok. Could you speak to that a little bit more?

I: Yeah. We - For whatever reason, and I'm not going to pretend to tell you I know the reasons or that I should be the one making the decisions, but at the end of the day, we've allowed free reign. Its like anybody in the world could create a non-profit for any particular reason with, up until now, little accountability. (B: Uh-hum) Even if it were just basic financial accountability, they saw the - the construct of the organization. So yeah, I mean a lot of this stuff, particularly as federal dollars become scarce and competition becomes higher we need to ratchet up. And anyone who's afraid of competition - they should be.

B: My last question just is one that, uh, I was curious to ask you about what non-profit industry groups - do you belong to any non-profit industry groups? Or are you affiliated with any through your organization here?

I: Uh, (sigh) I belong to Neighborhood Funders Group out of DC. (B: Uh-hum) Um, Mercy, as AHP, um Association for Healthcare Philanthropy.

B: And do you find those to be helpful affiliations in terms of information sharing?

I: Most certainly. Of course. Selectively.

B: Alright...

I: Again, maybe it - I don't worry about all the different we don't have just one program, or affinity, or, or deal with housing, (B: Right) transportation, human services, healthcare, education, uh, we just... (B: You couldn't belong to...) There is no way.

B: Yeah. Right, because you do cut across a variety of – of issues that most organizations don't capture.

I: And right now we're in the process of going through some major corporate reorganization, but at the end of the day, we're kind of an outcast anyway. I mean, a conversion foundation – we've developed a process. With healthcare and foundation in our name and we pretty much changed trajectory. Allowing a couple more years to become more involved in and become really enmeshed in the community and doing community service, (B: Uh-hum) which became program operations, but it was self-defeating because when we went out to talk to people, "Hey, we're (agency name), we'" – that's not health, or that's early education, or that's transportation, that's housing. By the way, you got foundation in your name...you should be funding yourself if it's a good item!" So we go through all that kind of stuff. And we, um, had a, I don't want to call it baggage, but I don't know what else to call it, you know, when you come out of a conversion situation, the perception is that somehow or other, you gotta be what you were before because you came out of a healthcare entity. When the reality of conversion generally was that you've brought n a stronger player, more adept and had the capacity to take on health issues that needed to be addressed. That's your job.

B: Yeah, yeah. But you're going to do something else now.

I: But the world hasn't been taught that, so it – it's an interesting place.

B: That is all of my questions.

SEMI-STRUCTURED INTERVIEW: CASE #52

Thursday, 11 December 2008, 8:00 a.m.

Interviewee's Office

B: Bobbi Watt Geer

I: Interviewee

B: So if you remembered answering, at all, the mailed survey, I included a list of about 40 mechanisms and asked you to rate the degree to which you have adopted them here at your agency. I would like to take a look at a small group of those, and ask you specifically why you have adopted these accountability mechanisms. And if you would tell me as many reasons as you can think of for these particular mechanisms. So, the first one is filing your 990. Why do you file your 990 at this agency?

I: Well, number one, uh, it is required. Number two, I think it is a good educational tool for all of us and a good planning tool, um. Accountability practices are something that we heavily believe in through our fiscal department, through our board of directors, and we use the 990 in a couple of different ways. Uh, because, it has broken down areas that I think are of key importance to our board when it comes to lobbying or, uh, even putting on there, ah, fundraising activities and dollars and so forth. We put, um, salaries on there and so forth. So, I think it is key information for people to see outside of this agency too, and, and anybody can get on and look at anyone's 990, so I think it's important information for us to be accountable to the general public since we do spend a lot of taxpayer dollars.

B: Ok, how about financial audits?

I: Umm, boy that's huge for us. As a matter of fact, we are going through a little bit of a struggle because our audits have been a little late the past couple of years and that's kind of upsetting to me. That kind of slows down our process because we want to have our audits done as early as possible. Um, those audits are a great mechanism for again our board and the general public to understand that we are spending their money in the right way, and we are doing all the right things when it comes to planning, programming and the wise use of funds to help people throughout Westmoreland County, um. We have never really had any findings, and I think our audits are very clean, ah. Our communications between us and our auditors have always been, um, ongoing throughout the entire year. And, I think it is something we have to continually work on because of the size of the agency. It is not like they come in, and in three weeks they are done. So, it is a 12-month process for us, and it is also good for the board because we have such a wide variety of board members throughout Westmoreland County, from, you know. We have nine elected officials on our board. We have nine community reps that are representing low-income, and we have large corporations. So, it is real important to them too.

B: Ok, how about conflict of interest policies?

I: Um, you know the funny thing is that we have all of our board members sign all of those. But we also discuss that amongst ourselves here at the agency, amongst our staff and so forth. Because I never want to run into a problem, whether it's myself or any of the other staff or the board members with any issues. So, we lay that out on the table. And, to be honest with you, it's really different. I sit on an awful lot of other boards. I shouldn't say it like that cause it sounds bad. I sit on a handful of other boards, and there are times when people abstain because they are involved in things. And I always find that to be kind of strange to be honest with you. We don't have any abstentions on our board because people are involved in any of those decisions one way or the other. But, other boards I sit on, there are whether it is a contract coming one way or the other. We are in a different situation. The conflicts are minor, if any at all, in a year's time.

B: How about outcomes evaluation, program evaluation, in your agency?

I: Uh, huh. Well, you know what, we have taken some great steps. We are involved in the state and national association. Um, and we track all of our outcomes through all of our programs. And we are responsible to get that back to our state association, state entities, and they formulate that nationally to give to the legislators and so forth and our funding sources. Uh, we partner with the United Way to use the same software for our tracking purposes, and we are really working hard to develop that with all of our programs. A handful of our programs are now inputting all of their data in that software. We have been tracking our outcomes and data for years. It's great for us to take a look at that on a six-month and twelve-month basis with our board and our staff for planning purposes. It has really given us some great guidance into the issues that communities have or don't have, uh, areas where there are pockets we need to concentrate on, whether a program is really doing what we want it to do, so it's a great tool for us.

B: How about seeking accreditation? I know that you have some accreditation in at, uh, least one particular instance, but probably you have other accreditations as well. Why does your agency do that?

I: Well, we have done that in a number of areas. You know, our PANO accreditation was about a year and a half long process for us and probably because of, um, the size of the agency and so forth. And we are very proud of that. We worked very hard on that. As a matter of fact, we are going through re-accreditation right now. Um, we have, we are also in the process of, of accreditation on the mental health side on the programs. It's going to help us in a number of ways. I think for, uh, for accountability through the mental health field, and also for us going after other funding sources and changing some of our funding streams to benefit our programs and our consumers, uh. We also have some accreditation in our Head Start programs, and I think that helps us in a number of ways. It helps us academically; it helps us educationally, and it helps our staff a great deal. Um, plus, I think when people see that you are accredited in a number of different ways, they really have a great trust for the programs that are coming into the communities to help people. They understand that we are working really hard to have the best staff possible for them.

B: And just one other mechanism that I would like to ask you about. Executive compensation policies. Why does your organization...?

I: You know, it's ah...it's strange. We have a salary study that we try to do every year. Uh, and we have a number of different programs that have to have salary studies completed. Our Head Start program right now is going through a salary study across the state, just the Head Start programs in the state of Pennsylvania. Ah, I head up our personnel committee for our state association, and we are going to do another salary study for community action agencies across the state of Pennsylvania. So we take a look at a number of different areas. Center for Community Futures, which is based out of California, we, we participate in their salary study. There's about two or three salary studies we do participate in to get that information in, uh, and then we take a look at our salaries across the board as an agency trying to be as competitive as possible. And I can definitely tell you this, we are underpaid, but, um, there are reasons for us to be in the position we are in, um. We...because of our funding sources and the economic downturn and so forth, I think we really need to look at the fairness of what we do and being responsible again with the finances that we have. Um, if, if everybody was paid what some of the salary studies said, we would have to cut back drastically in programs, and so we have to balance the salaries and the program funds that we have. And I think what we do is fair.

B: Just taking a little of the opposite view of some of these questions, and you may need to take a minute to think about this, but what factors have influenced your decision...there are a lot of best practices suggested in the nonprofit sector, uh, what might have influenced your decision not to adopt some of the practices that are out there? Uh, can you think of any examples of management practices, best practices, that you have said just are not a fit for your organization for this reason?

I: I will definitely have to think about that one. Typically, anything that comes out, especially if it impacts, you know, our agency and nonprofits, I am interested in taking a look at that. If it is beneficial, we are definitely going to take a hard look at that. We start with the staff, and we take it to the board. If there is something out there that I think is beneficial, even though we won't adopt it, we still discuss that. I am just trying to think if there is something like that that might be out there. You don't have any suggestions, or...

B: In terms of... perhaps, disaster management policies or document retention policies, or things that perhaps aren't as fully implemented in your agency. Just curious to...

I: Well, I think we do everything, Bobbi! Um, you know the funny thing is, you know, we do have disaster policies, um, with buildings, staff, we have our computers, with software. We have all of that in place, um. Again, I am just not sure if there's anything out there that we haven't looked at that would be beneficial to our agency. And because of, you know, and especially even with safety. We have our own safety committee that meets once a month, and we address everything, you know, with the whole agency. We are in so many communities and so many locations that we have to look at things a little bit differently than maybe other agencies. Um, so, I'm interested in anything that any other nonprofit's doing, and if it's beneficial, we'll look at it and adopt it. I am just not sure if there's something out there that happened that did occur.

B: Ok, fair enough. How important do you think these practices are? We have talked about a number of them. There were many more on the survey. How important do you think these issues are to you and your organization?

I: Well, I think, I think every nonprofit really needs to take a look at all of those areas, um, for a lot of different reasons. And accountability in my eyes it's huge because sometimes when a nonprofit anywhere in the United States has a problem, it impacts all of us. And, I have always been a firm believer, especially with PANO, to take a look at that every nonprofit should do that. Because there are things that we all don't do perfectly, and that's why it's great to have best practices so you can find out what other people are doing, and if we need to implement it, we will. The PANO process that we went through helped us in a number of ways. There were a few policies that we needed to adopt, a couple we needed to change, uh. And I think the accountability aspect... You know, I think that I have respect for the entire system, but I also never want negatives to be attached to our agency in any way, shape or form. And I think that we discuss that all of the time, whether it is financial or programmatic. Um, whether it's background checks on any of our staff or um, you know, funding issues or so forth. But, I think all those areas are important, not only to our board, because we have uh, six state legislators, a federal legislator and three county commissioners on our board, so we are responsible to a lot of people. So, uh, I think that most of our staff and all of our staff have respect for that, so...

B: Ok, great. And I think I heard in your answer as well, and you can tell me if I am wrong, that nonprofits tend to get painted with the same brush. I: Absolutely. B: And that it's also important to the sector in addition to your agency.

I: Yeah, you know and we have run into that sometimes. There was a Head Start program somewhere else that was...you talk about executive compensation...they had to come out with a regulation that the directors of Head Start could not make more than \$350,000. \$350,000 would pay for half of our staff, I think! So I mean those are the kinds of things that impact all of us when someone makes a mistake. So...

B: I would like to shift gears a little bit and ask you, and I asked to some extent on the survey, where do you learn about, what sources do you seek out about management practices in your organization? If you can think of maybe the top two or three of them that you turn to?

I: Well, number one I think we are fortunate in the county to have some associations that really have helped not only our agency but other nonprofits blossom. Um, you know, it's nice to have a United Way that really does care and share information amongst, ah, nonprofits whether they are part of the United Way or not. Um, there are groups that meet within the county that are human service providers that share information.

B: Is that an informal network?

I: It is. It is. Um, because we used to have the Health and Welfare Council, and we tried to work through things and build upon that, and again when some of the legislators, when Allen was in office, we tried to build on some of those things. But we also have, uh, state and national associations that help us out a great deal with information. Uh, so we get, I get probably ten

different associations emailing information to me, whether it's CAPLAW, our state association or national association about any of those issues that might impact us as nonprofits.

B: If you had to rank them in any kind of order, could you do that as to what was most important or most often used place that you would turn?

I: I would say probably our state association first. Then, I would probably say local entities within our county. And then, third would probably be our national association.

B: Ok, great. And likewise, do you discuss or share information...you already answered this question, but I want to make sure that I ask it...share information about these practices with other directors or other agencies in the community or outside the community?

I: Yeah, uh, anything that I think is important to find out about or share with others we do it locally; we do it with our state association. I know with our state association I would try to bring PANO in to some of our conferences. Uh, so anything we think is worthwhile for others, and we do have best practices within our state association too, so we share an awful lot of information that way.

B: Ok. Can you be a little more specific locally about who you might share information with in this way?

I: Well, um, there's a couple of different bodies. And number one, again, we work pretty closely with the United Way, and I think, um, those communications with groups we're involved with, um, whether it's at the health and welfare breakfasts that they have or, uh, through provider services like the Human Service Providers Development Fund, uh, sending emails out and having conversations that way.

B: Great. We are winding down to the final page of questions.

I: This is easy, Bobbi.

B: Good. Good. I would like to ask a few questions about kind of the organizational environment. Keep in mind that this was drafted before we moved into the current economic situation, so if you say to yourself, "this seems a little obvious," uh, maybe not so when I put it together. How would characterize your environment, your agency environment, as being one with low, medium or high competition for financial and human resources?

I: Meaning us going after resources?

B: Right.

I: I would say we are probably pretty high.

B: And, why is that?

I: Well, for a number of reasons. And, to be honest, it doesn't change much based on the economic times too much with us. Um, we have been pretty fortunate, even though the economic downturn has impacted foundations and their funds, we still receive quite a bit of foundation funds. But, we have been fortunate because other people haven't received funds. Some money became available for us in specific programs. We're still, I believe that when things get bad, that's when we really have to be aggressive and go after things. I think that's an opportunity for us, um. We are in the process of buying buildings now for new programs that we are instituting. Uh, we are going after lots of dollars through corporations and foundations, uh, to impact our programs down the road. So, we may be even a little bit more aggressive now since the issues are occurring.

B: How, can you give some examples of how, your organization engages in competition for financial resources? How do you think, you feel pretty competitive, but who are you competing with, how are you competing?

I: Well, I think the competition is great. Um, as a matter of fact, I had PNC in here yesterday. And, we're applying in three different pots with PNC Bank, and we have a couple new initiatives that are started. And I kind of look at it a lot differently, because being involved with the state association, and, ah, we have 43 community action agencies covering the state, I do an awful lot of work with Fayette County, Washington and Greene Counties, some other sister agencies around. But going after some of the funds, I have targeted five funds for our new Circles Initiative, and when I am targeting those funds, I am including them in (other agencies) and how we can share those resources to build what they are doing and what we are doing here. So, it all depends on what the issue is and why we are going after those funds. In certain areas, we share; in other areas, we are going after just ours in particular.

B: OK. So, it's situational, but there are times that you would compete against your peer agencies and other times (collaborate)...

I: There's no doubt about that. I mean for the Office of Community Services down in DC, uh, we all kind submit proposals in through DCED. They have discretionary funds. You know that's a common battle; we all kind of apply for our own reasons for that. And, then there's a lot of other partnerships and collaborations we're working together. We're probably working on three or four of them with those counties right now.

B: Ok. I know that you receive a lot of government funding, but if I asked you, "Who is your most, what is your most important funding source for this agency? What would you rank as number one?"

I: I would think it would have to be HHS (Health & Human Services) because they have an awful lot of funding for our Head Start and Early Head Start programs. Um, and probably right behind that would be HUD (Housing and Urban Development), um, because we do have a number of different shelter programs through HUD. Plus, we have an \$8 million housing project we are working on in Jeannette, and most of those monies that we have in building new homes in the three communities we are working in right now come from HUD.

B: OK. And how do you think that these critical funders affect your management practices? How you adopt them? Do you see do you think that they have an impact on how you set up your management practices?

I: Oh, there's no doubt about that. I think we are highly responsible to the people who give us the funds, whether it's a state association or, ah, state department or federal department or ah, a foundation. Um, even with new initiatives that we are starting, those outcomes are so imperative that I think we need to accomplish as being responsible to funding sources.

B: Now, do they require specific accountability mechanisms of you?

I: They do, but they are not as high as ours.

B: OK.

I: I think that if, uh, like I have made a commitment to work in two programs with our Circles Initiative, and I said that we will have, ah, 15 to 25 Circles. Well, my goal, and they are only expecting us to do 12. My goal is to have 25. Ah, and with the funding sources, the foundations that have given us money for our new initiatives, I want to surpass any expectations that they have. And again, that's only because down the road, hopefully they will assist us again.

B. OK. Are there things going on in the political, economic or social climate that threaten your organization's ability to achieve its mission?

I: You know what's funny is I think that people take a look at that all of the time, and um, I think they believe that if the Democrats are in charge that we get more money. And to be honest with you, I don't believe that at all. Um, I think when we are accountable and we can show there are issues that out there we are accomplishing, I don't care who the, the uh, the politician is I am speaking with, they are going to respond accordingly. Um, we have a great breakdown of, of elected officials on our board and people I work with. Ah, we don't care if they are "Rs" and "Ds," they are very supportive of our programs. Ah, there are tough times. I know that monies are being spent elsewhere, ah, other than domestic programs. We are all kind of going through that. I think that is what makes us better executives and better planners because now we have to be a little bit more innovative about how we do things and how we accomplish our goals and work with our staff and work with communities. I think we have been pretty fortunate.

B: OK. How widespread or how well diffused do you think management and accountability practices are in the nonprofit sector. You can speak directly to what you have done in your agency, but when you take a look around in the sector, locally, regionally and nationally, how widespread do you think these practices are adopted within agencies?

I: I think it's one of the reasons that I, not only me, but our board and some our other staff, try to press other groups to get involved with PANO and groups like that. Ah, because, I still think that the accountability factor isn't as great as it should be. And I am not sure that board members are as aware as they need to be, ah, um, on those factors, whether it's programmatic or fiscal responsibilities. And even with outcomes, I mean. Most agencies, I think, are so bottled up into

their programs and trying to accomplish what they think their goals are that they are missing some of those other key points that would make them stronger and better agencies that would be possibly funded down the road for issues. So, I think we can do a better job in sharing that information and training other nonprofits. And again, we are not perfect. We have a lot to learn. But, I think there's a lot of agencies out there that struggle because of that.

B: And just one final question for you, and we've touched upon this a little bit. Why did your organization pursue accreditation through PANO and other agencies through which you have achieved accreditation. Why did you do it, and what is the value of it to your organization?

I: Well, I think it was great because the processes we go through in any accreditation, whether it's PANO or the other ones. It's a whole agency process. We engage a lot of our staff in that. It's not just one or two people completing it and one or two people on the board. Our whole board is involved in it, and in some fashion with our committees. All of our staff are engaged in this. It's a great learning tool. We have staff who have been here 30 years; we have staff who have been here one year. Ah, our secretary has only been here a couple of months, and I think the re-accreditation is going to get her engaged back into the agency, to understand the agency from top to bottom. I think it's a great learning tool. I think it takes a look at all of our policies. It touches upon every area of our agency. So I think educationally, it's tremendous. And the other side of that is I think that people start looking at our agency as an agency that really has worked well, that wants to be a leader in the community that wants to, um, to be accountable to everybody that we work with. So, I think it's vastly important.

B: Great. Thank You...

SEMI-STRUCTURED INTERVIEW: CASE #53

Tuesday, 20 January 2009,11:00 am

Interviewee's Office

B: Bobbi Watt Geer

I: Interviewee

B: We're going to start with some of the accountability mechanisms that you answered questions about on the survey, and I'll ask you one by one, and I think there are five here, and I'd like you to comment on why you've adopted it to that extent, to a certain extent in your organization, or why you don't do it. All the reasons. You don't have to limit it to one reason or two. I want you to brainstorm: that's why we do it – that's why we don't do it. Um, filing the 990...

I: Uh, Um, I don't think I've really reached the point of maturity to recognize that it's an effective working tool...that I guess... I think that it's a good process to go through, but if I wasn't required...Oh wait a minute, I did the 990 before I was required to file. So I did do it before, uh, I probably would do it anyway. (B: Ok.) I probably would because it's a good process, yeah, to...to... to get your – to get everything organized for the year...the coming year.

B: How about your financial, your financial audits? Why do you do that in your organization?

I: Well, again, I guess because we're required to...by funders. Um, but also, we do it again to, uh, it's a point that forces us to stop and throw everything together again. And the way it is about the process... to just get everything organized. The funders require it as well... they did.

B: Because with your agency size, you could get by on a review...

I: That's what I do right now. (B: ok) I do one every year. Uh, the only difference between my review and an audit, 'cause I'm going to start doing an audit next year 'cause I just - because I just - I think I'll be there, (B: Uh-hum), um. The only difference is gonna be that my accountants will have to verify which donors that the donations come from. I do everything else now anyway.

B: Ok. Remind me, do you have a conflict of interest policy for your staff (I: Yeah) and board?

I: Yes, definitely.

B: And why do you do that?

I: Um, well, to prevent conflict of interest, especially in this small organization. Um, all one is does is require lack of... and by, by PANO first, and then by funders, uh, the United Way comes to mind again. But also because it's an important thing to do. I mean we actually have had- I actually had a conflict of interest with a volunteer and a recipient (B: Uh-hum) I felt like the importance of that, so our conflict of interest goes to volunteers.

B: Right. Do you have – do you do any policy inspection of the organization?

I: No. No, but everyone is a first. Um, when PANO first came out with the steps, that was one of the first things we did. So, we had a lot...

B: How about outcomes evaluation in your organization?

I: So to try to measure how we enhance the life of someone who's getting other help at the same time...and uh and considering they only do two hours a week...it's very limited service we give them...and we are...there are so many other forces at play that can affect...

B: Hard to get an outcome.

I: Exactly.

B: Hard to track.

I: Exactly. But, but when I can go and say that I gave somebody a ride, and that's what prevented disaster, on a regular basis, I know that I'm making a difference in their life. And that's the number that I measure. (B: Uh-hum.) You know, I don't have to ask them, "Did that affect your life?"...they may not even remember I, next week they may not even remember I gave them a ride. That's the other problem. (B: Uh-hum.) I've done that for people we've served for five years, and we have done...we're truly responsible for them staying in their homes, and I know that because I know the circumstances, and they don't even remember the services we gave them (B: Uh-hum.) because they have dementia. And so, I just wonder how much of our productive time we should be spending chasing after things that I think are right in front of us. We already know what we do. And not spending more time identifying and better solving the problems and helping people stay in their homes. I just wonder how much energy (B: Right.) should be spent...

B: And, and that was the point that I wanted to clarify with you...was that it becomes then a balance of investment of resources. And what I think I hear you saying is that it seems to make more sense to invest in the service versus, than a very complicated outcomes evaluation...

I: (laughing) I couldn't have said it that way...

B: ...Just wasn't - didn't want to put words in your mouth...I just thought that was...

I: That was my point.

B: Ok. Good. Um, let's move on to the next one, accreditation. I don't believe you have received formal accreditation, but I've heard you say, "We've done it because PANO recommended it." So I am curious to hear about why you've not chosen to go through with it.

I: Primarily, I don't have the time and focus. Again, I-I have limited resources and my time... until I find the time and finances to be paying for launching a marketing program, and not paying for more checklists, but I am – I think I do try to pay attention to – and I go to all the seminars I can (B: Uh-hum.) You know, I am picky on some things, um. I But I-I don't think that, uh, anything that anything I had a concern about ... we're in compliance with, I think, the most important things that are recommended. I'd like to someday...I just have to find the time to, um.

B: Ok. One last accountability mechanism - I had 41 on the form that you answered, so you can pull the small subsets. Um, compensation policies for, in your case, it would pretty much be the executive...

I: ...which would be me. I don't think we have compensation policies, uh, they don't really compensate me much. I don't even get raises, I just...

B: And the reason why you don't is the size of your organization?

I: Well, yeah- I'm the one who selects the budget. If I give myself a raise, then I just have to raise more funds, so, you know, I'm just clearly not in it for the money. (B: Uh-hum.) Um, I have no other paid staff right- well I have a trainee that I pay, and I'm gonna hire- I have, um, in my budget this year one and a half staff, cause I just continue getting bigger. Plus I have consultants rather than trying to find someone with the package I need with the money I can afford to pay, I am gonna pay consultants to do what I want them to do (B: Uh-hum.). Um, I had some retired people who worked before, but I'm gonna, I'm working with right now actually, um, some of them. But we don't have any...yeah, policies, but, um, someday we may.

B: So, let's shift gears a little bit and move to another section. I am going to ask you how important do you think accountability, um, this is going to be a nice change, how important do you think accountability, with regard to you in the organization, is to you and your board.

I: Well, I'd say they're very important. Um, they're –they're -- they're sort of the-the-the foundation for success of the work we do, um. I – I have inherited our reputation. We don't buzz past it. We don't have a lot of the – um, you know, what we have is our reputation and our – and I think the accountability is what keeps checks and that, so um, I think I've already taken on organizational accountability.

B: Mm-hum. It could be in terms of thinking about how important it is for you, if you had issues that you think you could have a yearly discussion around, or the board around, or certain times of the year.

I: Um, no, I'd say its more as they – as they come up; because I'm gonna go to a seminar, or go to a seminar and bring a new issue to light that perhaps we haven't thought about before but there's not a, um, an organized regular structured effort to look at ...

B: You – you feel like its been part of the framework and you visit it as you need to.

I: Yes. Yes. And I do it so often that I think most of its standard. I've been in business for so many years... we're based on good business practices and and certain business practices, we know better. Its almost an instinct. (B: Mm-hum.) You know what I mean, it's almost um, a, uh, like a knowledge thing.

B: I'm curious – we've talked a little about this already, but to - to name specifically, from what sources do you think you learned about accountability mechanisms in practice, do you think. You can list as many as you can think of.

I: Well certainly PANO; they'd be at the top. Um, United Way. Funders. Um, (agency name)'s national organization and the local organization. Um...

B: How?

I: (laughing) uh, that's probably the next, you know piece, well, it's well worth it, and um, some online...

B: When you say online...

I: Well, like a, you know, like the boards that share resources. (B: Ok.) And um, there's another one that I thought...some other piece that I get... the newsletters between churches that I mean I usually get 'em every – get 'em every month.

B: Likewise, are there organizations either locally, regionally, nationally that you share this kind of information with? So they learn it?

I: Well, (agency name), IVC of the Alleghenys, yeah. (B: Mm-hum.) The other (agency name) programs, um. Laurel Area Partnership on Aging. That's probably it.

B: Alright. The last set of questions relate to your operating requirements. Where we find ourselves financially... you need to keep in mind, we drafted this protocol before we landed ourselves in the worst economic situation that we've seen in, some would say, since the great depression. So, if some of these questions may seem to be painfully obvious to you, please forgive me. (I: Ok.) How would you characterize the environment right now: as one with low medium, or high level of competition for financial resources? Do you see yourself...

I: I'd say low.

B: Why is that?

I: Um, I just... I don't know why I say low...I just guess I haven't had any struggles with funding the program. Now, I have to cut back – I mean I work pretty hard, and will continue to work pretty hard on it, but I reap the benefits.

B: The second part of this question is - is the same thing, but more in terms of human resources, and because you really, at the moment, don't have any paid staff, maybe you could comment on that related to finding consumers or maybe other contractors. Do you feel like that you're - you're in an environment of low need and high competition in regard to human resources?

I: Um, probably medium.

B: And why would you say medium?

I: Well, once again, I mean I - I just - I - I've not had any problems finding the help that I need, (B: Mm-hum.) but I also, um, share help - share the help with other people who wouldn't - you see, they're not just dedicated to me (B: Mm-hum.) That's the main part. Again, that's just even with volunteers. I just heard a lot of people out of other organizations in Latrobe that say they just can't get any volunteers unless there's a link to respondents. And, I - I don't know, I just -

B: You have to share that bit of miracle with, um...

I: I just think it's, um - I - I think it's the area. I think it's just that, you know, the need in this area...

B: Uh-huh. I think some of it's due to the organization and its one of the things you do well.

I: Well, yeah - I think - I think we do everything right. Not me, but I mean that I think that we did everything right; we're always efficient, we've got the right structure in place, we've got the right support, we've got all the churches. I just went to a church that's been online for eight years and recruited fifteen volunteers, last week, you know, driving and so on...now what does that tell ya? We have the power reach people.

B: I think that's apparent. So, I - I asked you a little bit about - about engaging in competition for financial resources, and whether or not you felt that the environment was - was one where you had to compete. I just want to go back to that for a second and, so you don't, in clarifying, you don't feel that you're competing? Or how would you characterize...

I: Actually yeah, sure, I do. But I think I compete well. (B: Ok.) There's lots of competition for the money...

B: How do you - how do you manage that? I guess, how - how would you characterize how you compete for financial resources?

I: Strategic marketing. I mean - I mean I - I'm in contention and I, um. I also have a - See, I think a lot of it probably is me. I think I'm always asking people for money.

B: I hear you saying that you, you work to be plan-ful and conflicting in your approach... (I: Yeah- yeah, you can't...) Um, would you characterize the organization environment as one of low, medium, or high level of uncertainty? For the overall environment. (I: You said

uncertainty...) Uncertainty in terms of does it seem like there is any question about whether or not the organization can sustain itself?

I: Oh sure.

B: Would you say that, in your mind, a low, medium, or high level of concern?

I: Probably in between. Somewhere between low and medium concern.

B: And could you just comment on that, as to why...

I: Because it's, you know, it's year to year. I would – I have my financing booked for the year. I'm working on next year. And if things fall apart, you know, I-I'll have to leave work next year. (B: Uh-hum.) So, I'm not - I- I, you know, we're watching year to year.

B: As we get into this next piece that, remember what I said about, (I: Yeah.) forgive me for the question, meaning to say this, but –I mean- how many things in the political, social, or economic climate threaten your organization's ability to do its work?

I: Well, it's interesting that you're saying that, because I think... you know, I keep hearing all of this about terrible things, and I read about, um, um, Mr. Cheney's daughter-in-law um, who said, "I never thought about doing volunteering until Barack Obama said go out and serve and save your nation." And I thought, "Man, I got a whole new group out there!" She's – she's a successful person; her husband's an attorney. So, there's opportunity for more fundraising. So I'm not sure that I don't think that its more advantageous right now, 'cause I'm convinced, and I believe that the – the - the key to the success of our program is in individual donations, and not in foundations, and the like. And so, we should hush up (B: Uh-hum.) you know I see people always so excited to give during elections. So, you know, I suppose its coming. You can feel it. It's terrific. (B: Uh-hum.) It's coming along, but, um, I still think there will be money for what we're doing.

B: Ok. Uh, and, so how do you respond to that? How do you take advantage of the opportunities you find...

I: Well, I am right now. I am working with, uh, two consultants to get two individual marketing plans out, first quarter, on the street. 'Cause I said, every month they're not out, I'm not getting that money. (B: Uh-hum.) So, and and when we started to have the economic downturn, we had this in the marketing plan, but you know we have all these plans that, you know, that have never been implemented, and I kept trying to get to it and, um, I made no reasonable efforts at the time, but, um, what happened, I said - I pulled it out and said, "This is it. Let's get to work. We need to get focused and get it done." So, even before annual reports are getting done I'm getting started with this. (B: Uh-hum.)

B: What do you think of, I'm just gonna kind of throw this out beyond your organization right now, and I'm asking a question about the non-profit sector overall. How much do you

personally think the information about accountability mechanisms have made their way into the non-profit sector? Do you think it's low, medium, or high? How do you...

I: Low.

B: And why do you say that?

I: The only – the only reason I say that is, I don't really hang out with a lot of people in the non-profit sector, but those who I do don't seem to have a clue. The other thing is, maybe I am not hanging out with the right eleven people, (B: Uh-hum.) but I know, um, uh, ya know, the same is true about people who I meet on a regular basis. (B: Uh-hum.) Other (agency name) programs, not one would I say is, including all of those with the United Way. They don't – they don't understand even concepts (B: Uh-hum.) –simple. So I would say...and then just how there's like I - I know a staff person who was with the Red Cross for ten years, you know, works with them (B: Uh-hum.), she didn't have an idea about any of that. And it was true... some of those things like conflict of interest. Every single person – volunteer – everyone needs to know what conflict of interest is. (B: Uh-hum.) Because it's so easy to mess up on. It's such a – you know, it's almost second nature to do it. That's why I think its so hard, that it-it just...mostly the people that run risks... even in churches - anywhere. They should teach it in first grade.

(laughing)

B: Can you comment, uh, a little bit about what accountability mechanisms are required by your funders?

I: (sigh) Um, the-the main funder of course is the United Way and they require um, well, some of the policies we have to have like the conflict of interest and the, um... what are some of the other ones...um, we have to have conflict of interest, um, we have to have, um, a report at the end of the year, we have to have an audit. (B: Uh-hum.) Um, I'm required to measure outcomes, um...

B: I am curious about how much that drives what you do. Allow me to clarify that question a little bit...that United Way, or foundations, or other funders ...what I am trying to get at is do you do them because they are required or do you do them because they serve another purpose within your organization?

I: Well, you know, its interesting. I think you start off doing it because you have to, but then I think you recognize the value of it. Um, it's a love-hate...even the-the outcomes have value to it. And I have never allowed it to interfere with our business. Given the choice, I'll, you know, I'll always go for the business. In fact with the outcomes I have to, um, so I think that's what I would say...that I might not do it if I wasn't mandated to do it, but I am glad I do it when I do it. (B: Ok.) Its just like those reports...those reports they require every year make me absolutely crazy. But when I'm done there's always - I always find something in there that... its good. Its like it sort of forced me to look and evaluate, so I think there's value in it.

B: Alright Last question, because we already covered the last question, just to ask you what, if any, non-profit industry groups or affiliations you have with other non-profits. Do you belong to...like IVC of the Alleghenies?

I: IVC of the Alleghenies. Um, (agency name)'s national organization, which is all of the (agency name)'s programs in the country. Um, I just passed up an, uh, an opportunity to serve on that board. Too much time... I just have a problem. I am not there yet. Um, Laurel Area Partnership on Aging... I'm very active in that organization. We do a lot for the geriatric population, um. That's probably it.

B: That wraps us up on our...

SEMI-STRUCTURED INTERVIEW: CASE #57

Wednesday, 11 February 2009, 7:30

Interviewee's Office

B: Bobbi Watt Geer

I: Interviewee

B: So I asked you on the survey about a number of accountability mechanisms, (I: Uh-huh) and what I'd like to ask about now is just a small subset of them and ask you to reflect on why you do that particular practice here at your agency, or why not. In some instances you may not. And if you can think of all of the reasons and not just limit it to one. So I'm looking at all of the reasons why you do or do not do something here at your agency. (I: Ok.) So the first one would be filing your 990...why do you do that?

I: Because we have to. Well, and, if we weren't required to, I can't say for sure that we would. I think what we would get out of it, and don't get me wrong, we file the 990 because we have to and we're correct, but um, if there wasn't a requirement for us to do that, there's some utility coming out of the 990 because it makes us do some analysis of the information in some ways, so I think there would need to be, if we weren't doing that specific kind of thing, the analysis of the kinds of revenue streams, what we spend money on, and how that breaks out in terms of programs and services, versus traditional... Its helpful, so I think we'd be doing it anyway. But, yeah, we file it because we have to. (B: Uh-huh) And I think its helpful to the community too. The value of that is that the community gets to see what's in place at organizations.

B: Ok. And, kind of along the same lines, your financial audit...why do you do that here at your agency?

I: Again, predominantly, we do it because we are required to, by funders, um, to engage in an annual audit. If we were not required to, I would think we would still do it. Now some of the things in terms of the single audit and the hoops we had to jump through for that due to the federal funding we get, I don't know that we would go to that extreme, but for us – for me, having an audit done every year is just that opportunity to be sure that we're not missing something. And because we do an audit, the way we do our work throughout the year is very focused and structured and clean. (B: Uh-huh) And so I think there's a real value added to the audit because I think there is – somebody's asking us to do it, so that creates an environment here that's all about accountability and integrity in fiduciary matters.

B: Ok. You have a conflict of interest policy here, don't you?

I: We do.

B: And why do you do that here?

I: We do that here because we to be sure that we're operating in a business perspective with board and management staff, and we're doing it plainly. Now, since we developed it, and we've had it in place for a number of years, funders have since required that it be in place, so we were not having to scramble to put something in place; we already had it in place fifteen years ago – I can't even tell you how long ago. (B: Uh-huh) Maybe longer. And it helps. Have you seen some things about UPMC recently? Kinda funny, um the decisions that they've made about board members who had some nice perks for their businesses contracted through...I just think its due diligence up front creates an environment where you don't have to worry about those things coming back to haunt you. And that's really the way our board and management work.

B: Is that for both board and staff?

I: Yeah.

B: Ok. How about program evaluation or outcomes evaluation? To what extent do you do it, and why or why not?

I: Um, we do it pretty deeply compared to other agencies like ours. We've started this –I can remember the first conversation that I had with somebody about this was back in the early 1990's, when it was a brand new concept to me. I had no idea what people were talking about. Um, when we were developing some management information systems software to help us do client data, and somebody at the table, actually from Pittsburgh Administrative (unintelligible), said that, um, we also needed to be looking at program evaluation. (B: Really?) Yeah. Um, and it was shortly after that that a consultant that we were working with on a capital campaign said that we also need to have you start looking at program evaluation. That it isn't enough to just say, "We do good in the community, so don't ask me for more information." So that was really the first time- pivotal times in the agency history when they first started that conversation here. We jumped on that bandwagon, um, and started to involve people at the state level, and that would have been mid-1990's again. At that time, program evaluation was one of those new terms that was getting thrown around. We were committed to taking it on and figuring out what it entailed and how it could help us. Mostly because we wanted to know that what we were doing had an impact. Besides, we knew that funders would eventually be coming along. We knew that eventually a funder was going to say to us, "You must do this." Well we wanted to be ahead of the curve and say, "Well, we're already doing that because we determined for us it makes the most sense. This is what we're going to then be doing." So they asked us what we could offer in terms of an appropriate evaluation methodology. We didn't want a funder coming up with something for us, so we've been proactively trying to be ahead of that curve, and pretty successfully. In fact, this is interesting, um, we were part of a project that's called (unintelligible) to develop a methodology for sexual assault services for Pennsylvania which we could adapt for domestic violence services. The governor's office has picked up on this methodology and I think, although you never know – its very political- uh, it looks like they're now going to adopt that as something that all agencies across the state will be required to use. Which, you know, we'll see how it works, because, you know, there are people who think this is a great idea and haven't actually used the tools, so they're very theoretical, you know...

B: The proof is in the practice.

I: Yeah, and in the consistency of the application of these tools that's make or break. It creates a little angst for me (B: Uh-huh) because I don't think they realize how different people are from agency to agency, and service provisioning. So anyway, we're very committed and this has really been needs driven for us. We're not just trying to check off something for somebody else.

B: You really want to look at impact, but you also consider that funders expect it now too.

I: Yeah, funders expect it and they should expect it. You know, we also come from that same perspective of that this isn't a grudging. Of course you have the right to ask that. We're taking that much money from you, I better be able to show (B: Uh-huh) that we're doing is making a difference. Now for us in this climate, it's a very helpful thing for us to say, "you know, maybe this wasn't a very helpful thing – not as effective as we thought it was going to be. And can we change it in some way or can we shift those resources in some way because those resources are so dear, now, if something else is going to have a bigger impact.

B: Ok. Uh, I don't think, and I could be wrong about this because I didn't look back, but do you hold any accreditations from any outside industry groups?

I: No, not accreditations.

B: And why do you choose not to do that?

I: That is a very good question. I was actually on a committee through the Pennsylvania Commission on Crime and Delinquency probably ten years ago it was called the accreditation and training subcommittee. The victim services piece. Long and interesting conversations about whether or not there should be an accreditation process. At the time we decided not to, um, they were leaning toward certification, but it was not competency based, so for me it was useless. (B: Uh-huh) Um, you can put people in a room for 20 hours and say, "When I get certified..." but it doesn't make any sense, so I wasn't really involved in that at all. What we do have, though is since we are funded by the PCCD, they come out and at least once per year we have somebody doing some kind of monitoring. (B: Uh-huh) And there's a whole set of standards that we have to abide by on each of those, so they come and monitor us on that, and so there's some external oversight.

B: And what about broader accreditation programs like PANO? Has that been something you have considered?

I: Yes.

B: And why do you choose not to do that at this time?

I: Um, Ok. PANO, If I (unintelligible-mumbling)... the thing for us with PANO is that we're doing it more for our internal work to ensure that we have covered our bases. (B: Uh-huh) It's a

lot of external kind of construct, which is definitely valuable, but what we don't want to do is get bogged down and jumping through hoops that may not mean much to us here, so what we look to PANO for is a really good guide on the things that we may not have already thought of or looked for. In the past, we have used the checklists that PANO uses to see if we may have some weaknesses and if we may need to be doing some work. Our thought is, you know, since resource stuff is so very (unintelligible) now, and we don't have resources to put a team of people, or two or three people to be dedicated to this, let's take on what we can and get ourselves to a point where we think we're in good shape and then have PANO come in. And so, you know, we're not sure – I don't really have a sense of how much, from the outside looking in, if people see PANO certification as, "Well, since you have that, I'm going to go ahead and give you funding I previously wouldn't have given you, or..." I'd be interested to know more about that...from an outside perspective.

B: The last practice I want to ask you about is executive compensation policy, and I think that you had indicated that is something you are working on here (I: Yeah) and so what is the motivation behind working towards that if its, you know, its something that's not in place yet?

I: Uh, well, what we're working towards is documenting everything in the agency that we have to make decisions about and that would be one example of that. So we have our HR committee looking over that right now, compensation philosophy, and included in that would be the executive compensation policy. (B: Uh-huh) It wouldn't be just executive compensation, it would be for the whole agency, but something that we're doing now is – we're doing some pretty serious looking at what our compensation philosophy is and how that intersects with our agency mission. And we're beginning to look at where the disconnect is there, and, um, that's a bigger piece for us. We're really mission-driven. Sometimes we find we are doing things in our day-to-day business that are counter to our mission. (B: Uh-huh) And so, we want to put the light of day on all of those things, and I will tell you that this is huge. And so when I think about those things versus PANO, for example, you know, when we balance what are the greatest needs, that's kind of what we're always doing – kind of juggling that. Um, so PANO is related to some of those things, but some of them are very internal to the work that we do. Like a training philosophy (B: Uh-huh) or, um, competency focus on things. So as we piece these things together, we're constantly chipping away at them, so that's what we're doing.

B: Great. So we're going to move into the next set of questions, and I'm going to ask you a few things about accountability practices and where you learn about them, and the importance to you and the organization. So let's start there; how important would you say that accountability practices are to you as an agency director, and also to your organization? And when I say organization, I mean to your board, your staff, you know, key constituents in the organization. So, to you, then if you could comment about the broader organization, how important do you think they are?

I: Extremely. On a scale, like one to ten?

B: If you could just put a little context around why you value...

I: ...accountability? (B: Uh-huh) Oh, I see. Its, um... I don't know if this makes sense, but for

us, our mission, the part about ending violence, is all about accountability. So there's something about the integrity of that to say we're really all about accountability and the lack of accountability, um, and so, when you look at it from a mission perspective, we really have to be all about accountability.

B: Because the law is so integral to your mission.

I: Yeah, a piece of that is its just our responsibility to do the work. And there are just so many things that can pull us away from accountability that if we let it... it just feels to me that we can't just let it fall. There's just too many opportunities for it to totally slide, so you know, we're um, I would incredibly accountability focused because there's just too many places that we could slip. Besides, we have to set the right tone in the community for an organization that's kind of enabling accountability, that we demand the same kind of accountability for ourselves. We also owe it to the people who give us money and we owe it to our clients, uh, in a huge way. If we're taking resources from public and private sources to do a particular kind of work and we don't do that in the right way, then that's dishonest and that's really counter to our mission. (B: Uh-huh) That's how I feel, my philosophy personally, but that's on behalf of the whole organization, as well.

B: Ok. From what sources do you learn about accountability best practice, that if you want to keep on top of this stuff, where do you turn?

I: I think some of it would be from colleagues, trusted colleagues. I would say that there are certain people in higher positions that I truly respect and I know that they've really thought about this stuff. The trick for us, I think is specific to our work, is that there really aren't a lot of good sources for this because this is a fairly new, young field (B: Uh-huh) so we can't, I think, through conversation and dialogue have the opportunities to look at this and build some things in. The more traditional things related to accountability like fiscal things and business practice, there are some good sources online, and certainly some newsletters and, you know, if you are an accountant or an auditor, there's the board and people on the board we bring on who have particular expertise. (B: Ok.) And you know, sometimes going to seminars and things. Sometimes those things are more basic level, um, but not to say that we don't pick up things that would take us to a higher level.

B: Uh-hum. So, if I asked you to try to rank the resources; where you would turn most often, what would you say the top two or three would be?

I: Um, well, you know, the one thing I didn't mention would be the state coalitions. If I'm in a quandary about something, that's where I'll start typically. I'll go to the people in the state or national level and say, you know, point me in the right direction, and they will point me in the direction of resources if they don't have them themselves. And theirs will be somewhat variable depending on what the particular issue is. (B: Right) So that's really the first place I would turn. (B: Ok.)

B: And I heard you say colleagues pretty clearly...

I: Uh-hum, uh-hum. And I think that they would probably be second.

B: Ok. And then, sort of flipping the question around a little bit, you've been in this business for a while, (I: Uh-huh) so who do you share information with once you get it from these resources? When you become aware of particular practices that you want to share in the community, who do you turn it around to?

I: Same places. So I would call the coalition and say, "Hey." Or make it available to people that I have regular communication with.

B: Ok. Throughout your network there.

I: Yeah!

B: Two-way communication there... Alright. We're on to the third set of questions, which includes questions about the organizational environment, and like I said, this protocol was put together before the economy went down the tubes. So some of this may sound a bit obvious, but, however, at the time it was not.

I: Right! Funny what a difference nine months can make.

B: So I'd like to ask you to characterize your environment, the overall environment that you find yourself operating in right now, as one with low, medium, or high levels of competition for financial resources.

I: Right at the moment I would say medium.

B: And why would you say medium?

I: Um, because for public money, um, the formula for funding construct that is in place is pretty predictable at this point.

B: So you know how to navigate it.

I: Yes, to some degree. And it isn't going to be – there's got to be some effort to keep it pretty steady. So there's not a yearly competition where everyone jumps in – (B: And it starts all over...) there's no starting over. There's really a very specific effort to keep as much constancy as they can, so we don't have the highs and lows. (B: Uh-huh) And that's to keep as much constancy as they can. Its hard to run an organization if you don't know from year to year what you are getting, if its down 50%... from a public perspective, I'm sorry, as far as private money within the community, we're the only game in town for this particular kind of work. (B: Uh-huh) So for people who are interested in supporting this kind of effort, we have a pretty good reputation, don't you think? (B: Uh-huh) There are going to be people who will automatically look at this as the place where they want to invest their resources. So for today, next week, in a month (B: Uh-huh) it could probably shift to high.

B: I would like to ask you the same question about competition in the environment – level of competition being low, medium, or high, with regard to human resources; attracting staff, volunteers, board members...

I: I would say high.

B: And why would you say high?

I: I would say the level of skill and with the type of community focus that we're looking for, it's pretty high. There's not a lot of people to tap into who that have that. And there's not another (agency name) in this area. There's other like agencies in this area that are close enough, but there's a drain for people. People could go to a lot of other places. And we don't have the salary to compete in some ways. The other piece for us, one of my biggest concerns is for volunteers. (B: Uh-huh) We have the biggest competition right now because I would say that our volunteer expectations right now have high standards. So that's what I think about at night. But when we start to think about what else we can do, that's just the way it is. We can bring volunteers in to do other things, but if its things that don't need to be done... (B: It doesn't make sense to create...) Well, we're looking for things they can do that would be useful and meaningful, and we've been talking about this as long as I've been here, how do we get people connected to the agency in ways that don't require them to have client contact? There's very little meaningful work that doesn't involve client contact.

B: I forgot to ask a follow up question regarding to financial resources before I jumped into human resources. You mentioned that the competition is medium for a variety of reasons. How would you say that your organization competes for financial resources? Do you feel like you actively compete? And what would you say are some of the strategies that you use to compete for financial resources?

I: You know, if you look at the private money, yeah, I do think we compete. You know, its interesting, I just did some analysis when we did the strategic plan to see over the past nine years what has happened in public versus private funding, our local private funding has gone up, while our public has gone down. So we haven't really netted much of a gain, but what we've been able to do is pick it up in the local community. Part of it is due to us needing to fill that gap, part is due to us becoming more visible, and I think its part of a sense of urgency, that the people realize that there's something happening a result of the money being given to us. (B: Uh-huh) And that's been part of our goal, to help people realize that when they invest money here it makes a difference for somebody, which sounds trite, but its very real. Kind of a nebulous kind of thing. Um, and we've worked really hard to create partnerships with business groups, with civic groups, and with individuals, and we've worked really hard to listen to what they have said to us about what makes more sense to them.

B: So I hear you saying a couple of things about putting intentional programs in place to raise more dollars locally, but its also in building on the centrality of the mission and being able to communicate that.

I: Now for the public money, its all about numbers. All about numbers. How many people we

provide services to, and that's – it's a tricky, competitive environment because there really isn't a lot of good oversight about the way people...

B: ...which was actually going to be one of my later questions, but we can just jump into it right now, in terms of do you feel like there's a low, medium, or high level of accountability expected of your organization through your funders? And so your funders, the main category I'm hearing, are the government and then the private funding sources. (I: Yeah.) And if you could just speak to, and you've started to, you know, what do you feel you need to give back to these funding sources and do you feel that its low, medium, or high level of accountability.

I: I think there's a high level of accountability about financial. I think, you know, they expect some clean accounting. We go deeper than what they ask for, but I think it's a higher level of accountability than some other things. There's some, um, I think there are some – and here's one of my little pet peeves- I think funders are really good at requiring us to have things written down. (B: Uh-huh) I have a lot of stuff written down. We have binders full of policies and procedures. To the point that we will keep people in the shelter. We actually have separate policies for that. Apparently there's something that the big binders didn't cover... (I: -laughing-)

B: (also laughing) That's where that came from...

I: So to make sure that we are actually doing it, so we can document out the wazoo, but whether or not we implement that, if our practice follows what is in place on paper, I think that's a good gamble. I'm not sure how you go about checking on implementation, but I think...

B: There's a lot of it going on today.

I: Yeah. And its – I think its JCHAO that looks at hospitals. They spend a lot of time, they follow people around, they do a lot of different things. There may be a different way to do this. I know do a lot of things when some people come in here and want to walk around I say, "This is how we do it. And I'll show you how this actually happens." (B: Uh-huh) And I think there's actually a piece of it that's missing in oversight. When I look across the state I think, "Wow. That would be the next good thing to do because you know the things people have written down, but then you hear about the kinds of things that are going on, and you think, "Whoa. Apparently there isn't a good way to catch that kind of stuff." (B: Uh-huh) But when it comes to the actual productivity of the agency, I don't think there's very good oversight at all. Because you know, nobody really has a mechanism to say, you know, prove it. Prove it to me that this isn't going to repeat itself. Prove that its going to work. And there's ways that this has really become a competitive environment, much more so than it used to be. More so for funding at the state level. There's just too much push for people. There's just too much temptation for people to...

B: To budget?

I: Yes. And we know people are... (B: They fudge it...) Absolutely. You can check anywhere across the state and you will see, there's people who will say, "Yep. I know that there's people who are fudging numbers." Um...

B: And there's no way to check it.

I: They don't – I hear them say that they have relationships with people in Harrisburg, and I hear them say, boy this is a big dilemma for us and I'm not sure how to handle it. Um, so when we think about competition, it creates some anxiety for me because we're not going to play the game. But when I see the ones who are playing the game and we're put up against them...

B: You're not on a level playing field...

I: We're not on a level playing field. We're definitely not on a level playing field. When I look at the numbers that came from our 6th or 7th fiscal year, the year we put this whole grid together, about the services that people are providing all across the state, I thought, "Oh my God." We provide about 6,000 hours of counseling for domestic violence in a year's time. There's an agency in a much smaller county that reports 28,000 hours. There's another one in a county that's about as big as ours that reports they provide 58,000 hours of counseling. Why isn't somebody looking at that and saying, "There has to be something that is just a little bit off here." Its beyond me. So, you know, I am worried about that because we are moving into a competitive environment. (B: Uh-huh) In a much different way.

B: Ok. So we – you struck on this a few moments ago and I said we'd come back to it. Would you characterize your current environment as low, medium, or high uncertainty. And when I say uncertainty, you know, about whether or not you'll be here the next year or year after.

I: Um, ok. This is going to be a weird answer. I think we're going to be here. I don't fear that we'll be gone. Given what's going on in the world, to put it in that perspective, I think we're at a lot of immediate uncertainty because I think that we are positioned pretty well for the potential for some pretty serious things happening financially. (B: Uh-huh) So what I don't see happening is that we're going to close our doors (B: Uh-huh) because we can't sustain this. Its just a brand new day.

B: But you don't – it will be here, but it will be dealt with different. (I: Yeah.) Ok. And kind of drawing on that question a little bit, are there elements in the political, economic, or social climate that threaten your organization's ability to achieve its mission?

I: Well, political elements, yeah. Its very interesting because what's happening right now with, and I'm not sure if this is the direction you wanted me to go, but if you look at what's happening right now with the discussion that is going on at the federal level and the discussion that's going to be going on at the state level, which is incredible, about where the value is and what will make the most sense to get us out of this incredible hole that we're in. Our connection politically is very different, and I'm still wrapping my head around all of this, but before this all happened, we could say, "It depended on who sees the service as a value." (B: Uh-huh) And for me it's a dance. Everybody wants to hear about us providing shelter for poor battered women and their innocent children. Sexual assault can be a little bit harder sometimes. So the other things we do are pretty compelling. You know, when we say about why we think these things are happening and why police can't be more accountable, and why the DA's office can't be more accountable, and judges being right, that's the piece where people begin feeling a bit more uncomfortable. So

that was always a dance that we had to play, that how do we not rock the boat so much that we begin to jeopardize funding so that we can no longer provide services. Um, what's happening now is, you know, I find myself, just as a general human being, having a hard time justifying the funding coming here in lieu of going to some basic things that keep a roof over somebody's head or electricity running through somebody's home. So I think that for all of us, we're all struck by this shift. You know, how do we justify? And there absolutely is a place, we just have to be able to put that into a better context, I think, and not be greedy. (B: Uh-huh) And I wish (unintelligible) and just say, "Hello! We're all in this together. Let me put aside my own personal issues and agenda and see what makes the most sense, and where is the critical need, and how do we rebuild from that?"

B: So you think then, that everything that's going on in the political, economic, and social environment will help your organization think through what some of those great needs are?

I: Yeah. I think we've had to. And – what- its interesting, this has been an incredible opportunity to say, you know, let's do a recheck. I think that's critically important, because these are not minor issues. You know, as one of our forefathers said, and I think its moving, "People are dying." So this is not frivolous, kind of, what do I do with my spare time...helping people build hobbies. No, this is stuff that goes to the core. And so, it is the recheck for us. So when we're out there advocating for money to come here, that we're clear that it is at a level that is putting heat in somebody's home and putting food on the table, and we have a responsibility to make sure that is where it is going. (B: Uh-huh)

B: I just have two other questions, and there pretty general and larger than your agency. I just wanted to check in with you, do you belong to any non-profit industry groups, or what affiliations, associations, or memberships do you have through your organization?

I: There are really not a lot of industry groups, there's things like the National Coalition Against Domestic Violence, which we're a member of. The National Center for Victim's Crime, NCVC, which we're a member of. Um, the sexual assault stuff, there isn't a membership organization; there used to be. So those are the things that we belong to. (B: Uh-huh) For two reasons. Again, its that joining a larger network and supporting the fact that there is a larger network. (B: Uh-huh) And every year the membership thing comes and I think, ugh, ugh, ugh, do we spend \$150, but part of it is driven by – we have to keep the membership strong so that this still exists. And the other piece is that we get some information. So, it's a huge amount of information, so we know its available if we want to tap into that. (B: Ok.) Now, we do the local things like the chambers, (I:-whispering' Ohh, I'm not really sure about the chambers...) We just do it because we've always done it. (I: - whispers again- unintelligible.)

B: Ok. My final question. And this is just based on you having worked in the non-profit sector as long as you have, I'm just curious about your opinion as to how widespread do you think the adoption of accountability best practices happens to be in the nonprofit sector as you know it? Do you think its low, medium, or high, and why?

I: I think its medium (B: Uh-huh) and that's just because there's just a lot more exposure to it, and a lot more conversation about it. Um, one thing I noticed is that I tend to know more about

agencies around this state, in terms of the way they use their resources, versus local organizations (B: Regionally...) Yes, and I think that's just because I have more of an ongoing connection there. (B: Uh-huh) You know, but I think what we've always been up against is agencies that have, especially smaller agencies, that have had the impression that they kind of feel that, "We're a small organization, we have a small budget, we don't have a lot of staff, so we shouldn't be held to the same standard. We can just kind of get past and fly by the seat of our pants a little." I don't think people are really thinking that way anymore, but it takes a lot to build out of that. It will just take pretty extensive oversight that has to be put in place.

B: Uh-huh. Ok. That brings us to the end.

SEMI-STRUCTURED INTERVIEW: CASE #77

Thursday, 22 January 2009, 10:15 am

Interviewee's Office

B: Bobbi Watt Geer

I: Interviewee

B: We're going to start with a subset of the accountability mechanisms that were on the survey, and I'd like you to reflect on, uh, with specific, keeping your agency in mind, why or why not you adopt these mechanisms to the degree that you do in this agency. So if you can just think of as many reasons why you do this particular mechanism or why you don't do it, (I: Ok) uh, depending on, uh (I: Ok) the circumstance. The first one I think is an easy one: filing the 990...the IRS 990. Why do you do that at the agency?

I: Well, obviously the federal regulations that require you to file 990, uh, are at the top of the list. Second would be, and you'll probably hear this in a lot of my answers, transparency to donors and to the community.

B: Uh-huh. Ok. Along the same lines, the financial audit – you do an audit at your agency. Why do you do that?

I: Uh, there are a couple of reasons. Its not necessarily an IRS requirement for the size they are, (B: Uh-huh) uh, however, its kind of- keeping a outside eye on your organization is always a good thing in my opinion. Uh, so having an auditing firm coming in looking at how you're processing your accounting needs for the organization and are things being handled properly. Uh, they also do a search for any problems – potential problems, uh, that might come up (B: Ok.) So again, that's looking, uh, to be transparent to the community with our organization.

B: Ok. I do believe the organization has a conflict of interest policy. (I: Yes.) Why has that been adopted?

I: Uh, again, to make sure that we don't have any employees, board members, volunteers, etc. who have a conflict of interest with our organization, uh, and any other organizations they may serve on.

B: Ok. So, as a protection mechanism (I: Exactly) to keep focused on the mission, if that's fair...

I: ...uh, the mission of (agency name). Exactly. We don't – we don't want people in our grants committees, uh, self-serving for other organizations, etc.

B: Ok. Ok. Uh, in terms of outcomes evaluation, I think that's another area where perhaps the agency doesn't fully...well, yeah (I: Yes). Tell me a little about why you, uh, do the outcomes evaluation.

I: We just started that this year with the grant process. Uh, in evaluating programs for the agencies, and we pretty much adopted – pretty much adopted what Westmoreland County was doing in their process. A couple reasons we did that, uh, one, it's a good process in my opinion. Uh, two is it was easily – easy to adopt another's way of evaluating agencies and doing performing grants. Uh, and, uh, also looking at outcomes, to the folks of (agency name) made more sense than the old historical way of, uh, just giving out allocations.

B: Uh- huh. Ok. Uh, the organization doesn't hold any outside accreditations, does it?

I: No, no.

B: And why not?

I: Well, we've-we've thought about it. I mean, uh, PANO is a great one, uh, that we've talked about, uh, but because of the size of our organization right now and the amount that we're raising there are more pressing issues for them and accreditation for PANO, as an example, uh, might possibly be in their future, but not in the near future because of resources.

B: Uh-huh. And when you say resources you mean both financial and human resources?

I: More human than financial resources, but there's also that financial aspect of it.

B: Just wanted to clarify there...

I: Yeah.

B: Ok. The – the last mechanism that I want to ask you about is whether or not, and why, the agency has a – a compensation, executive compensation policy for its director. Does the agency have one?

I: At this point, actually we do not.

B: Ok. And could you comment on why not?

I: Well the board in the past had met the executive director, the prior executive director in the past that was there, and they met and determined what they wanted to pay that individual, and she had been there so long, uh, compensation over the years wasn't done on any specific criteria from what I learned. (B: Uh-huh) It was just, you know, we're gonna give her a raise or we're not going to give her a raise this year, uh, for compensation. Now under the current structure we really don't have an executive director, specifically of that organization, so that's not an issue.

B: Uh-huh. But historically there hadn't been one, (I: No.) it had just been year to year this is what we're...

I: Yeah, exactly...let's give her an increase this year of X dollar amount, but there were no specific criteria, uh. She, uh, I was really surprised to learn that she, uh, didn't have, uh, goals to achieve on a yearly basis that she would meet with, uh, folks from the board to develop those goals, so there were really no goals. (slightly laughing) It was an interesting way of doing things.

B: But that is shifting.

I: Yeah, exactly.

B: Alright, I'd like move into the second set of questions that I have for you and if I could ask you to think about this in terms of both you personally as the one who is directing the agency now, and as well as the board, the volunteers of the organization. How important would you say that accountability mechanisms are to you and to the organization?

I: To me they're very high, but again that's based on, well, I used to be an accountant, so being the ex-bean counter (B: slightly laughing) you know, I see the importance of it. Also, being with (agency name) for the number of years I have, uh, I see the importance of that because of the different issues other (agency name)s had over the years and certainly we don't want to fall into – to any of those pitfalls, uh, that are out there, really around accountability. And not just non-profits, but for-profits, you know, (unintelligible) are out there because of Enron, so to me it's very important, uh, because accountability I can then use that to show donors when I'm doing a sales pitch. (B: Uh-huh) And to me that's important when I go talk to donors, to show that we are very accountable. You know, we go through all the steps to make sure we're cleared. We're transparent to the public.

B: So its sort of a tool for you...

I: Absolutely.

B: Ok. And how about with regard to the board? You talked about you personally, but how would you say the board – what level of importance would you say the board would put on these issues?

I: I-I would say that they are high. Maybe not quite as – to the to the height that I am- I'm almost anal about it. (B: slightly laughing) Um, but I think they're all high as far as wanting accountability. When I bring things up like putting our 990 on our website, uh, so that we appear transparent and accountable to the public they're all in agreement to that. Um...

B: How would you characterize their familiarity with, I mean, both financial accountability mechanisms and outcomes evaluation and just all of the other best practices that - that we talked about.

I: Its growing. It was very low. As far as accountability, uh, they knew we did an audit every year, um, and that the 990, you know, was performed, but they really didn't understand that. o we actually have the auditor come in and present the audit now (B: Uh-huh) to explain to them clearly what's done in an audit. As far as outcomes, we had to go through a training session where we brought an individual in to teach them how to evaluate outcomes indicators using the process we have now with grant making. (B: Ok) So they didn't have knowledge of that, but they are now.

B: Ok, great. I'd like to ask you what sources you learn about non-profit accountability practices from. And I won't limit you to three, (I: slightly laughing) but if you have – if you could name three sources when you think about the wide range of some of the practices we talked about; financial, program evaluation, human resources, and other things that fall under best practices. Where do you turn for that information?

I: Probably the greatest source of information is from the United Way of America, I would have to say, in what they relate to all of the (agency name)s, uh, and they cover all of those areas. (B: Uh-huh). And so, you know, as an example, the 990 changes this year – I mean, they've been talking about it for the last twelve months practically. And they started with, uh, doing, um, presentations every three months or so on the new 990s so everyone was aware of what what's coming up. So, uh, they're a great resource for us (B: Uh-huh) as far as accountability and changes that are coming up. Uh, the local (another branch of the same agency name) here, you know, Westmoreland County has been another resource for me, and then auditing firms I talk to would probably be third.

B: Ok. Any others?

I: Uh, peers at other (agency name)s, that I have in Pittsburgh – it could be at any of the (agency name)s, you know, the peers.

B: Alright. Likewise, so you learn this information from these various sources. Do you share it (I: Oh) with the other contacts in the field that you have?

I: Absolutely. When I talk to Washington County or Mon Valley, uh, you know, as things are coming up, and I learn things, I want to make sure that they are aware of them.

B: So other (agency name) peers (I: Uh-huh)in the network you share with, um, any other...

I: Not really. I-I mean, that's the group that I deal with – with a professional level, so...

B: Ok. Ok. Let's talk a little bit about organizational environments. This is kind of a third section here, and I will say up front that this protocol was put together before the whole economic, uh, went into the dumpster, (I: slightly laughing) so uh, if they seem like obvious questions in some instances, uh, that's-that's why; because they were written a while ago. Overall, I'd ask you to characterize the environment that the organization is operating in, with regard to financial resources, as one of low, medium, or high competition for financial resources in the community.

I: I would consider that to be high, in the community of Fayette County, as far as competition is concerned.

B: And can you comment a little bit as to why you would put that in the high category.

I: In the fact that all of the non-profits in that community are competing for dollars, and very strongly so, and a lot of them have some very strong ties with the community. Um, the American Heart Association is one that, um, they have a Heart Ball every year that's coming up in another month or so. You know, that is a known, uh, event for everyone to attend, and, so competition – you know, they're looking for donors. They're, obviously, they're charging, that's their fundraiser. Uh, that's just one agency that is an example that are directly soliciting for contributions in Fayette County. (B: Uh-huh) Um, even our partner agencies, we have the same issues that other (agency name)s have, where your partner agencies are trying to solicit the same donors directly that you're trying to go in and get payroll deduction for (B: Uh-huh). Uh, and because of that it makes it hard, uh, and the other side is that the (agency name) is not a very strong organization within the community as far as there, uh, them being known to the community. I think they need to be much stronger, you know, they're not, in my opinion, they're not looked at as being the top of the list of non-profits that people want to give to.

B: Ok. And I'd like to ask the same question, but this time with regard to human resources, and when I say human resources I don't just mean just staff, but volunteers, board members; do you think that the environment that the organization is operating in is one that is highly competitive for human resources or low, medium, or highly competitive for human resources?

I: Uh, gosh, I would go between medium and high on that one because – because their position in the community is not as strong as other non-profits, like I said, the Heart Association is one, the Hospital Foundation is another that exists there. Uh, those agencies, uh, or non-profits, tend to hold more of the limelight in the community than (agency name) does. And therefore, when trying to find new board members or volunteers, uh, I have found it very difficult getting the CEO of a corporation is next to impossible as far as approaching them for – they're not interested in being a board member. Uh, you know, the folks that we've attracted as board members to date, uh, have been at a much lower level than I would like to see within that organization, as far as building a strong board.

B: Ok. So you characterized the environment as highly competitive for financial resources. How does the organization engage in this competition, how do you manage that?

I: Well, we've been taking the approach of education. Because we feel that the community doesn't really know what (agency name) is about, and what we do, and why they should donate to or through (agency name) because we do a lot of designations, so we've been doing as many talks to the public as possible, uh, doing as much advertising to the public as possible, hopefully to educate the public as to what we do and that we are a worthy cause for them to give to.

B: Ok. This kind of continues on in this conversation and this line of questioning. Do you think that the environment is one of low, medium, or high level of uncertainty for your organization to

continue its mission in the community. So the underlying question here, I guess, is do you feel like that there is a sustainability issue with the organization being able to continue its work?

I: I do feel that there is an issue, yes, and I would – I would say that's probably a medium, uh, at this point, and I look at that strictly from the amount of money that they can raise within that community, and what they're able to do, uh. The- currently this year they are projecting a \$150,000 campaign, which is a great increase over last year of \$112,000. Uh, however, and you know everyone's happy about that and everyone's excited, and you know, they want to hear about the company that doubled the campaign, and everyone wants to be positive about it, but you have to sit back and look - \$150,000 is not enough to sustain a non-profit – a (agency name) non-profit.

B: Uh-huh. Ok. Do you think that there are elements in the current political, economic, and this is the question that kind of, you know, goes to the whole, you know economic situation, but overall do you think that there are elements in the economic, political, and social environments that threaten your organization's ability to continue its mission?

I: Economic, certainly. Uh, you know, it's odd that... I shouldn't say odd, but we received increases from every company we campaign with this past campaign, except for one. And that one didn't we didn't go to do any campaign talks or education with the employees. So we've had increases, but when we look at where we are increasing from and to, uh, you know, you're still not there. So, you know, as far as economic issues, most (agency name)s across the country are realizing decreases this year. Uh, from the (agency name) in Pittsburgh to on down the line to smaller (agency name)s, uh, they're projecting a million dollar loss this year from last year. Uh, so, normally you would think that Fayette would be at a loss as well from last year, however, because they were so far down at the bottom, uh, they're – they were able to see an increase. Had they been more at even a portion of the capacity that is within the community I think they should have recognized a loss, so economic is going to be an issue for them I think moving forward. Fayette County being the poorest country in the area – in the state, uh, doesn't help, (B: Uh-huh) uh, so the base is really not there for them to draw upon (B: Uh-huh). And one of the issues that's facing the (agency name) across the board is the larger companies that we had payroll deduction as our, uh, we were the only ones able to do payroll deduction, so we had that monopoly and large corporations bought into that and ran campaigns, what I'm seeing more and more in that area are the larger corporations shutting down. Economic conditions are forcing them to close their doors. They are being replaced by multiple smaller companies, uh, that have employees of maybe a hundred, that when they are approached about running a (agency name) campaign they don't want to mess with that – they don't want to be bothered. So this economic condition, I think, is creating a long term issue for us. That we lose these large companies that are a large basis for our donor dollars and multiple smaller companies taking the place of them, uh, they are not engaging in the ways that they big corporations were.

B: It's a real shift in the business structure – the corporate structure.

I: Absolutely.

B: Across the country. So yes, ok. Do you - Can you comment a minute or two about, and I – I know the answer to this question, but you have to answer this question (I: slightly laughing). Uh, funding sources; what are the major funding sources for your organization and I'm curious to know what accountability, you know, are there accountability mechanisms required by those funding sources? So its two part. Main funding sources...

I: Obviously donors.

B: The individual donors?

I: Uh-huh, the individual donors, companies...individual donors in the community to a smaller degree, but they're individuals.

B: And given that that's your donor base, do you think that your donors or your funders require any particular accountability mechanisms from the organization?

I: From what I've seen, no. They don't require – we try and provide and we build some of that into our campaign talks. But they've not been vocal about it I should say. And you have to remember though, our largest donor is a \$1500 giver. So, we don't have \$10,000 givers that may question...

B: Well,you-your situation is a lot different than many organizations in that individual donors don't have that same collective (I: Yeah) leverage as a foundation. As a – as somebody who can - or as a government contract that can say, "this is the way you'll do things and this is how you'll report." (I: Yeah) So, it's a little bit different of a question for you.

I: Exactly.

B: Uh, looking at a broader level at the sector overall, not just your organization, would you characterize the level, I call this the level of diffusion, but uh, how widespread do you think that the adoption of accountability mechanisms in your view, or best practices in your view, in the non-profit sector, would you day that its low, medium, or high based on your interactions with non-profits?

I: Non-profits in general or other (agency name)s?

B: Non-profits in general, which would include (agency name)s, but overall, when you-you look at...

I: I would think that overall its medium, as far as their comfort level (B: And um...) with accountability.

B: Again, if I could ask you to say a little bit more about how you would characterize it...

I: I would think that in general, people are philanthropic, and they want to give. From the smallest paid employee up to the largest donors, uh, there are always issues that bump up every

now and again as far as accountability, and that's almost every non-profits experience though. With (agency name)s, its-its difficult in the fact that we have one name, but we're autonomous organizations; every (agency name) operates separately. But if there's some type of financial in Michigan, you know, there are repercussions in Fayette County. So that leaves donors in Fayette County – an example of that would be with (agency name)s, (person's name) was an individual who was an executive at United Way of America, gosh, nearly twenty years ago...(B: Uh-huh) to date we still have his name brought up by individual donors. You know, that drops accountability, but I think it still remains at a medium. Uh, there are times when it drops to a low, I think, uh, but overall, I think it remains medium.

B: Ok. In terms of your specific organization, do you belong to any specific non-profit industry groups? Any affiliations, now the obvious connection would be with United Way of America (I: Right), but are there other industry groups that your organization is affiliated with?

I: Well we're working with PANO, we're not really a member of that, though. But we're working with PANO, uh, just recently on doing some seminars about non-profits in Fayette County. (B: Ok.) To hopefully get other non-profits involved with PANO, but we also work with...I'm trying to think as far as being a member, though. (B: Ok.) The Chamber of Commerce – you know, there's the United Way of America, you know we have United Way of Pennsylvania. Those would be the three (B: Ok) primary ones that, uh, you know (agency name) is affiliated with.

B: Ok. That is actually, since I already asked you about the accreditation questions, that is actually the bulk of the questions here.

SEMI-STRUCTURED INTERVIEW: CASE #80

Thursday, 13 February 2009, 10:00 am

Interviewee's Office

B: Bobbi Watt Geer

I: Interviewee

B: So where I'd like to start, and you don't have to remember the original survey at all, (I: Ok.) completely separate... wouldn't expect you to do that. What I'd like you to do is if you can recall, there was a list of about 40 or so practices that asked you to comment about your organization, to what extent you've adopted them. And what I'd like to do is ask you about six of those practices. Like a subset. And I'll ask you to comment on if you do them, why you do them. And don't limit your answer; just reflect on if there are multiple reasons why you do it, or if there are reasons why you don't do it. So we'll start with a fairly obvious one: filing the 990, the IRS form 990. Why do you do that at your organization?

I: Well, the first reason is because we have to. (B: Uh-huh) That's the first reason. But the second reason is that it is a fantastic public document. And I think it's a great way to capture quickly, you know, where an agency stands (B: Uh-huh) you know, it really puts it out there immediately and people don't question the credibility of a 990 like they might an annual report that the agency produces themselves.

B: Uh-huh. So there is a certain level of objectiveness that comes with that...

I: Yeah. Absolutely.

B: Ok. Any other reasons why you...?

I: No.

B: Ok. Kind of in the same, uh, framework, your financial audits. Uh, you're required, obviously to do that, but are there other reasons why you compile a financial audit?

I: Well, you know, the audit does help, um- you know the 990 gives you sort of the bottom line, but the audit flushes out all of the agency's fiscal health, or lack of. (B: Uh-huh) And it shows us, really, what patterns are evolving and where we might need to address some expenses, or where we might need to increase income. And it's a great tool, not just for the executive staff, in decision making, but also for the board of directors to make sure that the agency's spending is in line with its mission. (B: Ok.) So the audit is that kind of tool.

B: Great. I believe you said that you have a conflict of interest policy here at the agency. Why

have you adopted that here at the agency?

I: Um, well, it was in place before I started, but, uh, I wouldn't – I would definitely enacted one if it hadn't been here because it makes sense. Uh, first of all, in this geographic region, I know you are definitely aware that there are there's over 3,500 non-profits and foundations competing for dollars, donors, time, volunteers, people at their events, employees, um, clients. And so because human beings are human beings, we need boundaries, and we need to know the guidelines and rules for behavior with one another, the conflict of interest policy helps each different agency – our agency, again, the other agencies that we collaborate with, share clients with, you know, and sometimes share volunteers with, (B: Uh-huh) I think it makes the line cleaner and it lets people know where they stand.

B: Ok. Outcomes evaluation and program evaluation. You do that here at your organization. Why do you do that here?

I: Well, since the audit shows a fiscal picture to the board, then the outcomes shows data collection, really the meat and potatoes of the entire constituency that we are responsible to. And that's not just the board members, or the funders, uh, its to the population that we serve. We have kids that call us who say, "Wow. We heard that out of 22 kids that completed your program this fall, 18 went to college. I want to go to college, but where I am at right now, I have no support." So we have kids referring themselves who want to come into our programs. (B: Uh-huh) They know that because of the outcomes that we publish, they know that because of what they hear from other kids talking about the goals they have reached. The formal collection of data is really important when we are making decisions about whether or not we are going to open up another program or enhance a program somehow, if we see that's something is missing. Um, the goals of our particular organization are to not only help these kids become independent, but independent in a productive way in the community. Um, and so we do more than just, "You need to get a GED, or a diploma, or just a job." They register to vote. All of our kids are registered to vote. All of our kids get a driver's license. Most of them don't have cars or the money to get cars, but the drivers license is an integral part of everyday society today and we want our kids set up for the best chance of success, so that they can become independent in their community and become really active members in their community as a result. (B: Uh-huh) And I think all of those outcomes help us make those decisions about our programs. It helps us tell the story of our programs. They tell the story of our agency. Again, another way to gauge- this is our mission.

B: Uh-hum. Ok, and that's what I was going to clarify with you, is that its really a mission evaluation.

I: Absolutely.

B: Ok. Are you accredited? I don't know if you have a particular accrediting body that – that you would be able to apply for any type of accreditation to. Are you accredited?

I: Currently (agency name) is not. We use two different models, a blend of them. We advocate for teaching family model, though. Um, so there's orders of that, but we're not accredited by

them. Um, that model is very unique in that it comes out of – and this is the reader’s digest version- mutual respect and kindness. For example, the – and in one, the missions, again, we refer to all of the kids as students and all of the staff as teachers. Teaching family model is a way advocates that mutual respect and kindness. That we teach to why we are doing this. We teach to why it is important to get the drivers license even though you don’t have a car. (B: Uh-huh) Why- why...and its in those moments of understanding that the kids are like “Ok.” And they are very compliant for the most part. Again, I have 18 kids going to college of 22 that completed my program in the fall. This is also only one of two agencies in this geographic region that work with children and youth that have never used restraints. (B: Uh-huh) Like two or three years ago in the Post Gazette this agency was written up in an article about restraints as an example of an agency that doesn’t use restraints. (B: Uh-huh) So I think its all working, the blend of those two models. So, even though we are not accredited for one particular model, we are inspected every year. We had out state inspection in November and it was an amazing...

B: ...is it DPW that does that?

I: Um, in a debriefing after the inspection, I uh, was given information that they had gathered from their staff and students. And, uh, one student said he wanted to stay five more years. Staff members were saying that they love the tuition reimbursement and the benefits are great. They said, “I feel like I am heard when I say something there.” So a lot of the teaching family model that we advocate (B: Uh-huh) is part of the culture within the agency itself.

B: So, if I can clarify, am I hearing you say that you don’t really push for accreditation here because of your blending model? Would that be the motivation that you – the reason that you don’t really trend toward being accredited in one way or another?

I: Currently, yes. But we’re looking into what the benefits and the drawbacks would be to being accredited for one thing, but not for everything else.

B: OK. This is just a question about management policy. Does your organization have an executive compensation policy that was developed by your board with regard for the leader?

I: No, we do not.

B: Is it something that just has not been on the radar? Or has there been a particular reason or motivation behind not adopting that kind of policy?

I: I would say that the history of the board of directors here at (agency name) has been that they typically appointed a reverend or a clergy member, um, it had to be a leader in that type of an organization. Then they were into just appointing people who had social work backgrounds (B: Uh-huh) and, uh, I am the first person that I know of in the history thus far, and I don’t know extensively, that has a master’s degree in non-profit leadership with a focus on foundations – management experience if you will. (B: Uh-huh) And so it is new to them, and also the board has an influx of other community members; its not entirely made up of people all going to the same church. (B: Uh-huh) You know, all non-profits start with, you know, this passion for something they all agree on, so (agency name) has always been evolving, and I think that is why we don’t

have that kind of package currently.

B: Ok. I have basically three sets of questions, and we are moving into the next one, so I'd like to ask you – thinking about those mechanisms that we just talked about and there were several others on the survey with regard to personnel policies and document retention, confidentiality policies, and things like that, uh, just thinking about all of these practices, how important would you say that these practices are to you as a leader in this organization, and also, if you could comment on how you think the board might view the levels of importance of these issues?

I: I can safely say that the board and I are in total agreement on this and we believe it is vital to the health and well-being of this agency and any other agency to have very clear guidelines, very clear personnel policies. And, uh, it – it is, it's on an agency, and the board of directors to make sure that it happens. You're responsible to the community and to the constituents you serve by being responsible to the staff that serves those constituents, (B: Uh-huh) by setting them up for success. And the only way that happens is with clear communication, clear boundaries, clear lines, and clear expectations, and that only happens through guidelines like that. (B: Uh-huh) If we don't have that – if we don't all have the same playbook, then we don't know where we are at.

B: Ok. A couple of questions about where you learn about non-profit best practices. If you could reflect on the one, or two, or three organizations, or even professional journals if that happens to be it, that you as a director of this agency, where would you turn if you wanted to learn more about certain management practices for your organization?

I: That is a good question. All these years it has been a long- a lot of self education until I completed my masters degree, and even in that process, the program was lacking an area, and I took it to the director and said, "Look, I'm not learning about this and I don't feel that I am really ready to go and run an agency if I don't know about this." Uh, you take an idea like that to a director of the program or the dean and they say, "Ok, you create it and then we'll have a workshop, and you're going to lead it. We'll be here to support you, but you are going to do all the work." So I learned a lot in ways like that. I learned a lot about, uh, watching people and finding out what not to do, like different leaders of mine that I had in different agencies. And, um, oftentimes I find myself making decisions based on what I don't want to do. What I know does not work. Then I reflect on our Family Teaching Model and, and its been a nice guideline for management practices. Now, that being said, coming here and seeing that the agency has only been positioned to be managing itself day-to-day, barely, and not grow, I'm not sure we'll be able to keep the doors open another 100 years, so I've reorganized the structure of (agency name) to be ready for growth, and opening up now programs, and even business entities to help funnel money into the program because we're under funded \$42 per day per kid (B: Uh-huh) to do all the things we do. So in that act of thinking about the best way to reorganize this, I did turn to some online things that I used once and a while. Right now, its online right now, I've gone to the Carnegie Library's Foundation Center in the past for different things around management and non-profits, but, uh, for this I went looking and did some research online and there's a non-profit management free library, and its very helpful. It does everything from talking about reorganizing an organization like this to job descriptions, to job titles, because I had to create a few different things to broaden people's responsibilities, and titles to go with that. Not just

responsibilities, but the authority they were not getting. So I looked online recently... (B: Ok.) Honestly, some of the professional journals, I just don't have the time to sit down and read them that I would like.

B: Ok. Um, likewise, flipping that question around a little bit, so you get information from sources online or formal education; do you in turn share that in any type of way with other peers or organizations? And if you could comment on that a little bit...

I: Oh totally. I put my ideas together and my reference forms, and I share it at the same time with the executive committee and the board. At the same time with executive staff, so that we can all get by with these changes. Because I don't think it would work if everyone wasn't engaged in this and saying, "I don't know about this. Let's change the title to this." So as a group then, we are able to kind of evolve. For example, because I'm somebody who lacks patience, uh, personally and professionally, I had the idea and I knew how I wanted it to look, and I kind of wanted it that day. But because we're dealing with lots of people, you need to bind together. (B: Uh-huh) So sometimes its two months later when you're putting it into place. (B: Uh-huh) And again, so another lesson or practice in being patient.

B: Also along those same lines of learning and where you get information, I know that you mentioned your affiliation with PCCYFS, what other professional organizations does your organization or you as a professional belong to?

I: Uh, we are not a PANO member, but I subscribe to all of the emails and we are looking into that for us. We are supporters of the Teaching Family Association and we get updated from them. I'm also personally and professionally a member of the Fundraising Professionals of Southwestern PA. (B: Uh-huh) Um, I am the vice-president of the board of directors for Milestones, which used to be Allegheny Easton MH/MR – a fantastic organization, (B: Uh-huh) I'm on the advisory committee for the maters program I graduated from at Carlow. Uh, I am currently – our agency is connected on a few different levels with the PCCYFS. Our program director was just appointed to their board of directors. My operations director attends, uh, committee members – was on the committee. My development person is on a consultant committee. My IT person is on a committee for IT calls. Also, the agency is a member of a training collaborative and, uh, there's an HR group that I can't remember the name of right now, then my IT guy is part of a Bagels and Bytes (B: Uh-huh), and that's a technology group that he's member of.

B: So a fair number of connections...

I: Yeah. Thank you for stopping me! (I: -laughing-)

B: No, no – I was, it's fairly thorough...

I: Yeah, and as long as I sit here thinking about it, I will keep coming up with more.

B: Good. Good. Well, I asked; I wanna know! (B: -cough-) Excuse me. I'd like to shift a little bit to talk about the current organizational environment, the current environment that non-profit

organizations find themselves in. And I'll explain that with each question. But again, just looking at the realities that you have to operate your organization in day-to-day, and I'll ask specifically about a few of those things, but first, could you comment on the current operating environment with regard to financial resources. Do you think that the competition for financial resources in the current environment is one of low, medium, or high levels of competition for financial resources?

I: High level competition for financial resources entirely.

B: And of course I'm going to ask you why...

I: Why...

B: Why it's a high level?

I: Ok. Two reasons. Uh, one is the-the bucket of dollars has shrunk. There's not a lot to be given around. Not enough to be given to everybody. Then there's everybody. So the other reason is that there are a multitude of agencies duplicating services. And, uh, those are the two issues I see.

B: Then, building on that question, what do you do in order to compete well in a highly competitive financial resource environment?

I: To compete well... Hmmm. Well, first of all, we are in the habit of, uh, getting an environmental scan of who's doing what. So if we create new programs, then we're not duplicating services. We can't see the sense in it and our funders can't see the sense in it either. If somebody is doing something really well, why should we try to do it too? So, we try to collaborate more and we try to do environmental scans. We really do our homework up front. (B: Uh-huh) A lot of agencies say, for example, a lot of our competitors have group homes. We don't do group homes, because they all do group homes. And to get their referrals, they've all opened up shelters. So we have lots of shelters we're funneling the group homes with. We didn't open up shelters because they have plenty of shelters and plenty of group homes. So we're trying to be more creative and see the need of the constituents we serve, instead of just doing our own thing. (B: Uh-huh) Um, could you say the question again?

B: I was asking what strategies you adopt to compete in a highly competitive financial environment.

I: Strategies to stay current, that was the point in the environmental scan. (B: Uh-huh) Um, another strategy is to publish and really get the word out about our outcomes. That helps us stay competitive. When people hear what we're doing and how we're doing it, it sets us apart. We're unique in that way with the Teaching Family Model. In fact I have learned that nobody in this geographic region is even certified or a supporter of this. The closest is in Cincinnati, a small little group. So again, it sets us apart, staying unique with some of those things. Um, and to kind of really publish or market the story of what we do so well, um, is a strategy that we're starting. I mean, we've been around since 1905 and hardly anybody knows about the agency, so that's

another uphill challenge for me.

B: Ok. I'd like to ask the same question about the environment and low, medium, or high competition, but instead of asking you about financial resources, pull that out, and I'll ask you about human resources. So would you say that the environment for your organization right now is one of low, medium, or high competition for human resources? Volunteers, board members, staff? Anybody you need to get your work done here...

I: Hmmm. We have a great benefits package. We have a great reputation. I think for most agencies it would be high, but I don't think its as hard for us. Staff-wise. (B: Uh-huh) We have no volunteer mechanism except for the board membership at this point, which really isn't an issue for us either because I'd say Pittsburgh has really come around that learning curve over the last, I'd say, ten years with all these different groups that are organized around creating new investments and better board members, so, uh, I don't think there's a need for that. (B: Uh-huh) And this board, as I was just taking the position, four or five board members were just introduced to the board and they had done a search and they had – the file has at least half a dozen – I mean a dozen candidates, and out of those they picked half. So I don't think there's...

B: So you aren't feeling any particular pressure around (I: Not really) replacing staff and board.

I: Yeah.

B: That's a very fortunate position. Generally that's not what I hear.

I: Yeah.

B: Good. This next question relates to your organization's ability to not only carry on just this year, but also in the foreseeable future – in the next few years. Do you think that the environment is one of low, medium, or high uncertainty? Do you feel like there is any degree of uncertainty as to whether your organization is going to be here next year or the year after?

I: Any degree of uncertainty...Let's see. If we were just to look at the economic climate, it feels like its up in the air. If the county stopped funding our program, we'd have to close our doors. (B: Uh-huh) So, that's a high degree of uncertainty in that area. But if we look at the need for this program that we do, we rarely have empty beds. We have a huge population of teens that are being spewed out of the foster care system or adjudicated in some way that are looking for some structure and they're looking at how to live independently. And they're struggling. So I think that, in essence, there's no uncertainty about the population diminishing that we wouldn't have clients to serve.

B: So the need is great, but there could always be uncertainty around funding.

I: Right. Unless I am successful in getting my idea started where we create our own kind of entrepreneurial idea where we would be funneling money back into our programs, instead of being so dependent on just one basket. And let me just point out to you that you're making it snow again. (I:-laughing-)

B: I know, I know. It's a gift, I have that! (B & I: -laughing-) I'd like to ask that question again and ask you to reflect on the political, economic, or social climate, do you think that there are elements in any of those that threaten your organization's ability to continue its mission work? And you can tackle any or all of those that you feel are a threat to your organization.

I: Currently, today, in today's political climate, starting locally and then going nationally, I would say no, that right now, the politicians that are in place on all of those levels are advocates of these kinds of programs. So we're very fortunate today. (B: Uh-huh) Uh, financially, again, there's decision-making and groups like these lobbying groups like the PCCYFS groups that go and they advocate for us, they're so well run that I really think they really convey our relationships; that they really tell our stories (B: Uh-huh) for that purpose. So currently I think we're ok in that climate. (B: Uh-huh)

B: And we already talked about economic concerns, which, this environment that we're currently in is very challenging.

I: Yeah. Capital C.

B: Could you, um, what I want to ask about, and I know the county is a major source of funding for your programming here, is, I'd like to ask you kind of tying together some of the previous questions, do you think that your major funders require a low, medium, or high level of accountability from your organization? I mean do they ask you for enough information back so they know what they are paying for?

I: Yeah. I think it's a high level of response of information back to be accountable to.

B: And while this isn't on the protocol, its come up in other interviews, do you think that it's the right information? Are they asking for the right information?

I: You know, so far I think so, but maybe in a year I might have another opinion about that, (B: Ok) but I think so.

B: I've heard from others about the extreme volumes of paper going back, and they're not really asking the important questions, so...

I: Well, you know, on paper right now, I think we give them appropriate amounts of information. Its acceptable. However, in person, in meetings the last few months or so at the county level, they have been, uh, I think there were fifteen people from the county and then three of us from the agencies and even in the room, the county executives couldn't really decide what they wanted to know from us. They argued with each other. So I think a lot of that goes on and we have a problem with one or two people in the same office and each of them wanting different information in a different format. (B: Uh-huh) Trying to get them to be consistent with us. So there's a lot of disorganization at the county level, (B: Uh-huh) but its just- a lot of people just throw their arms up in the air and go, "Well, that's the county." So its acceptable, but you know, we were really trying to take non-profits and say that they should be run more like businesses, so

that they can continue to serve the populations they serve. I would say that the government needs to take the same tactic and run a little more like a business, (B: Uh-huh) but you know, that's just my opinion.

B: Keep moving in that direction. Actually I just have one more question on the list, and that sort of takes you out of your, necessarily, your role here at this agency, I'm interested to hear your opinion based on interactions with other organizations what you know about non-profits in this region, is it your opinion that the adoption of non-profit accountability mechanisms in this region is low, medium, or high? If you could just – if you have an opinion on that...

I: Oh, I do. I think it's low.

B: And could you talk a little bit about that?

I: Uh, my history of working for non-profits and volunteering for just oodles of them, um, being on different boards over the years, for the most part, the expectations are very low. Um, and at this point they – because I watch people mix commitment to an organization and become compassionate about the mission, the people that are served, or whatever the mission is, and the mismanagement that happens is just, uh, unacceptable. I have lots of little personal stories about that. And so it would be fabulous if there would be at least a governing body, if you will, that said these are certain terms that we require to be met. And to ensure that people's donations were really used in the way they were intended. If there was some mechanism to follow that all the way through. Uh, I think that's really important. And it would give credibility back to non-profits. I mean, when we look at all the non-profits over time that had all the bad press because of mismanagement of funds (B: Uh-huh) and it just really kills the spirit of philanthropy. And the spirit of why we keep getting up and doing the things that we do for people (B: Uh-huh). And so, if there was some way to bring the credibility back, or to redefine philanthropy now, uh, I think that would be marvelous. I'd love to be a part of that.

B: Ok. I'm going to stop this here.

SEMI-STRUCTURED INTERVIEW: CASE #101

Friday, January 30, 2009, 3:00pm

Interviewee's Office

B: Bobbi Watt Geer

I: Interviewee

B: So what I want to do is just ask you about a grouping of accountability mechanisms that were on the survey, and if you can think of as many reasons why you do it, or why you don't do it here at your agency. And you don't need to limit your answers to just one reason. You can list as many reasons as possible. So, filing your IRS form 990...why do you do that here?

I: Because its required...(B & I: -laughing-) But its also a good mechanism to get your information out there for funders to be able to review it. I think that any time you can be, um, I hate the word transparent, but that's really critical, because they think that people who don't do the 990s or who don't do them appropriately, um, I just think it reduces their credibility and their likelihood of getting funding.

B: Ok. And, how about your financial audit? Your organization is required to do an audit; it is large enough to require that...

I: No. We actually are- because we don't get enough fund- we used to get a lot (B: Ok) Now we do the one on another level...uh, it's the one right below the full audit...

B: Its the review...

I: Yes (B: Uh-hum) but we still do the audit (B: Ok.) because I want that accountability. I want those checks and balances. I was just talking about that with somebody today, because we actually have an auditor that is not from our county. I do that on purpose, (B: Uh-hum) and you know, and I don't ever – and this may not be the most appropriate time – I don't want to be in bed with my auditor...I don't want it to be someone who is familiar with me. I have credibility here in the county that I work in, so we do the audits and if he sees something, I mean, its one of those things I told my staff was that when I first became VP and did my first audit around March 1 of '01, there was a grant that ended in February of '01. (B: Uh-hum) And obviously I had no responsibility for that grant, and had no say so in that grant. And my fiscal department at the time, um, tried to hide things from the auditors that they had done prior to me coming. And I said, "You will not hide anything from the auditor!" (B: Uh-hum) "If we did things that were inappropriate, they need to be reported." And there were things we found in the audit under that grant. But I said, "We're not going to mismanage money – I'm not going to be a part of this." Even though technically, legally, it wasn't my fault, I now had responsibility for it and said, "No, we're not going to do that." I said, "You know, I think people make mistakes...sometimes

people make errors, but if you're doing things intentionally..." So, you know...that's how I deal with my staff about the audit. I tell them, "Don't hide anything. If they ask for it, give it to them. If we've messed up somewhere or we haven't done something right, we need to fix it."

B: So you do the full audit, even though it isn't required, and what I think I hear you saying is that you use it as kind of a management tool.

I: Yes. Yes, absolutely. I do. And I really trust our auditor, because he is so ethical. You know, and he really understands non-profits and he really knows our system and he knows where to look. And he will tell me, you know, if there are things that I need to, you know, as an – I can't...even though it's a small organization and we have really good checks and balances, there would maybe still be an opportunity where somebody could be doing something and I wouldn't be aware of it because of what's presented to me, that you know, maybe someone could be doing that. But I think that the way I have our staff set up that would be very difficult, but, I know that's just another one of those checks and balances that were set up for me.

B: Do you have a conflict of interest policy for your board and staff?

I: We do, for both. And you know, we're also - I just joined PANO and I was just at a training for the new 990s and my budget is so small and the new 990 rules aren't going to become effective until 2010. (B: Uh-hum) You know, I don't have to have them for next year because of our annual budget, but I'm going to adopt the policies that are required under the new 990s. I just gave examples to my board, the PANO examples – you can't use them unless you belong to PANO. (B: Uh-hum) Anyways, the PANO trainer (B: -name of the trainer-?) Yes, -name of the trainer- and I have the hard copies, but you have to get permission, and I just joined PANO, so I'm going to update. I like that conflict of interest policy better. You know, I don't need to reinvent the wheel. (B: Uh-hum) You know, they are the ones that really have the expertise, so I don't have to be the one who is really...and I like their conflict of interest policy.

B: So that's in process... you don't have that passed yet, but probably by the end of the year?

I: Probably within the next month or so. We meet monthly, so we'll probably wrap it up next month and then vote on it the next month.

B: So, you're not required to do it until 2010, so why do you feel compelled to do it now?

I: I really like the policy. When I read it, I thought, "This makes really good sense." Again, I think the board of directors, especially in small non-profits have a tendency not to think of those things, but for me, its important to raise the awareness of the board. You know, a situation came up recently where we had a lease on an automobile, and the lease was up. And one of my board members was, you know, he owns the car dealership. You know, he's the manager. So I said to another board member, you know, we need another car, we need another lease, and we had a lease through his dealership before- and by the way, I found out you can't lease now, this evolving economy thing- but, um, what we really have to get Mike to understand is that just because he's a dealer, doesn't mean that we can go to him because its federal funds that we are using to get this vehicle, so just to raise that awareness because, you know, sometimes board

members just don't understand. (B: Uh-hum) Its not that they- it isn't even so much that they really want to benefit from the non-profit, but sometime they don't understand that even if you look at the appearance of that, then...(B: Yeah) so, you know, I really like that policy. And my board is good about it. You know, prior to my being there, there were a lot of things that were done that were not right. And they took that very seriously once that was discovered, so I feel like the checks and balances of the board and the fiduciary policies are important to make sure that they stay ahead of the game. One of the things that, see, it makes them complacent when they say they trust me. (B: Uh-hum) I say, "First of all, I'm glad you can trust me and yes, you can trust me, but I will not always be your executive director and you need to trust that you know what to do and not depend on an ethical executive director, because they don't always exist." (B: Uh-hum) So I want the board to take that role.

B: To question it and to keep on top of it. Now, how in terms of program evaluation or outcomes evaluation? To what extent do you do it, and why or why not?

I: Well, you know, we get evaluated by the - internally....

B: But in terms of the services you provide through your agency...

I: I will tell you that we are exceptionally weak. And I will tell you why we're exceptionally weak is that, well we, there's never been any good tools for the research for the evaluations. And the problem with our research, you might have to lecture me about evaluation tools, but we have a hard time accessing our clients for follow up (B: Uh-hum) so its-its such a small window and its...maybe its something I can pick your brain about, when people come in, they know what we do. And some victims services have different services, but in our agency we are pretty much crisis. We don't have like some of the bigger programs, like Blackburn. Through some of their funding streams, I know they can provide different services and maybe even have a therapist on the staff. (B: Uh-hum) We don't have that. You know, we have counselor's advocates and crisis intervention. I don't have those long term intervention components.

B: You're right in the moment.

I: Right. And when we ask people in terms of, can you fill out this form, its just not ethical. Their brain is just not there. So for us it gets really tough because of the data. You know, and they've been working on the state level to develop a tool for us, but they've never really given us a good tool. (B: A tool that really fits your situation...) And I would say that maybe 25% of the time we have a number that would allow us to contact some of the people that we serve, (B: Uh-hum) but about 75% of the time...(B: You do not...) so how do you do really good outcomes and how do you do really good...I don't know...I mean, everything that we do we really get excellent feedback. We really do. We get some stats and stuff, but we don't really use it for anything. (B: Uh-hum) And its not something that is really reliable or valid...not something that can be duplicated. Not a good thing, but...

B: I've heard this from other human service agencies that tend to work with people in crisis or not really rooted in one place. They seem to run in the same kinds of issues.

I: Now when someone gives us their cell phone, we can do it a little bit better, but that's not the largest number of people that we get.

B: That you serve... Now in terms of...you don't hold any accreditations from any outside agency?

I: No.

B: And is that something that you've ever considered? Why or why not?

I: There isn't really any...well, there's a Victims Advocacy certificate that I think you can get now, which I don't know a whole lot about, but you have to have years of training and you know, honestly, we just can't keep staff that long to keep up. Our turnover is... You know, I have been told that I should get a PhD in Addictions Counseling, but we don't have anything like that. And I would like to get a Ph. D to a point, so that we can bill insurances, et cetera, but it just doesn't make much sense for us. So you know, it just doesn't seem...

B: The cost-benefit analysis just doesn't pan out for you...

I: No, it doesn't. Now I think if, you know, there is a big challenge or a big debate I guess between professionals and grassroots, you know there certainly is a transition now where there are more professionals in our field. (B: Uh-hum) I think that as that happens, it might be good for – you know, just for credibility. You know, sometimes I think we're disrespected because we are not accredited and we do not have any kind of licensure and we're not - I mean, I'm a Licensed Social Worker, but I maintain that on my own. (B: Uh-hum) I don't need it for my position, its just something that I do for my own...

B: So its one of those things that would be nice to have, but if you don't have the staff to carry it out...(I: Exactly) The last practice I want to ask you about in this section is executive compensation policy. Do you have one in your agency?

I: We don't.

B: And is that something that you've considered?

I: No. We don't really have any money to... (I: -laughing-)

B: I try to ask that question with a straight face, but in so many small organizations today...

I: Yeah, you don't have to worry about the ED making way too much money. (I: -laughing-) Um, we have a salary scale for executive directors and they try to maintain, um, but yeah...kind of funny... I wish I had to worry about that.

B: Ok. The next set of questions revolve around learning in your organization. Um, I want to ask you in general, on who do you as an executive director depend- and if you could also comment on how important they are to your board? (I: Ok.) Two part question...

I: With the things we just talked about?

B: Those and if there are any of them that you may recall from the survey itself. You know, there were gift acceptance policies, management policies, personnel policies... those types of mechanisms. How important are they to you, and also, how important do you think they are to your board?

I: They're important, well I think they are especially important to me as an executive director because we're small, and when you talk about executive policies, obviously we get...our policies are reviewed by an attorney periodically to be kept up-to-date with the labor laws. What's interesting with my board is that it seems like every board member is a little bit different, because of the type of focus board members we have, I guess... The focus for some of them is fiscal (B: Uh-hum) and for some it is personnel. So, I wouldn't say that as a whole the board looks at all of those policies, but I get frustrated sometimes because they will say, "We depend on (name of the interviewee) to make sure that's being done right." And then sometimes they will depend on one specific board member to make sure something is done right. (B: Uh-hum) Like they are the overseer of the fiscal arena. And in their expertise, some of them don't have the expertise to really look at the financial, or look at the budget and do the analysis on it, but I guess its good if you have one or two who have those traits. But I guess, as an organization, I think its important to the board that they have these policies in place so that we don't end up in trouble with the funders, or in trouble with the audit, or in trouble, you know, with EEOC or anybody else. (B: Uh-hum) So I think they're very important to actually all of us, actually, but my board does care about different stuff. You know, sometimes I wish I had more, um, cognizant board. You know, it really is hard. There aren't really so many people that – there's really too much need for the number of people that are already there that are available, um, they fulfill multiple roles. And sometimes my board lacks professionalism, which I, you know, come from. I would like to see a, how do I say it, more high functioning level of board than I have. For example, there's this one board member, and God love her, who is very respectful and probably the sweetest person in the world, but she isn't really someone that I can go to and have a good discussion with, you know, if I try to talk to her about an issue, she just like...

B: ...so neither from a business operations or a service delivery perspective, its just that she's not somebody you can get to...

I: But I do have some board members that I can get that from. It just doesn't happen to be my current board president.

B: So it's a little uneven.

I: Yeah. It really is. And, you know, I have one board member right now that I, and please keep this confidential, but I have one board member that just became an executive director of another non-profit and she's taken...she's taken their fundraisers out and that stuff doesn't sit well with me. You know so...

B: That's a conflict of interest issue right there!

I: Yeah. She contacted me the other day for some more information and I thought, “Why are you doing this?” (B: Uh-hum) And she’s just very close with their foundation and she used to be a part of one of our fundraisers at the Hoak Center, but she doesn’t want to do that now, so I’m thinking that, you know...

B: That’s hard.

I: Yes it is hard, ever since... and I thought that maybe she would resign when she got that position, but she didn’t, so I think I’m going to have to bring it up with some of the board members. (B: Uh-hum) Like, you know, this is really a challenge. And, you know, she doesn’t really bring anything to our board or our organization, so that’s one of my concerns. And one of my concerns is that we have a good relationship with the hospital and it’s the only hospital here, so we don’t want to alienate her, because we’re a service provider...but...

B: Well, let’s come back around to that. I’d like to ask you about where you learn about some of the accountability practices, if you could think of the top two or three in rank order, where do you turn to learn about this stuff?

I: Personnel stuff and some of the personnel policies, I, you know, some of it was like...usually I consult with her. Another thing I do is I serve on the personnel committee at the PCADV, so I’ve had a lot of - they have all these resources that I bring here. You know, I’ve brought a lot to that committee, but I’ve learned a lot from them. As far as accountabilities with fiscal and stuff, I don’t know where I learned that, I guess just being on committees, trainings and stuff, I just care about it. (B: Uh-hum) I also learn from PANO at some of the trainings, our auditor will share things with us, like the fiscal piece of it, um, and a lot of the other stuff is just to make sure we remain in good standing with our funders. You know, so, there’s certainly guidelines and things we require, the policies and procedures that are required. And even from other EDs. Honestly, I don’t believe in sitting in meetings developing policies that are required when someone else is a really good policy developer. Of course following the standards, but if I can just adopt it to meet the needs of our organization I will do that. Honestly, other executive directors are probably my best allies.

B: Now in the same kind of question, sort of flipping the question around a little bit, who do you share information with?

I: Well, I end up being sort of a mentor for the new EDs that come in, (B: Uh-hum) and anybody that wanted it, but the non-profit world in Armstrong county is just so...we’re a little bit odd. You know, there’s only 15 non-profits. (B: Uh-hum) I mean, its very small. Well, there’s 17. Fifteen that the United Way funds and then the Red Cross. We are no longer funded by the Armstrong County United Way, but there are 15. Its so small. There’s not a lot of...

B: ...a lot of sharing that goes on with those.

I: No, no, There’s not...even a lot of interaction. I mean I serve on different committees, but not any type of administrative stuff. Its more systems and service provision. We don’t do that.

B: I have some questions about the overall organizational environment, and I'll try to clarify them as we go through each question. The first one I'd like to ask you to characterize your operating environment as one with low, medium, or high levels of competition for financial resources.

I: I would –within the community or...

B: Wherever you compete.

I: I would say high.

B: And why would you say that?

I: I would say that it is high because there's so few resources, its – in Armstrong County, its pretty competitive and you really have to have a good reputation and really maintain a high level of credibility, which we do, (B: Uh-hum) and so the governmental funding is really looking at it as a low priority, so when you look at the funding streams and how they allocate those monies, we are at the very bottom. We get when everyone else is funded. So to me, that's high competition because...if that's how you're interpreting it (B: Uh-hum) that's how I interpret it... I look at the values and the value of women's services. I think that if we were serving males, we would be funded so much more.

B: I would like to ask you the same question about low, medium, or high, competition, but this time with regard to human resources; and I'll explain, staff, volunteers, board members...

I: Uh-huh. Its high, and I believe that's because our salaries are so low that even when I bring in somebody that I think will be phenomenal, what I can't get is somebody who is 100%. Somebody who is passionate about doing the work, who is willing to do the work even with the low salary, and care enough about the work to not go away just because someone is able to pay them \$5000 more or give them better benefits. So with that, I believe there is very high competition. The other thing is that one of the other things is the funding part of it, people want to work for social service agencies that are more likely to be sustainable, like mental health, (B: Uh-hum) drug and alcohol, children and youth, department of aging. You know, things that have more sustainability. There's a lot of fear about being a part of a non-profit, because you're not guaranteed to be around.

B: And this question comes about two down, but since you've raised it, I'm going to ask it now. Would you characterize your organization's environment as one of low, medium, or high uncertainty in terms of being around...

I: I would say medium. I think I'm being a little optimistic about the new administration, with Senator Biden co-writing the Violence Against Women Act, he has a passion for victims services, I think that is a real plus right now for, well if you would've asked me that when Bush was- now I don't mean to bash President Bush, but I think that the answer would have been low.

B: That actually segues into my next question, so it's certainly relevant, are there any elements in the political, social, or economic environment that threaten your organization's ability to carry out its mission? Since you kind of led into that...

I: Well, I think one of the things that, and I know this is a pretty touchy subject, but one of the things that happened under President Bush's administration was that he created his faith-based initiative, which is hard for non-profit organizations like myself because one of the things we are not permitted to do is anything faith based. So there was a lot more competition for what was left. And even with something that we just started recently, I just read, its called Post – no, let me think...it's a (unintelligible) grant. And county government wrote a whole paragraph encouraging faith-based programs to apply, but there was nothing in there for the rest of us. But its like saying they're going to get priority (B: Or preferential treatment) yeah, and I thought, "You know, I'm not permitted to do that." Not that I would, because I may have ethical issues with that too, but I can't even if I wanted to, so I mean, there's an unfair advantage in a way for some people in their positions of power and their religions, which is – so I think, I don't know, I think President Obama has a lot of faith and he cares about people, um, I think he is very positive in terms of social services and he cares about people that are in the United States, so, maybe I'm not someone with a strong political focus, but I am strongly against this war. Not that I don't care about what's happening in Iraq – I do, but you know what, you can't spend all of our resources from our country when men, women, and children in our country are suffering. (B: Uh-hum) You can sit there and look at the numbers, like I think that they said there will still be 5 million children without health care even if they do pass that bill, and I just think, "I can't accept it." When people are trying to choose between food and medication. What kind of choice is that?

B: It is no choice.

I: Then you look at moms who are in trauma who need medication to be stable, but they have to feed their kids, and they can't afford their meds, then they aren't competent to parent and then ...

B: It's a revolving problem.

I: Oh, its just...So those are the things that I think they don't give priority sometimes. Not that I think you should – I was thinking about something today, now this is kind of off the subject, but one of the things I've seen in my profession is the people that are disrespected, like in school, for example there were families who were nurtured, that went through school - they had good experiences. And then I could name the kids, even 40 years later, who were ostracized. Who even the teachers picked on. Who were never valued, who were never nurtured, who were never given the opportunity to see what they could do. And I was thinking today, you know what we need in this country? There are kids in this country who go to school, but their parents don't value school, they don't value education, they don't even value themselves. They have this lack approach. And I think what we need to do now is go back and make up for what we did in providing – I'm not saying everyone can get a Ph.D. (B: Uh-hum) But to have the chance to be the best you can be – to be a productive person. I've never met anyone who felt good about themselves when they weren't productive. (B: Uh-hum) And I think we have done a terrible job in this society and we've neglected a lot of people. The people I serve, they are often the people

who aren't valued. They don't value themselves, and then society is unkind to them because they turn to drugs and alcohol, or they learn to lie...then they get this idea that they are unworthy of support. They look at us and say, "How can you help people like that?" And my thing is, "Well, how could you not?" They are the ones that are most deserving. When I see somebody that is from (agency name), that for the first time in years feels like they are valued and respected, that for me feels like a huge development. And maybe I'm off the mark here...

B: No. It all speaks to this climate and the community, so that threatens your ability to do your work – the value system that is in place.

I: I look at people sometimes and think, "How don't you see it?" And we're all part of it.

B: We somehow look at people and say, "Well, you brought that upon yourself."

I: Absolutely. We blame the victims. We have a silly way of thinking that everyone has hope and everyone can pick themselves up by their bootstraps, but you know what some of the people who come in here for jobs – I can't hire them. They don't present themselves well, their personal hygiene isn't well, you know, and then we have a system in place for welfare that can't buy shampoo or soap. And a lot of people think, "Oh, they're on food stamps." Ok, they can buy food, but they can't clean their house, they can't clean their bodies, they can't brush their teeth...when you go to the grocery store, what do you spend the most money on? And we think people can just get those things, but we haven't walked in their shoes. You know, that's where I think the political climate – you hear about this stimulus package, and of course I'm skeptical, but we've got to do something. And, you know, if we can stimulate this economy...and I know I'm not going to be the one building bridges and building roads, but people are and it will be a tremendous thing for them to do. But when I hear, you know, the Republicans are saying all we want to do is tax them and create more federal programs, I think that they haven't had to walk in those shoes. I don't believe in giving everyone a free ride and I won't say that everyone who has walked through these doors is a pleasure to work with. (I: -laughing-) They're not! (B: Uh-hum) But you know what? You want to get in trouble at my agency, you disrespect the people we serve. You know, because, well, I make sure my staff knows that we need to value and respect them. They may say, "Well, I don't feel like we're making a difference." Well, maybe not today. But you don't know...

B: What sticks with people over time...

I: Exactly. So, and I believe that – well, I was at a Rotary meeting recently and I mentioned that I am so short staffed. Then he asked me, "What makes you think that hiring more people is going to be your answer? You want more money to hire more people." And I looked at him and said, "You can't do human services without people." I am not wanting to hire thirty people at \$100,000 per year; at the time I had 8 staff running a 24/7 program. That's not many people. (B: That's stretching it thin.) So maybe that's not what you wanted, but...

B: No, no, no! That all goes to that question. And I just have a few more questions for you....if you could characterize the level of accountability expected of your organization by your main funding sources, would you say that its low, medium, or high? In terms of, when you get

government contracts for your services, do you think that what's requested in terms of accountability back to the funder is low, medium, or high.

I: You know, what really sets me off is that they think they could do a better job. Getting back to the question, I would say its between low and medium, and I've seen too many things – like the other day I saw that a program they cut funding for that hasn't even been running for a year. It took them four years to develop this program, but - and I am much more anal about the smaller stuff. I am a social worker – I care about people. I think everyone should be held at the same level of accountability, so that inequities in non-profits wouldn't happen. You know and I know that if it happens in one non-profit, or in that mix of people, and you know, we were hiring and I was on the personnel committee, and there was a woman that was from California that I just loved. I was so disappointed when she dropped out of the race and we didn't get a second interview, then we I got an email from the board saying she had then gone to jail for embezzling money from the California State Coalition, (B: Oh my goodness!) but you know, that trickles down to all of us. (B: Uh-hum) Its like, "How dare you!" I feel like we should be held to a higher level of accountability.

B: Actually, you are doing a good job of segue way into my next question, in your opinion, you know, based on you having worked in the field for as long as you have, how widespread do you think the adoption of accountability mechanisms outside of your organization happens to be in the nonprofit sector? Do you think its low, medium, or high, and why?

I: I think its low to medium.

B: And could you comment about that?

I: What I have seen and what I have challenged people, is I've seen people in management in the non-profit sector who want to become directors, but they treat it like it's a private – like its their money to do what they want with it (B: Uh-hum) they don't think that grant management means that you only spend the money according to the grant. (B: Uh-hum) You know, its like, "I have this pot of money and I'm doing really good things, and even though they are, if they are not in compliance with the grant, and this actually happened when I first started here, I had a fiscal person who basically refused to let me see that certain services were funded under this grant, and she was taking money from that grant and paying other salaries, and I told her, "You can't do that because this is the grant and this is what they want to fund." She said, "Well, you don't understand fiscal." And she said, "We have this much money in salaries, the budget shows. (B: Uh-hum) And so I'm allowed to take whatever money I want out of these grants as long as that's what I spend it on." I said, "No! That might be fiscal management, but it is not grant management, because that grant, that is not an allowable service under that grant." And I ended up terminating her because I went to my board and basically said, "Look, its either me or her." (B: Uh-hum) I said, "I won't function like this." And so we terminated her, but I have seen other agencies do the same thing. And they think – for example, we're a gold center, so we get funded through (two acronyms of sources were named, but unintelligible) and if you don't do that service, then you don't get funded for it. (B: Uh-hum) And I'm really a stickler about this. I mean if all you do is grant management with state and federal money, when you get unrestricted funds, like from the United Way, they give you \$5000 and you can spend it how you want,

people don't look at it like – and my philosophy, my practice is the only thing we use our restricted money on is allowable resources approved by our funders. (B: Uh-hum) So there are matched moneys for that. Why would I use that when there is \$5000 in unrestricted moneys over here for that? (B: Uh-hum)

B: So your experience has been that you see a lot of that happening in other agencies as well.

I: Yes. They think that unrestricted money means that it is literally unrestricted. That they can go buy whatever they want with that money, and I think that sometimes it sickens me to the point I think its criminal. (B: Uh-hum) And I will tell you that when I find that out, I report them to the funder. I feel like as an executive director, I have a responsibility to the non-profit community. (B: Uh-hum) You just don't do that. Someone needs to know. Sometimes it's a matter of training. If someone's doing it because they don't know, they can receive training, but if they are doing it and they know and they think they can get away with I, that's another thing.

B: Uh-huh. Those are two different scenarios.

I: And I could be killed for saying this, but I heard that there is an organization on the eastern part of the state that is being investigated because they have already found that she has embezzled over \$500,000 from their organization. Now how can you think – and this has been going on for years.

B: It didn't just start yesterday.

I: And in another example – this is confidential, but I found this out because I was asked to help with this as an executive director, um, they have a board member that would come in and sign out checks...

B: That's wrong on so many fronts.

I: And I thought, "Doesn't that board member know they have a fiduciary responsibility for every check that they sign?" That executive director said that they trusted her, but you know that's not what its about. I told them that they need to understand and they better get an attorney. She was paying herself. Her salary was supposed to be \$60,000 per year, but she was paying herself \$200,000. You know, and I'm thinking, "How?" Here, every check requires two signatures. (B: Uh-hum) We have a policy, every check over \$1000 requires board approval (B: Uh-hum). Anything under that, I can pay bills and do whatever, but every expenditure over \$1000, I get board approval (B: Uh-hum). There's a reason for that. And so I think that funders need to say, "Are you doing this?" And not just take people for their word. And I was just talking about this the other day and someone said, "Oh, you couldn't steal from me..." and I said, "Oh yes I could. If I wanted to, I could." I could start opening the mail. I could start writing myself checks. Who in my agency is going to check me? But the thing is, I would never do it. I'm a nut ball about it. I mean, maybe I'm way over anal about it, but here's my analogy: I think that executive directors who receive money from charitable organizations should really be held to a higher level of accountability when they do things wrong.

B: So my last question for you is, again, coming back to what kind of networks you might have established, what organizations - do you belong to any industry organizations...?

I: We have manufacturing – who is it, that’s who we get our insurance through...

B: What I mean is do you belong to any type a non-profit industry group or program...

I: Well, we’re member organizations of PCADV, the Pennsylvania Coalition Against Domestic Violence, and we just joined PANO, which is kind of new. I don’t really belong to any organizations in my field. The organizations do a good job managing services, but they don’t do a lot for administrators. You know, PCAV sometimes has a meeting about grant management and we might get together if there is a major change to the grant application or the RFP, but really they don’t. They don’t, as far as like administrative support – they don’t have that.

B: You’re on your own.

I: Yeah.

B: I am going to stop this here...

SEMI-STRUCTURED INTERVIEW: CASE #105

Monday, 15 December 2008, 12:00 p.m.

Interviewee's Office

B: Bobbi Watt Geer

I: Interviewee

B: So if you could tell me, why or why not, you have adopted specific accountability mechanisms, and I am going to take a few of them specifically from the survey (I: OK) and go through them one by one. And tell me as many reasons, maybe just not one reason that comes immediately to your mind, why you do that here at your organization. So, first we'll take a pretty easy one, filing your 990.

I: Well, that's a requirement through the IRS, so we obviously have to do that so that, ah, we pay attention to that very, very closely. Plus, there are new filing requirements that are coming out as well that are more, ah, I would say, demanding. In fact, I would say that in looking at the new 990, it's almost as if they are going to be able to do a desk audit from the information that we provide. And then, looking at it internally, there's a whole new section on healthcare which primarily, you know, falters into hospitals. Knowing how the system works, that will come down to, ah, long term care, so we are preparing ourselves for that. I think our first filing under the new 990 is coming this year.

B: Ok. Any other reasons that come to mind?

I: No.

B: Ok, how about your financial audit?

I: In what regards? Why...

B: Why do you choose to...

I: Well, there is a requirement obviously that we have to do that but ah, you know the other side of that is transparency. Ah, we want to be able to go back to the general public and say to potential donors, you know, here's (agency's) financials, we have been good stewards of what we told you we would be doing in our mission. These are areas of strength; these are areas of weakness that we have, and these are areas possibly that you could help us. So, we would be able to, you know, show that through our financial statements and our audit.

B: Ok. How about conflict of interest policies? You have adopted them here. Why did you choose to do that?

I: Well, uh, again, another transparency issue with, uh, the organization. We, uh, make sure that, uh, uh, even with board members that they sign a conflict of interest statement that says,

you know, they can participate when we have to go out and get bids for certain facets of the business that we have here. So, for instance, if we have a general contractor that could provide us services, we would accept a bid from them, but we would also have to accept a bid from other, other organizations as well, and uh, that's the reason we do that. So again, we can go back to the public and say you know, we are operating the way we should be—another transparency issue.

B: In terms of outcomes evaluations for those programs and services you offer here at your organization, why do you choose to evaluate what it is that you are doing here?

I: Well, to me, that's pretty easy because we want to find out where we rank and what our strengths and weaknesses are and where we need to spend or invest other time or possibly, uh, drop a program if it is not efficient. We constantly, I mean monthly statements, annual statements, ah, volunteers that come into (our agency). We recently, uh, dispelled the volunteer network in the organization because it wasn't being sufficient in what they had to do. We rolled that into our administration committee so there's no volunteer network committee anymore. So, it's a matter of constantly evaluating. There's not a lot of margins in this business, so we have to be very, very careful all of the time.

B: So, both from a point of view of service provision, whether it's a strong service. Particularly, I am hearing you say from a business perspective as well...

I: Absolutely.

B: Ok. Ah, I believe that you do hold some type of other accreditation here at the agency, and why did you pursue that? What value do you see in being accredited by another agency?

I: Ok. Well, (agency) when I arrived here was JCHACO accredited, which is primarily the hospital accreditation, and we, um, decided not to renew that accreditation for the uh, reason of uh, going forth and getting the AAHSA accreditation, American Association of Homes & Services for the Aging. And there's also an accreditation we called CARF and CTAC and that was more generally known among long term care providers and people who were seeking ah, retirement communities that have that accreditation. So, uh, another one is PANO; one that we want to do. Ah, we have had that on the radar for a little time, but ah, the reason why we have not pursued that presently is just a matter of time. We are working on this first accreditation through ah, AAHSA. Right now, we have been in it about a year planning and getting ready for that.

B: And what value do you see in that?

I: Well, the value, value again is another transparency. There are certain policies with regards to financials and in a certain order. On the marketing side, it is very strong for us to say to somebody we're accredited through AAHSA and what that means and that's a great place holder for people who are looking for retirement housing. And, it really kind of puts us also in a place of saying that we can check off that we have met these certain measures and that we want to make sure that we do that.

B: And so, the last mechanism I wanted to ask about is an executive compensation policy. Why do you choose to adopt that here at your organization?

I: Well, again, it all comes down to transparency. We, uh, you know, um, talk up front. There's no, uh, golden parachutes in this organization like you see in some organizations. So, it's being up front with people and uh, even the new 990s require that all of the officer's compensation be presented to the board, so uh, the executive committee with (our agency) has the ability to approve officers' compensation and then that information is now transmitted over to the board anyways. So, all of that it up front.

B: Ok. Great. And, I don't think that any of the six that we had talked about...you have adopted all of them at your organization, so the next question about why you haven't is not relevant in your case. So let me ask you this question. How important do you think these mechanisms are to your organization? When I say your organization, I mean to administration, your staff, your board, your clients, to the community you serve. How important do you think they are? Or, do you think they important?

I: Well, I think really, uh, in economic times now, I think it is very, very important from someone outside looking in, although we don't publicize the executive compensation packages, but anybody that's savvy enough can get online and see where 990s are filed and get that information there. You know, some organizations, some will bury percentages of executive compensation in various sub-organizations and what have you; we don't do any of that. So, uh, I mean I just think it is good operating policy that you do have those policies and that you follow them.

B: Ok. I would like to shift gears a little bit and ask you some questions about where you learn about best practices, accountability practices, in this organization. (I: OK). And if I can ask you to think about when you want this kind of information, what are the one or two or three, maybe, if you want to go that far, places you go when you have a question about this sort of thing?

I: Ok. Well, there's uh, basically three resources. We first start with the national association, AAHSA, for long-term care. Uh, the second would be our state association, which is PANPHA, and then the third is that we have established a business alliance with 12 other long-term care organizations called the Faith Based Network, so um, what we do is that we will pose questions via email in regards to certain aspects of operations...what are you doing? How are you handling this? And, an example of how this all came about in regards to uh, working in a better business model was years ago insurance for general liability and public liability was very, very expensive. Uh, so a group of us came together and formed our own captive domiciled down in South Carolina. We have about \$5 million in reserve right now, uh, it's now rated one of the cleanest captives in South Carolina. So that was one of the examples. The other was looking with this group again, because some of us uh, don't have a thousand employees and that's about the cutoff you can get a different type of rating or accreditation for health benefits. So what we did was is that we approached Highmark and said we have 12 organizations would you come in, would you consider us as a group. They didn't consider us a group, but what they did was recognize our size. As a result of that we started putting together programs that pulled together employees and did health screenings on an annual basis and we involved them in wellness

programming. Then, maybe there's some way we can drive better results for health benefits. And, we did do that. In fact, (our agency) went from back in 2002, a 42% increase to rate holds now in actually in 06, we had a 7% reduction.

B: That's fabulous.

I: Yeah, it is. Yeah, I mean, it is kind of a neat story. We are also, our wellness program for employees is rated in the top five percent in Pennsylvania, and that comes directly from Dr. Melani.

B: Ok. And so this is all through the Faith Based Network. They are all working towards these same outcomes?

I: Right.

B: Ok. Um, so those are the top three that you get information from? (I: Right). Likewise, and part of this may come back to the Faith Based Network, likewise, who do you share information, once you learn, who do you share information with locally?

I: Well, ah, you mean outside long-term care providers?

B: It is not exclusive to long-term care providers. So, yes it could be within your industry or outside.

I: I would say, well, we again, we report any of the successes we have back to both of the associations. So, it's known nationally and statewide what happens. We share it with residents what is going on through our annual report that we put out, our annual audit. And, uh, to let them know what is happening with employees, we communicate to the employees what is happening as well for their continued buy in and support. And to donors. You know, I think one of the compelling stories is with health and wellness. And anyone who is in business or who has operated a business and knows what healthcare costs can understand what we have achieved. They are very intrigued by that.

B: That certainly...Ok, again, I want to shift into another set of questions. And these deal with...forgive me if these sound rather obvious, but this protocol was actually developed before the economic crisis really kicked into high gear. So, I want to ask a few questions about the organizational environment that your organization is now situated within. Would you characterize it as one with low, medium or high level of competition for financial and human resources? So, would you say it's low, medium or high, and then we will look at it for financial and human resources.

I: And are you talking about our industry?

B: Just your organization. You can speak just on behalf of your organization.

I: Ok, let me make sure I understand the question again.

B: So, what I am asking is do you think that the circumstances in your organization right now...do you feel like you have to compete at a low, medium or high level for financial and for human resources?

I: High.

B: And can you speak a little bit to why you say, "High?"

I: Well, the reason I say high is that we know what is happening with reimbursement. So, uh, we have to look at raising dollars to kind of offset some of those expenses. The human capital side, uh, we want, we want to attract the best at (our agency), and we have put in some mechanisms to do that. So, um, you know the human capital side is very, very important. Nurses are retiring. Uh, we have to recruit people to come into this field, so we pay for education to advance people from a nursing assistant to an LPN to a RN. We do that, uh, so it's uh, all of that is very, very high for us.

B: In terms of financial resources, how do you, you know, how would you characterize, you know that obviously falls into high because of reimbursement streams. But, how do you compete for financial resources? How would you characterize that in this organization?

I: Ok. Well, obviously through any grants that we write. That would be a way that we would compete and try to get the attention of people. Uh, bringing uh, the right people on our board that have connections uh, for (the agency) that we can present our mission, uh would be another way to compete for financial resources. And then really, marketing this organization, uh, we are blessed with more private pay individuals than not, so that's really kind of unheard of so that's how we compete.

B: Do you think overall, and we have talked specifically about financial resources and human resources, but just in general, do you find that the environment is one of low, medium or high uncertainty from day to day about what you are faced with. If you had to think about the current circumstances right now in this organization, do you think that the level of uncertainty is low, medium or high?

I: I would say, uh, from...our perspective or from somebody else?

B: Your perspective.

I: Ok. It's high.

B: And, can you comment about that?

I: Again, it's just not knowing where some of the resources are going to be coming from on the state and federal level. And, where they are going to be moving monies.

B: Ok. This next question follows in line with this about the elements in the political, economic and social climate that threaten your organization's ability to continue its work. Now, I would assume again, part of your answer would come back to state and federal money, but are there other elements, other sources at work in the political, economic or social climate that threaten your ability to achieve your mission here?

I: Well, I think right now, outside what federal and state funding is, is the ability to raise dollars. Uh, we are in the process of launching a campaign, and we know we are going to have to shift our thinking more to possibly estate giving rather than individual gifts.

B: So, I just want to clarify...private giving?

I: Yes, private giving. Right. Yep.

B: I was making that note, and I thought I better clarify that! Ok, if you think about some of these accountability mechanisms that we talked about today and that you answered on the survey, how widespread do you think they are in the nonprofit sector overall? Now we are going far beyond the walls of your organization and thinking about all kinds of human service organizations. How widespread would you characterize it—as low, medium or high?

I: Well, I would think medium, but I would hope it would be high.

B: Ok. And why would you say medium?

I: Well, I have been in the presence of other organizations and other leaders and kind of know where they are with their systems if you will. And um, I can tell when an organization doesn't have a clear strategic direction that they are just kind of operating day-to-day and how they are recruiting some of their board members.

B: So, experience tells you that it is likely medium, but idealistically...

I: Yeah, I want it to be high.

B: Who is your top, if you look at funding source, what is your top funding source in this organization?

I: It's individuals.

B: But, in terms of, let me turn that around a little bit. Actually, that may be the answer. It's not Medicaid or Medicare?

I: Oh, yeah, ok. It's ah, Medicare and Medicaid.

B: Ok, and in thinking about these top funding sources, how do they, what impact would characterize that they have on your management practices. How much of that do you think they have a high level of impact on...?

I: Very high level. Yeah, cause what happens is “no money, no mission” and uh, we have to look at staffing levels, other programs that we are going to launch, uh, we look for every efficiency that we can. The big thing is electronic charting now, those types of things. Uh, technology is going to play a huge factor moving forward. We are seeing new things that are coming out that will reduce falls and those kinds of things. That’s where they want uh, dollars to go towards, technology. It’s one of the big ones.

B: So that will be impacting your practice in a lot of ways to come?

I: Absolutely.

B: Ok. I have actually asked you these last two questions as parts of other questions, so that about wraps up the list here.

SEMI-STRUCTURED INTERVIEW: CASE #110

Thursday, 22 January 2009, 9:00 am

Interviewee's Office

B: Bobbi Watt Geer

I: Interviewee

B: Ok, the first thing I'd like to do is take a small subset of the, uh, practices that were mentioned on the mailed survey and ask you if you could just respond to why you adopt them here at your agency, or why you don't.

I: Ok.

B: And if you could give as many reasons as you could think of, uh, sort of brainstorm. (I: Ok.) The first one is fairly easy, uh, filing the IRS 990 – why do you do that in your organization?

I: Well, it's a legal requirement to maintain our 501c3 certification, to show responsibility as far as managing our money, and of course we want to make sure we are following all of the federal laws. That's the big reason. It lets our funders know what we're spending on fundraising and administration, versus what we're spending on programs.

B: Uh-huh, ok. How about your financial audit...and do you do a full audit here, do you do a review?

I: We do a full audit. (B: Uh-huh.) That is done for a few reasons. First, some of our funders like us to do the full audit – they like us to have that (B: Uh-huh.), but I think for us, more importantly as an agency, its assurance, its a piece of mind that we can look at and say, you know, how's the money going, do we have everything in place that we need to have in place, what are the recommendations of the auditor. To make sure that we're trying to keep up with best practices, you know, what do they see as weaknesses in our handling of money... those sorts of things.

B: Ok. Conflict of interest policies, do you have one is your agency?

I: Yes we do.

B: And why have you adopted that?

I: Its there to protect the interest of the mission solely based on, you know, if someone is working for another agency, has a family member directly involved, we don't want them making any decisions, uh, that are biased because of their relationships. So, you know, its an objective

qualifier for us, so that we can make sure that we're actually making the program run to benefit our clients, and not to benefit the interest of a board member or our staff... that sort of thing.

B: Ok, I'm not sure the degree to which you conduct program evaluation or outcomes evaluation for the services you provide here. Could you comment on why or why not you do that or the extent to which you do that here.

I: Uh, we do that through a couple mechanisms. The biggest of which is probably feedback from the residents on surveys and through house meetings. (B: Uh-huh.) We do that because, number one the population we have is somewhat changing and – an – and the needs are different from each person coming in, and we want to make sure that we are providing the best possible supports when they come in. We also want to make sure that we're current and that we're not wasting time doing 'A' when they could benefit more from doing 'B'. (B: Uh-huh.) And so that's really why we evaluate what's going on. Its also a good tool just to see, uh, th-the mission itself, what our weaknesses are and...

B: ..really a mission evaluation tool. (I: Yes.) Ok. I don't believe, and I could be wrong about this-I reviewed your-your survey, that you hold any outside accreditations for the agency. (I: Correct.) And have you thought about doing that? Or what's the-the reasons why or why not?

I: (Short laugh) We actually have thought about doing it. We've talked about going through, uh, the-the PANO certification process. And, um, hesitant for a few reasons. One is the-the commitment. Uh, some of our board members have been a little, uh, don't know if we want to commit to that long of a process. Um, more so I think it is, being that we're such a small agency, the way that we handle things is a little different than what they may require. I think there's an apprehensiveness (B: Uh-huh.) there because of that. Um, a lot of our stuff is handled by an accountant, so you know, we take money in, we deal with it – and then it goes there, and then that's our division of, uh, control. (B: Uh-huh.) That's our checks and balances. And, uh, its-even with our audits we have that issue where we come up and we say, you know, they'd like to see us do more, but they know with the small staff there's only two people that are here that are dealing with it, so, you know, that's where the apprehensiveness comes from. (B: Uh-huh.) You know, we've probably talked about it three times now, so our board is, you know we tip-toe into things sometimes (B: Uh-huh.) and I think our board is headed in that direction.

B: Ok, and one other mechanism I wanted to ask you about in this section is, uh, compensation policy that relates to the agency director. Do you have a written policy that relates?

I: At this time we don't.

B: And why not?

I: Why not...hmm. I don't think that with what's being paid, I don't think they're worried about it being too exorbitant versus...(slightly laughing) I – I don't think it has been an issue yet. (B: Uh-huh.) Later on down the road if the mission financially is doing better, and-and when there's more money in the pot, I'm sure it will come about.

B: Ok. And, um, when I—I don't mean like why or why not - to (I: Sure.) to be saying any value judgment there (I: Oh, I'm not worried.) Ok. Ok, great. The second section that I want to move into is, um, is about the learning and some other questions here (I: Sure.) and I'm interested to know how important the mechanisms like the ones we just talked about, like the ones that were on the survey are to you and your organization. When I say to your organization, mostly your board and your volunteers, because I believe you are pretty small staffed, so.

I: Right. Um, well its important to me personally because it helps to make sure that there is a procedure in place, that I know I can follow that I know this is how we handle 'X' so that as long as I'm following the policies and procedures it is less likely that something is going to backfire or - or you know, hey, where did this go, (B: Uh-huh.) what happened to this money, and what happened to - you know, why was this decision made. Its important to the agency and to those involved for the same reason. It protects us from, you know, me running off with tons of money. It protects us from someone squandering or taking something that isn't theirs that was designed for the program, you know, It's checks and balances, really is what it boils down to, so that we can say we know how much money typically comes in and we can match it with, you know, receipts that actually did come in. You know, we have someone opening the mail looking at it and recording it, and we can match that with what the accounts to, you know, it allows for the flow through in a calm, easy fashion. That doesn't let us say, now, oh my goodness, what do we do with this every time something comes in (B: Uh-huh.) or we get thrown a curveball. (B: Uh-huh.) There's always a policy to go back to (B: Uh-huh.) and we can say "How does this fit in with what we have established?"

B: And so you said, you said that's important to you; how do you characterize your board as, you know, do they think about these things? Do they talk about them in board meetings?

I: We actually do talk about policy and procedures. It's been very active in that regard for the last three years, um, we had some - some issues come up with the audit that-that the auditor said, "Hey, you really should have these policies" and we didn't have them, so we said, "Ok - now we have got to take a hard look at what's going on here." The mission's changed a lot too, here. I mean, it used to be one staff person that ran everything (B: Uh-huh.) you know, and now that we have grown to a staff of seven and there can be that distribution in responsibility and you have to have these things in place, and -um, so they've really been looking at that and reviewing them yearly now and keeping up with, seeing the times are changing. Even locally, people are taking money or sloughing off the top. The board has become more attuned to these issues (B: Uh-huh.) that they are there. And I think that's made a difference to them, to say, hey, these things are in place, but not only that, we want to make sure these things are being enforced. You know, it's nice to have something written on paper, but if you're not following it, we aren't getting anywhere. So, they're working with me, especially in committees to make sure, "Hey, are you really following this. Do we need to tweak in any way, you know, how can we make it more efficient and more effective than what we're doing.

B: And do you think that this is, in terms of accountability, a lot of times people go immediately - and it's a huge part of it- go to the financial accountability. Do you think that you and your board view it more broadly to encompass issues of program services and mission and - and the other aspects?

I: It's not simply financial, yeah, its all encompassing. I mean, we review all the – every policy and procedure we have gets reviewed once a year, some are-are biennially. Its – it's the review is as simple as quick as, "Do we have any trouble with this?" (B: Uh-huh.) Some of the policies are, "Well, we haven't used this in a while, let's make sure it's fresh and up to date." And, uh, its important to us, again, because all those policies are there not just have them on paper, they're there for us to practice and to make sure the mission itself is smooth. (B: Uh-huh.) It's running, its-it's a viable and its accountable, not just to you know, the finances, but you know, to the residents... that its accountable to the staff - the staff are accountable to the mission. It makes things connect (B: Uh-huh.). That's why it's important.

B: From what sources do you learn about best practices, accountability? Can you name, maybe your top two or three? (I: -whispering- "top two or three")

I: Ok, we've done a lot with going to some of the seminars put on by the United Way and the Community Foundation where they had PANO representatives and auditors come in and talk about changes to the 990. We learn a lot from our auditor and our accountant, um, one of the retired members from the accounting firm is actually on our board, and so he helps to make sure that we're up to date, uh, with all the legal requirements, especially in the financial, uh, field, and best practices for the other things comes in from the expertise of the board. (B: Uh-huh.) So, I mean, we have board members who have been dealing in social service agencies for many years, uh, or in businesses, uh, they've been around the block, so to speak (B: Uh-huh.) and uh, they know what's going on and they're able to bring their ideas to the table and from that we can say, "Ok, this is what's going to fit, and that it also meets what's really going on out in the market" so to speak.

B: Uh-hum, so I've heard you list off probably about five...

I: Yeah, there's a list. If I had to number two (B: One or two...you know, top couple.) I would say probably board members and the events that are put on...

B: ...local educational seminars...

I: Right.

B: Ok. So taking that a step further, you learn the information from those groups, do you share – do you share that information with others in the community or in the circle that you move in?

I: Not really. Um, sometimes, we've, like we've worked with Welcome Home or other shelters and sometimes they've had a question about a policy or as we're looking at a new policy, we'll call around to see what everyone else has and come up with something similar. If they don't have one, once we've worked on developing one we'll send back out so that they and see what we've done. But not normally, at least personally. What the board members are taking to their other agencies, I don't know, but personally, no.

B: Ok. Well the third set of questions, and I'll sort of frame this, I've put this sort of protocol together before we really sort of blew up with the whole economic situation, so if some of the questions seem painfully obvious, (I: laughs) you'll know that it goes back several months that I've been working on this. I'm curious to know a few things about the environment that you're trying to operate your organization in, so the first question is: Would you characterize the environment as one with low, medium or high competition for financial resources? Do you feel like the level of competition for financing is low, medium, or high?

I: It's-it's medium...(mumbling: do I gotta elaborate?)

B: ...and can you say a little bit about why medium?

I: Here's why. You know, we-we're the only shelter service in Westmoreland County for men, we're competing with, uh, women and families, we're competing with other housing programs, uh, for- for those types of dollars, and, uh, typically, people tend to favor females and children over men, so that makes it difficult. Also, Westmoreland County is a social service rich area, and so we're competing with those same agencies for those same dollars. We also have other agencies coming into the county doing the same – you know, like sim – like so, agencies from Pittsburgh are fundraising and soliciting in Westmoreland County. Shelters from Washington County are coming in and soliciting in Westmoreland County. And so we really have to make sure we're hitting those sources and saying, "We're here." And getting our presence known is of the utmost importance first, then building on those relationships is secondary, so that we can maintain that funding stream. So, at times it can present itself as-as medium and difficult.

B: Uh-hum, but since you have a relative unique service in the county, that keeps it from being high? Is that a fair...

I: Yes, that's a fair assessment.

B: I have the same question then, with regard to human resources. Would you characterize your situation here as one of low, medium, or high competition in attracting human resources, and let me clarify that, it can be you know, staff, volunteers, or board members. Do you feel like you really have to compete to attract those individuals to your organization?

I: It a - That has changed over the last two years, um, so I'm gonna have to probably say that's probably also in the medium. (B: Ok) It's something that we've looked at, uh, at one time our staff were paid minimum wage or just above minimum wage, and, uh, it made it hard to attract qualified people, so we've really reevaluated that over these past couple years and we've, made strides to increase that, um, that has increased staff longevity and staff commitment to the organization, and has allowed us to get those types of people. As far as board members are concerned, being that the mission is unique, it does have a tendency to pull people, but our board is a very active board, and that makes it hard because we place that – it's know that if you come on this board we expect 'this' from you, and that does turn away people, but we need that as a small agency to keep things viable for us. We need the board members to take the active role. Volunteers are very difficult for us, not because people don't want to help. We're still fighting with getting people to know we're here and make that awareness known, and, uh, from that we

can derive volunteers. Having things in place for the volunteers is something we've been working on, too, so we actually just started working on a volunteer training program and getting policies and procedures in place for them and-and different positions, as they so would call, rather than just, you know, coming in and here's what we're going to have you doing today. (B: Yeah) So we were trying to grow that over these last couple years, and so that's why I put it at the medium.

B: Ok. Uh, coming back to, uh, financial, competing for financial resources just for a moment (I: Sure) Uh, can you talk a little bit about how you - you had mentioned competing to a certain extent with other social service agencies in the community, uh, and perhaps at times the other shelters that provide services for women and children – how do you compete? You know, how do you – how do you manage that with trying to get the financial resources that you need?

I: You know, the mission, in and of itself, has a relatively small budget for what we accomplish. That's normally a very good selling point, that we're able to stretch the dollars that you do give us very far, uh, because it is a unique service and just men, we also talk about the differences between men and females – and normally they're very similar, but the stereotype that society places on men, so we use that as a selling point too it's not what you see on TV, it's not what you hear about. Also, what we do as an agency is very unique, it's really not just a shelter, it's a full service for the men that come here to help them change and to grow. So, when people hear that we're doing case management, we're doing counseling, we're doing life skills training, we're doing, you know, reach-around, we're doing spiritual development, we're helping them with job training and education, it starts to say, oh wow, they're doing more than just giving them three hots and a cot, and all of a sudden they realize their dollar is going even further than they thought it was. (B: Uh-huh.) So, that's a really good selling point for us, and that's what allows us to compete, because we're able to say, "Ok yeah, Shelter X is doing this and, you know, 10% of that is going here and 5 percent- but most of your money is coming – is going as a direct service to the- to the clients."

B: Uh-huh. A lot of value properties. (I: Yes.) Yes. If you could comment again, sort of another low, medium, high question about the overall organizational environment. Do you think that right now, at this point in time, your environment is one of low, medium, or high uncertainty? And let me try to put some framing around that in terms of when I say uncertainty, in terms of your organization's ability to carry out its mission and sustain its finances, to sustain the resources needed to pull it all together. (I: Low, medium...) Low, medium, or high level of uncertainty. (I: of uncertainty.)

I: Um, at this point I would say low level of uncertainty because I- we're here, we've been here twenty years, we've shown that we can make it. We've had some very low points. Uh, we've had points where, you know, when we were very close to having to close our doors. Over the past four years I believe we've made a huge effort to turn that around and get some financial – hit solid ground so to speak. (B: Uh-hum.) The difficult thing is we do start every year with a budget that's in the hole, um, so, as long as we can acquire now streams of funding and new funding sources, we're gonna be ok. Um, the concern now is with the economy, with the way it is, if we're going to be able to maintain doing that. But over the last few years we have, we've made that our goal to grow that resource, um now we're actually focusing on an endowment.

We've got enough money together that we're trying to kick off a \$2 million endowment campaign. And, uh, we should be able to start that with a hefty sum of money to get that kicked off and started rolling, (B: Uh-huh.) so we're excited about that and therefore I'm not really worried about, you know, three months from now, if we're gonna be closing our doors. I think we're here to stay.

B: Ok. In this next question, I think you've kind of touched on your answer already, but I'll ask it just to make sure we-we've covered everything, are there elements in the current political, economic, or social climate that threaten your organization's ability to continue its mission?

I: Yeah, I mean, we have a changed administration right now, so we don't know what that's going to bring to the mission, as far as especially financial planning, um, the economy itself is not doing so well. So the money we have invested – some of it has maintained, which is nice; some of it we've lost money on what has been invested, but it's a long haul thing – we're in it for the long haul. Yeah, the other concern is that you have some more local, uh, governmental things going on, and uh, you know, Rendell wants to do a new plan where he's going to cut money from emergency shelters to fund another project of his, so that's of concern. If that goes through, uh, you know, that's money that – not that we're banking on, but its been consistent for us over the years (B: Uh-hum) and if that money dips, then of course that makes us have to reach out more to acquire whatever the dip is, so you know, it's every year, you never know what you're going to have. (B: Uh-hum). You just have to keep attuned to it. We do- we do try to make sure that we're having an ear turned to what's going on out there so we can accommodate or acclimate to that change.

B: Uh-hum. Ok. Now your - you spoke about this a little bit – your major funding sources here...government funding?

I: Actually, uh, as of 2009, our major funding source is United Way. They actually stepped up for us. They're number one, followed by government funds. They're very close.

B: And so what accountability mechanisms are required by your major funders?

I: Uh, they require an audit, they require a program evaluation, um, that's not just, you know, its qualitative, as well as, uh, quantitative. They want to see results. They just don't want us to say, "Well, we think we're gonna be able to do this." Um, they want us to prove that. Um, we actually have to do a separate audit for the one grant that we get from the government, so they require a special audit, not just our normal thing. The United Way also expects that we are going to do everything in our power to make sure we're following all of the best practices. They want to see conflict of interest policies in place to protect the money that they have given to the agency, and they follow through with that pretty well here.

B: Ok, do you think, now, we've talked specifically about your organization for a while, but I want to ask a broader question (I: Sure.) based on, you know, your work in this job and this community for a while, and in the sector for a while, do you think that the level – can you comment on how widespread do you think the adoption of accountability mechanisms might be

in other non-profit organizations in this community and the broader. (I: Uh, I...) You can go low, medium, or high again.

I: I would say it's somewhere between low and medium. The reason I say that is because, uh, I think people are becoming more aware that they need these practices in place. Some people aren't quite yet aware how to- you know, where to turn or how they can get these practices or see models and understand, uh, but with all the this- you know, you go back to Enron and, you know, locally we had Lynn Achers, and people's minds say, "Its nice to have a level of trust in who you're working with, but you also have to have policies in place to protect your organization, especially in the social services field when you're starting up or you're in your infancy stages, you know, the first couple years, everything's fragile," so if someone absconds with money or they do something that's of detriment to the agency, you lose and game over. (B: Uh-hum.) So that valuable service that you were trying to provide, you can no longer do. And so I think that people are becoming more aware as the media is kind of hitting on it a lot too, that , hey – I should have something in place. Up until now, I think social service agencies kind of had this, uh, kind of protective mindset that, "We're shielded from that" and "Those kinds of people don't work in this field – their heart is in it." (B: Yeah – they're busy doing good work.) Yeah, so I think that now we're putting two and two together it's growing, but I think its still somewhere between low and medium.

B: Ok. My last question for you, uh, is just, should've been grouped together with the ones about learning, do you belong to any type of non-profit industry groups, or do you have membership in any other agencies that you might get information from?

I: We get some information from, oh geez, I can't remember the name of it, we subscribe to, um, almost like a magazine that comes quarterly and it talks about some of the changes that are going on in financial, normally they focus on financial – financial best practices, so we get that. We also belong to a management counsel group in Pittsburgh, and they send us periodic information about, uh, some of the changes that are going on. The rest is just relationships with other non-profits, the Coalition on Housing for us normally is an area where the agencies are coming together and talking about did you hear about such and such, or did you hear...(B: Uh-huh.) So we get a lot of information there as well, and um, just going to those educational seminars held by various agencies, um.

B: Alright. That's actually the end of the questions...

SEMI-STRUCTURED INTERVIEW: CASE #115

Thursday, 12 February 2009, 9:00 a.m.

Interviewee's Office

B: Bobbi Watt Geer

I: Interviewee

B: So what I what to do is take a small group of practices that were on the survey, and you don't need to remember anything about the survey to answer the questions. First rule. (I: Ok. - laughing-). And ask you to reflect on the reasons why you do it, or why you don't do it here at your agency. And you don't need to limit your answers to just one reason. So, do you file a 990?

I: Yes, we do.

B: And why do you do that.

I: Because its required by the law and we have a very good accountant who works with us. (I: - laughing-)

B: Uh-huh. And again, if there are any other reasons, you can just kind of - like a laundry list of reasons.

I: Well, sometimes we have to provide that to the funders. Not all funders request that, some just want a financial statement.

B: Uh-hum. Along the same lines, uh, a financial audit... Now, do you do a review, are you small enough that you don't have to do a full audit? Or the do you do the whole audit here?

I: We do not do a full audit. We do a - our accountant does a financial statement yearly for us.

B: And why do you do that?

I: Just accountability. Accountability and our funders. Yeah. (B: Ok.) I don't even know if that's required by law.

B: Uh, in Pennsylvania, given the size of your organization, I think just a review is all that is required. (I: Uh-hum).Which is probably why your accountant does it. (I: Uh-hum)

I: When we received state money many years ago, there was an audit required every so often (B: Uh-hum) I do remember hearing that. Um, but we don't receive any state money anymore. (I: -

laughing-)

B: So, do you have a conflict of interest policy for your board of directors?

I: We do, yes.

B: And so why do you have that?

I: Because our board of director's president is an attorney, and when she came on board as president, that was one of the things that was required.

B: Ok. So it was through her recommendation?

I: Yes, her recommendation. Being her position in her job, she is also our ethics monitor, so we- I think you're going to find us pretty squeaky clean (I:-laughing-)

B: Good to have that kind of leadership on board. (I: Uh-hum) What about program evaluation of the services that you offer? Do you do that? To what extent do you do that? Why do you do it?

I: It used to be they had this throughout the state, they used to call them CAPE, (B: Yeah) meaning Consumer Advocacy Program Evaluation, ok, and we- did have one done - it was done by Bayer, um, I think that was right before you started, right?

I2: Yeah, probably three and a half years ago.

I: Do you know (person's name)?

B: Yes. So that's something that's generated through the-the state?

I & I2: No-no. It had been, that was back then. Even when we weren't dealing with the state, we felt that we should still have evaluations, for funders and accountability.

I2: Uh-hum.

B: I'm guessing that, given the size of your organization, you're not accredited by any kind of outside body? Like a, um...I'm not sure in your industry - for instance, PANO has an - an accreditation program for non-profits. Some industries, like the health care industry, have the Joint Commission, the JCAHO accreditation.

I: No, we don't have anything like that.

B: So, again, if you could comment on why or why not?

I: I don't think its ever come up, to be honest with you.

B: Ok, ok. And the last question in this section is going to sound almost a little silly given the

size of your organization, but because I'm asking it of all, I need to ask you also. You don't have an - an executive compensation policy, or a compensation policy with regard to the part-time staff here, do you?

I: You mean for bonuses?

B: Like, "This is how we pay our staff." You know, a concrete policy that says, "Here is how we pay our staff. Here is how we decide to pay our staff. (I: Oh) Here are the reasons or rationale behind that."

I: Um, we're part-time and it's - its pretty well established when we're hired, and then in increments that we do have a personnel committee that kind of reviews us and then gives us an increase.

B: But there's really no formal policy around all of that...

I: No. We're really conservative.

I2: We have a personnel policy, but that talks more about vacation time. And um... I know where they determine the salary. That's where, remember, I was confused, because we were doing two surveys at once. What was that survey through? Wasn't it the Bayer... they did a nonprofit...

B: Yeah, Bayer.

I: And our salaries were based on - they did a non-profit study...

B: The Bayer Center Study. Uh- hum. (I: Uh-hum) Yeah. Great. And again, my questions aren't in any way judging what you have or don't have implemented here. We're really looking at the reasons why, and a lot of that has to do with the size of the organization. Um, when you think about some of the things I just asked you about, and you know, conflict of interest policies, and program evaluation are the kind of things you do, so when you think about accountability, can you comment on how important you think those things are to you as the staff, and to your board members? Do you think these are things that you think about? That your board thinks about? You know, how important would you say that they are?

I: I would say that they are important.

I2: I think they're important too. Especially, in, I mean, we often say that we're ethical. If we weren't, there would be issues. So I think very important. (I: Uh-hum).

B: And what about with your board, specifically?

I: Oh, don't even....

I2: If you would come to a meeting, I mean, they are so ethical. Sometimes even to the point that we're like, "Huh?!?" (I & I2: -laughing-) You know, they worry about everything. (B: Uh-

hum). I mean, transporting, alcohol at events, I mean everything. (B: Ok) They have pretty high standards.

B: I'd like to ask you, again, thinking of the kinds of practices and issues of running this organization, where do you learn about this stuff? Where do you turn when you have a question?

I: I go to (name of the board president, an attorney). (B, I, & I2: -laughing-)

B: Fair enough. And where does (name of the board president) go?

I: Our board... Luckily, um, uh, our president is on one of the larger boards, through the women's shelter. (B: Ok) And she has implemented several things she has learned from that organization. And she has been involved with that organization for at least 20-30 years. Um, and she works for a company where she continually has to do the ethics preparation. So, we rely on her quite a bit.

I2: And our accountant. I mean, if we have questions about anything we call (name of accountant). She's really always available to us. (B: Uh-hum) And, um, and always willing to check on something if she's not quite sure what we should do. That sort of thing, you know. And we've had, um, this is before (name of I)'s time, but I mean we used to have people come in to do board evaluations or board development seminars, that sort of thing. And we've had a board and staff retreat to sort of- various different training sessions. Yes, we've had a lot of that.

B: So I guess turning that around, are there any people or organizations who, when you have this information, do you share it with other people? Are there...

I: We belong to WAVA, but I can't say that we're really good. We have had to miss a lot. (B: Uh-hum) Are you familiar with WAVA?

B: Uh-hum.

I: So we, I mean, we've been to several of those (I2: yeah) and, um, when you say share with other people what...

B: I guess what I...for example, if you got information from other people about a particular practice, would you share that with your board? Do you share that with your colleagues?

I: Oh, yeah, definitely! We are pretty well- Our board we don't move forward with much without their approval. I mean, I'm accountable- I do a report every month. (B: Uh-hum) You know, with what we do, so I think they would be pretty involved.

B: Yeah, but that might also include other non-profit organizations in the community.

I: Oh yeah. We work closely with the rotary. Like, Mother Teresa Outreach. I guess if there was something that I found out that I thought was worth passing on, I sure would.

B: Ok. This one set of questions sort of refer to the overall environment, kind of the world that

we're living in right now. Please keep in mind that this protocol was put together before the current political and economic situation has risen to the degree, or I guess fallen to the degree they have. So these questions are just about how it is to run your organization in this world we are living in right now. So, the first question is: Would say that the environment you are currently operating in is one with low, medium, or high level of competition for financial resources?

I: I would say high.

I2: I would say high too.

B: And if you could just comment, you know, why high?

I: Well, especially in what we do, there are very few funders who are specific to, um, serving the needs of people with developmental disabilities. So, the people who are in this, like the ARC of Westmoreland and ACHIEVA, you know, all of the other organizations that serve the same population that we serve, we look to the same funders. So its very competitive.

I2: Uh-hum.

B: Um, and so how do you compete then? What do you do to manage in a highly competitive...

I: We do a good job! (I and I2: -laughing-) I don't mean to brag, but we-we are aware that our funding is increasing and for others it is decreasing. (B: Uh-hum) So that's....

I2: And that's from the major funder- our major funder. (B: Uh-hum) We've increased our grant awards, and other organizations have been decreased by the same funders.

B: And why do you think that is? Because you've done a good job?

I: Yeah. We-we are increasing the number of people that we serve, (B: Uh-hum) and that's evident.

B: So you're able to demonstrate it...

I: Yeah. Not trying to brag, but...

B: No, go right ahead!

I: See, in the past three years, since (name of I2) has come on board, the program has grown tremendously. We've reached many more people in many more ways than we ever used to. And because of the needs, and you know, we have expanded. Basically, we've almost expanded our mission, at some levels. We really haven't, you know, we provide support, but we don't just look to one- we don't just look to make one match. (B: Uh-hum) You know, per month. We're trying to build as many supports as we can in the schools. You know, this morning I was already on a conference call about transition, you know, going into the workplace, so (B: Uh-hum) we

see what the needs are and we're trying to respond. And our funder recognizes that, I think.

I2: I do too.

B: And while, and we still have a few questions ahead, but while we're speaking of funders, do you think- would you characterize the level of accountability to your funders as low, medium, or high? Do you think they require a lot of financial documentation?

I: Yeah, Some more than others, but I would go more towards the medium to high. (I2: Right) Closer to high. (I2: Uh-hum) (B: Ok.). Yeah, and even if they don't require it, I think we as a program feel accountable to them. (B: Uh-hum).

I2: Yeah, and we have different things that are due for the different grants and so forth. (I: Uh-hum). Most require some sort of a report, but some are more extensive. (I: Uh-hum).

B: Ok. I want to come back to this idea of low, medium, and high in terms of competition for resources, but I want to switch the focus to human resources. (I: Ok.) Now would you say that the environment that you're operating in right now is one of low, medium, or high level of competition finding human resources? That is including volunteers, board members, people to help you carry out your mission.

I: Yeah, people are busier. Its...

B: So am I hearing you say higher?

I: Yeah. What would you say?

I2: Yeah, I think so.

I: I mean, I was looking at some of the matches and some, not all, but a lot, are people who weren't working, and, you know, find many people now who aren't working. (I2: Right) Like, there are a lot of stay at home moms...

B: Ok. Would you say that the environment that you are operating in is one of low, medium, or high level of uncertainty? And when I say uncertainty, I mean basically, do you worry about whether or not you can continue as an organization in the next year or two?

I: No. We're good for two years. We know we are good for two years.

B: So right now its low because your funding streams are fairly well secure.

I: Yes, but in terms of the economy, we're concerned.

B: Which actually goes in to my next question, is that are there elements in the political, economic, or social environment that you feel threatened by.

I: Yeah.

I2: Absolutely. Very, very.

B: And can you speak to that, just for a minute?

I: Well, mainly, our main funder is based- its a foundation, so if their resources are down, then we're gonna be affected. And we kind of understood that their - like, we received higher- more than we anticipated this year, but

I2: More than we asked for...

I: No, less than we asked for, but more than we anticipated. And, but we were surprised until we learned that the amounts were based on the stock or dividends from two years ago.

B: They usually use a- when I was at the foundation, we used a five year rolling average, which is supposed to take the big peaks out of funding streams. (I: Oh, ok.) So you take...We took actually 12 trailing quarters, so that's, what, (I: Three years. - laughing-) three years...thanks for doing the math. Three years of history by quarter, then you average that out, and then you multiply the 5% or whatever the foundation bases its distribution on. (I & I2: Oh. Ok.) But, what that will do is it also will keep the - it will keep it from being extremely low, but it also stretches the time that the economy impacts the foundations, since you are still dealing with twelve quarters, so it has to keep getting better, and better, and better, (I: It has to continue...) or else you are still being dragged down, by the bad quarters. (I: Uh-hum) It takes what looks like this, and sort of makes it look like this. But in an economy like this that we are in now, its going to be

I: The bad quarters...

B: They're coming.

I: When would that have – so in the funding, would this last quarter have been included in what they gave out?

B: Well depending on when your grant was awarded...

I: September...

B: Ehhh...so you're going to see the effects of that later on down the road. That was likely planned for before the economy really started to go.

I: That's what we were anticipating. That's what I said, we really need to spend some time this year focusing on excess funding. Some funding just to make sure that we're here down the road.

B: Uh-huh. Yeah. So that's the piece that is really is feeling threatening to you, because your major funding sources are foundations and they are critically impacted.

I: Yeah.

B: I just have actually two other questions for you, and this actually goes beyond your organization, I know that you've been here for quite a while, and you've been here for about three years...

I: But she's worked in the community for about ten.

B: So in the community environment you interact with other organizations, so I am curious about what your opinion, your personal opinion, is about the extent to which these best practices are adopted within the organizations you've been in contact with. Do you think it would be low, medium, or high? Or non-profits in general based on what you know from your interactions, or what you read in the newspaper, or hear, in some way, do you think that the adoption of these mechanisms would be low, medium, or high?

I: It would depend on the organization. (I2: Uh-huh) Kind of hard to generalize. (B: Uh-huh. And...) I know there's accountability with the Rotary, I know there is accountability with Mother Teresa, (I2: Uh-huh) um, I know there's accountability at the ARC, and at Clelian Heights, um, and there are boards on all of these (B: Uh-huh) organizations (B: Uh-huh) but how stringent, I don't know.

B: Ok. And my last question is just wanting to know, do you belong to any particular organizations or groups that help you do your work here? Do you hold memberships at any outside organizations that relate to your work?

I: There is that health and welfare council.

I2: And WAVA.

I: Yeah, WAVA, but honestly, WAVA has not helped us in any way. Its just a different – I don't really know what- how to describe... you know WAVA, they're mostly into getting volunteers, and because of the nature of our relationship, we can't go out and say – we can't put an ad in the paper and say (agency name) is looking for volunteers. Our volunteers come on a personal, one-to-one meeting with (name of interviewee) connecting from another advocate. We can't do it because the people we work with are just too vulnerable. (B: Uh-huh) We can't afford to do that.

I2: And, uh, so, and um- and we do- do we belong to the Citizens Advocacy? We got invited to the Citizens Advocacy...but that's not really an organization. (I: Yeah, right.) If we were talking about the state organization, that would be one thing, but that's done; that's been resolved.

B: So there used to be a state organization?

I: Yeah. We-we're connected with, um, I don't know if we belong, but we signed up and we were looking into finding new board members through – was it Duquesne?

B: Non-profit Leadership...

I: Yeah. We are connected with them and who – oh, someone came here from Boards By Design.

B: Yeah, but that's an ou-

I: But we never heard anything back!

I2: Well, we get the emails, but we haven't been –

B: You haven't been ...

I: Yeah, no one called us (I and I2: -laughing-)

B: Alright. Those are my questions...

SEMI-STRUCTURED INTERVIEW: CASE #124

Friday, 30 January 2009, 11:00 am

Interviewee's Office

B: Bobbi Watt Geer

I: Interviewee

B: So, as I mentioned, I wanted to ask you a few questions about some specific mechanisms that were included on the survey. And, if you could reflect on why you do, or why you don't do these certain things at your organization. And, if you could limit your answer to just one answer, if there are multiple reasons why you do, or don't do that particular practice (I: Alright) share them. (I: Okay) So, following your IRS 990, why do you do that here at your organization?

I: We do it because it is required, or course (B: Uh-hum) and um, we do that with the outside help, an outside group. So, we have a financial review, and our 990 is done by, um, a CPA firm.

B: Uh-hum, and so the same, in the same light there is no financial audit, why do you do that here at the agency?

I: For us it's required in our bylaws (B: Uh-hum) and we would do it for good practice, anyways, but it is a requirement in this organization to do it annually. (B: Okay) Now we do not do a full audit because of our size, so we aren't required to do a full audit, but, we do, do what is considered a financial review of the review.

B: Okay. Do you have a conflict of interest policy here for board and staff?

I: Yes, we do. They have a statement in their goal manual that it does not require that each person sign it. (B: Okay) It is presented in a board training to the members. It's a very small board and community board and, um, so, on the whole that is the way they have done that here.

B: Okay. So it's a statement, but not necessarily a formal policy that requires....

I: Oh, I'm sorry. It's a policy for the board. It's just not, in some organizations, at least the ones I associate with, it's required, but nobody is actually to sign that and submit it, they do not require that here.

B: Okay. Alright, thanks- thank you for clarifying that. So, they don't have to list the businesses that they work for and sign off and send it back?

I: No, no. (B: Okay) Most, because it's a community board, I guess that's really the main

reason and we don't have location as we operate to what has really presented itself to this board as a conflict of interest because of what we do, I guess.

B: Okay, um, do you do program evaluation or outcome evaluation for the services that you provide here?

I: Yes, we do. There are two ways, actually we do it three. We do a paid survey at least twice a year so our clients have an opportunity to tell us, um, in several areas the program itself, staff and value (B: Uh-hum) for what they feel for what they get for what they are asked to pay for the service. (B: Uh-hum) And we do, uh, a mid-year review of the staff about performance and we do an end of year review with the staff. And we also follow those two things, those two components are crafted on the standards of the National After School Association so we use the twenty-six quality standards to put those other things together and we use those twenty-six standards in staff training, as well.

B: So, I guess, just digging a little deeper on this one, that's how you do it. Why do you do outcomes evaluation?

I: We do outcomes evaluation for the program, for two reasons. One, the board members here expect us to have that information available for them, they want to measure that against the, you know, success of the organization. And we do it because it gives the staff the criteria for which to look. (B: Uh-hum) So, for now things are - you know in childcare you have very specific areas like health and safety, and environment and programming. But, in addition to that it has components of leadership and relationships, adult to child - adult to adult, so, it gives framework for everybody to work from. There are nine centers here and they're not all in this building, none of them are, (B: Uh-hum) so, it gives consistency to the staff for expectations. It gives consistency to the parents knowing whether my child goes to this center or they go to that center. This is what I can expect they will be doing, so, um, they-they have operated with those standards - this organization is twenty-one years old - they have operated under those standards all of that time.

B: Okay. I think I've noticed, um, in the lobby area that you have some accreditations (I: Yes) for the agency. (I: Right) Why do you seek those?

I: It confirms that we do it for confirmation that we are meeting those standards. The certificates that you saw are related to those National After School Association standards and we have qualified through, um, it's a visitation process. (B: Okay) Someone from that agency comes and reviews us in a lot of different areas and then, you know, if we meet their criteria we are awarded that accreditation.

B: Uh-hum, okay. Now do you have a formal executive compensation policy here at the agency?

I: Um, yes. Now we did. The answer to your question is yes in that we had a staff retention and recruitment committee two years ago and they did a formalized document that, um, states the compensation for the management of the organization and for the general staff of the

organization and it is in writing. It is the practice of this board to review on average every three years. So, (B: Uh-hum) that they stay current with those things. Compensation includes salary and benefits.

B: Uh-hum. And why have you adopted this policy. This sounds like that it's something, well, relatively new to the organization?

I: They, well they've had, um - How do I state this? They've always had things in writing about how compensation works in the agency, so it always exists here, but, it wasn't always a board policy until about 2000. (B: Uh-hum) Where they are formally in a review process in saying, you know, we have taken time as a board to look at this and we are making a decision if this will be salary or remain just compensation, I mean, they do the same thing with their staff handbook (B: Uh-hum) so that they are which - the parts that pertain to them. What they are going to do about vacation benefits and, uh, you know, personal and sick time and things like that so they are, uh, I'm probably more blessed than maybe many people you'll meet - we have a wonderful board here. (B: Uh-hum) And I've worked with boards for twenty-eight years. This group of community members is, um, connected - they are really at the top of my list (B: Uh-hum) on participation and, um, as individuals they take all of this work very seriously (B: Uh-hum) they schedule it all, but, you know, they come to their committee meetings, they come to their meetings, so they do the work of the board is my point.

B: Okay. I am going to sort of push again about they do this and they sound like they have a pretty good policy put together. What do you think is the motivation behind putting this in writing?

I: On their part? (B: Uh-hum) Oh, I can tell you specifically they want to treat the staff fairly and law. They - this group of volunteers that serve on our board have a lot of respect for the staff here. That is their key motivation. (B: Okay) When, you know, having done five years worth of meetings with them, I can say that with complete assurance to you.

B: Okay. The second section deals a little bit with, um, general - just a few general questions about learning and, um, how some of these issues are important to you in your organization. So, I'll just start with the question, uh, how important do you think, uh, accountability issues are to you as a director of this agency and also to your staff and specifically to your board?

I: The accountability on my - I'm just going to go all through all three. (B: Sure) To me accountability is important because it gets a level performance ground for everyone. So, whether it's the accountability of, you know, just coming to work or the accountability of meeting their performance goals, or it's the accountability of working well with others - that accountability is what gives us, as an organization, our credibility back to the community. So, it's very important to me and that's why we have the tools in place that we just talked about and why we did so formally. Um, to the staff, their accountability - when I - I'll put an answer to that question as well. When I hire people, I always talk about my staff in the same way - that I'm probably like everyone else who has to hire, I'm going to have some of my staff who are here because this is their job, they get a pay check at the end of the day, and I have a great many staff members - probably about fifty percent of the staff overall that are just really good workers. I mean, they

follow the rules, they are accountable for working with the policies and doing the things. And then I probably have about forty percent of the staff, who are just top notch,

(B: Uh-hum) just wonderful. And that accountability isn't something they really have to give any direct thought to. They couldn't - they wouldn't fail to be accountable because they wouldn't think of doing their job any other way than at the best level of performance,

(B: Uh-hum) so, um, that's how the staff thinks about it. Which is to say some people really don't have to think about it, they'd be accountable it no matter what. Some people meet the accountabilities and other people are careless. (B & I: laughing) We're required and this may not also be true about other groups that you might be talking with, we do have, um, staffing standards through the Department of Public Welfare because it's child care. So, we have a very wide hiring range as well in that we can hire individuals who are formally educated in this field as well as individuals who have minimum experience in this field. So, the blend in the way they think about, um, how the accountabilities apply to them. (B: Uh-hum) The board expects accountability, and this board, in the time that I have been here has, um, been persistent in their strategic plan about making sure we are always talking about our programming standards and our staffing accountabilities, and they have been hands, excuse me, hands on when it has been necessary to address that issue with staff personnel.

B: Okay. By what sources do you learn about various non-profit accountability or best practice, uh,

I: Well, I would have a group of them, so uh...

B: If you could have...

I: Usually I would say to you, in this position, um, it's my peers. So, I network, (B: Uh-hum) um, there is an extended day service that's in a nearby community and I network with that executive director and there are several child care groups here in this area - they're why we don't serve the same, uh, children in age groups. We have the same requirement to operate, so, it's good networking. (B: Uh-hum) And I value that, because you really do get a lot of good information from people with experience. My second current, um, source of help, um, in working in the not for profit in maintaining my skills for that area is I work with the Bayer Center. (B: Okay) And, uh, I attend workshops pretty regularly with them. I mean some things apply very much to me and some things that they offer don't but I do go to the (phone rings) and sometime more than that. And for the area that (phone rings) is the experience of knowing other people from non-profits and having had a lot of work experience (phone rings) we had formal training. When I worked with The Girl Scout Council here, Girl Scouts USA is just a big advocate on training in the not for profit sector and specifically for their management staff and, um, I mean, that was very formal and thorough training. (B: Uh-hum) So, peers in the industry (B: Uh-hum) and the Bayer Center were peers in the sector- and I mean, you know, there a - you know, the Pennsylvania Association for Child Care sends emails all the time. So, I mean, it's just keeping up to date with all of the newsletters that come, I guess is the way that I would state that.

B: Okay. I guess in flipping that question around a little bit and through your first answer - I think - answers are obvious, but, looking at likewise, with whom do you share information that

you learn? So you receive information. Do you share it in the community in some way?

I: Uh, yeah - in a very specific way recently, but well, with peers, of course. (B: Uh-hum) And, um, when I've gone to workshops, I've had good experiences, you know, I'll share experiences here, through staff meetings. Things that apply, in general to running the organization well I'll share with the staff and I'm a big advocate of staff being informed, not just about what their responsibilities are but how the organization operates, and, you know, we go through certain things, things like the budget and other areas just because I feel they need to know those things and be informed, and now that they know the details, we just have to know...get the board (B and I laughing). And uh, most recently, there's a new director at a nonprofit in the building - it's also a not-for-profit and the executive director there is brand new and has no experience in the not-for profit sector, so the - I've done that in other places (B: Uh-hum) too, but, um, that's the one that comes to mind quickly since I've been doing that since the fall and, um, its just a way of helping, (B: Uh-hum) passing along, um, because there's a lot to learn. And a lot of people don't think of not-for profits as being businesses, they think of them as being charities which are also businesses (B: Uh-hum), and um, so, you know, there are a lot of rules we have to follow in this field, and people don't always think about that - they think about the, you know, the purpose (B: Uh-hum) and why they exist (B: Right), so it helps in the way they do that.

B: Okay. My third set of questions relate to your overall operating environment (I: Okay) and I'll-I'll try to explain that a little bit more as we ask some of these questions about how I mean that. I'd like to ask you to reflect on and then characterize the overall operating environment for your non-profit business here. And if you could tell me if you think it is one of low, medium, or high level of competition for financial resources.

I: Financial resources...so are you including grants in that? (B: Uh-hum) Okay. So if you're including grants, then we're low in competition because we...I'm sorry, that was incorrect, its backwards - we're high in competition because, um, we're a very small community organization and we do not have a large enough number of clients to be competitive with the bigger groups, um, so even though we may share the purpose of a lot of those groups, organizations - foundations in particular wouldn't look at us as being um, ne- on their first list of who they're giving money to. We have qualified for grants, but I would say its high competition for us (B: Uh-hum). If we're talking about competition in terms of the business we're in, (B: Uh-hum) there is no competition because of what we do. We are specifically site related to a school district (B: Uh-hum) and so we're the only - we have to, um, renew our lease with the school district every year and we have to meet the requirements, at least, to stay there, but we're the only child care in the school district, so, for kindergarten through fifth graders, we kind of have....

B: ...have a monopoly

I: Yes. Yes. Exactly.

B: And then so I would assume that that the fee for your services is the main funding.

I: Yes. It is absolutely so. Yes.

B: Ok. And now I want to ask that same question, but take out financial resources in terms of competition and plug in human resources. And so, would you say that your operating environment is one of low, medium, or high competition for human resources?

I: We're in high competition for human resources because of the way in which we have to operate during the school year. In the school year, one of the staff members works a split shift. So they work morning, and they work afternoon. And in the summer they work—you know, they work a full day schedule, but, um, it's split shift even then for some of them. So, we're in high competition for two reasons. One: we are a not-for-profit, so our salary range is competitive for the field, but not competitive for the requirements of the positions. And secondly, because of our split shift, we tend to attract people who are very local to the area (B: Uh-hum) because they're cutting down on all the things you have to, you know, in interest of travel time and things like that. So that does limit our pool of candidates sometimes.

B: Okay. I want to ask a question about, in thinking about your organization's ability to continue doing what it's doing, is your organization's environment one of low, medium, or high uncertainty? So do you, as you are coming into your work from day-to-day, do you have any concerns about the ability of the organization to move forward?

I: Not at this time. The organization itself has gone through a lifespan where, you know, seven or eight years ago the demands were met differently, but its low at this time. And its low for three specific reasons that I can think of. We're financially sound, we have lower than usual turnover in staff now, and we have a client base that is growing with admission.

B: Ok, so this question sort of piggy backs on that one; are there elements in the political, economic, or social climate that threaten your organization's ability to continue its work? Any of those three...

I: I would say no. Economics are affecting everyone at this time, but to be truthful, we're not feeling the impact as much as other people (B: Uh-hum) at this time, so, um, if anything it would be a low risk, not a high risk threat at this time.

B: Um, people need daycare; (I: Yeah) that's not-that's not uh, a, um, a discretionary expense.

I: Right. Well, and in this particular community, uh, we-we impact the service to the community at a higher percentage now than we have in the past, so, um, we serve about 18% of the elementary age population, when we used to be about 12% (B: Uh-hum). So its two things: the demographics of the community have obviously changed, because there are more two parent families working and single parent families to be honest, and um, so the need for childcare is great, that's one of the driving forces for that percentage going up. But it's also a demographic that is not going to change dramatically in this community for a while.

B: Um, I'd like to come back to funding sources for a minute. I know that you have fee for service and you sometimes get some grants, but if you could characterize the accountability required by those funding sources as either low, medium, or high?

I: That's an individual answer, which is to say it depends (B: Hmm) on the grant flow (B: Ok) having worked with grants many times, the um, I mean, I would - I guess I don't know how to best answer that question to be honest. But I think- I will tell you that right now its low. (B: Uh-hum) You know um, its - its the - the handling - we have a state grant at the moment that we're administering. I mean, we had to submit, we had to have a state representative sign of on it and things like that, but in terms of their monitoring how we're implementing that grant its just a final report at the end. (B: Uh-hum) But we haven't been highly successful, I think likely because of our size, and we're a small area. I mean Mount Lebanon is only six square miles (B: Uh-hum) we just don't have a big footprint for a lot of foundations to consider us for major grants. So that's, um, in that sense we just - but I do know that sometimes means that we would have high monitoring. Not recently, but in the past six years, when this organization went Keystone Stars, which is the state program for childcare started, um, it has just evolved in six years, so we don't meet the requirements much for Keystone Stars anymore. Not so much because of programming or staffing, but because the percentage of children receiving um, assisted - assistance in their childcare payments (B: Uh-hum), you know, you have to have a certain percentage and we don't meet the requirements any longer. But when we did, to answer this question, um, we did have much closer monitoring from the state on that program (B: Uh-hum) in terms of the whole approval process, they're monitoring the actual purchases and use of money and it really runs the gamut when you do those.

B: Ok. I didn't realize that Keystone Stars had a requirement around...

I: ...Its not a big one, we don't...its only 5%, but we don't have it because its like 5% of the children in any one of your settings have to be on the childcare assistance (B: Uh-hum), and we are one center that, um, consistently qualifies, but no one else does. So it has been a decision of our board not to apply at all so that, um, parents don't feel that one center is eligible for something that they simply are not eligible for. And that was a conscious choice on our part. We had lengthy discussions on that point (B: Uh-hum) because it was very beneficial to us when the program first started those specific things didn't matter, but I think our board in particular has looked at that and just said there are communities like Duquesne, Homestead, and other areas that certainly would meet that criteria and serve that plenty, but its been their choice not to pursue it any longer.

B: Have you pursued NAYCE accreditation?

I: No. Mostly because our Kindergarten program is Kindergarten school-age children, not early childhood and because of the way we're set up we don't meet the program requirements overall. Which really requires almost- a lot of IEPs for children, where you're looking at children and working on development with the individuals in the program, so on the whole because of the type of program we operate we can't meet those standards.

B: Ok. I believe we only have one other question for you in this section. And this kind of - And we've kind of talked a lot about what happens within your agency, but I'd just like to as you your opinion, you've worked in the sector for a long period of time and networking with peers in your particular industry, do you think that the level of adoption of these best practices in the sector overall as you know it, in this area, would you characterize it as low, medium, or high?

I: From personal eyes, I would say low.

B: Ok. Could you speak to that just a little bit.

I: The reason I would say low is that unless you are a really large agency like the Girl Scout Council or the Boy Scout Council, and, uh, you have someone out there monitoring you as well, I mean the Girl Scout Council has different (unintelligible) as do other groups and so there is an accountability for best practice standards being followed. I have been a part of other not-for-profits, either as a board member or as a, uh, staff member and when the agency is too small it is not usually, uh, something they can get to. (B: Uh-hum) And that's the way I put that It's not a lack of intent, its a lack of time to sit and actually write a board manual or staff handbook or, I mean they really focus on things that are their legal responsibilities (B: Uh-hum) which is to say their taxes and audit and lot of standards that are not formalized in any way.

B: So it becomes a choice of service over structure.

I: Almost always. (B: Uh-hum) Yeah. And I think that anyone who has to be organized and be a c3 there are so many qualifications for that - that when you initially start you probably have a lot of these things in place, but as time passes and staffs in not for profits, at least my personal experience is that, there are not enough people. And so some of the philosophical side of running the organization, um, and fully intend - I know so many people who fully intend to get to it, but there just aren't enough hours in the day. I mean, most people who work in not-for-profits do not work a 40 hour work week.

B: Right. That's the end of the...

SEMI-STRUCTURED INTERVIEW: CASE #134

Monday, 26 January 2009, 10:00 am

Interviewee's Office

B: Bobbi Watt Geer

I: Interviewee

B: Now we can forget about that. As I mentioned, there are a few accountability mechanisms from the survey that I wanted to ask you about. And what I'd like for you to do is maybe sort of brainstorm why you do that here at your organization, or alternately, why you do not, and list as many reasons that come to mind. And the first one is the essentially basic requirement of filing the 990 – the IRS 990. Why is it that you do that here at your organization?

I: Um, we do that because we want to maintain good standing with - with the IRS, um, also because it does give us – um, we have a-a process by utilizing external auditors (B: Uh-hum.) um, we have, um, we have really thorough auditors who, um, make regular visits and-and they have a regular process of completing our audit in like early fall and then preparing the financial statements and once all of the financial statements have been shared with the board and the finance committee, they have the green light to do the 990 and get those submitted in a timely manner. Um, it gives us, um, the different pieces that we need about our organization, um, the percentages of how money is allocated, the percentages of, um, how money was received and, um, reported on the face of the organization as a whole, and just lets us know if there are things that we should shift as far as reporting percentages, or do better for the next fiscal year.

B: Uh-huh. So it's a management tool is-is what I'm hearing you say (I: Uh-huh.) Perhaps beyond a requirement (I: Right) you're fulfilling a requirement, but you're also using it as an internal management tool.

I: Yes, it fosters lots of interesting dialogue at the board meeting. The auditors actually come. We get a copy of all of their products, their discussed at our board meeting, and the auditors actually are present for about 45 minutes at a board meeting, where we all get to discuss questions and their recommendations, um, for the coming year. Its always interesting to hear how the auditors perceive our financial status and then what we can do as an organization to secure our assets and become more fiscally responsible.

B: My next one was to ask about the financial audit specifically, but I think you – you sort of covered them together, but if there are any reasons why you do a financial audit that you haven't commented on, you could add that here.

I: Sure, separately we have a timeline through the year of, um, gathering the, um, the outputs and the outcomes of our organization, we measure lots of different things for the children, their

developmental progress, um, their health, you know, lots of components for the children that we measure, but then also for the parents, and then also for the organization as a whole. Um, and throughout the year we have benchmarks when we know its time to stop, collect the data, analyze it, and be ready to present it to the community. And one of the ways that we capture all of that data is through our annual report. And, um, I can give you a copy of that by the way, but our annual report, th – the final draft of that cannot be completed until our financial statements are finished (B: Uh-hum.) because we report out to the community to all the foundations about our donors, um, all of these outcomes, but also our finances, (B: Uh-hum.) we let them know. We put together a little pie chart every year, um, that lets people know what percentage, both on the revenue side and the expense side, the revenue gives them all the breakdown of where we received money that year and then what we spent that money on this year. It gives them a quick glimpse at how we're doing and then so the financial statements are really the final piece (B: Uh-hum.) to the annual report as well.

B: Ok. I can't recall specifically, do you have a conflict of interest policy that is in place for...

I: For board members? Yes – yes...

B: Yes, for board members. Can you comment on why you've adopted that here at the agency?

I: Um, we-we upon, um, upon board selection and agreement to serve as a volunteer on our board every member is asked to disclose any organizations or other boards, or companies that they're closely affiliated with, (B: Uh-hum.) um, simply because its expected that they are ethical and responsible enough to reclude themselves from any board decisions that come up that have to do with the other agency that they may be involved with. For example, if a board member is also the owner of a company that we may be contracting with, or we may have estimates to contract with, um, and there's a decision to decide which company to go with, that particular board member wouldn't necessarily be voting, um, just because it might be biased based on their involvement with the other company. So they disclose all of that and tell us upfront that these are organizations that I am affiliated with, and we- we're quick to be aware when decisions are made.

B: I guess, in, uh, trying to push a little deeper on that question, about if you think about why you do that. Uh, that's how you do it, but why you do it?

I: Well, ultimately we want decisions to be made out of the best interests of this organization, and um, you know, serving on the board at (agency name) means that you're committed to looking into, um, the future success of (agency name) as one entity, versus, um, mingling that with interests for another organization as well. (B: Uh-hum.) I mean, a lot of it is shared and we do appreciate collaborations and, um, um, supporting other organizations as well, but um, we – we do hope that board members, when they come to the table ready to make decisions, that they – they are considering the best interests of (agency name).

B: Uh-hum. Wearing this organization's hat and not another.

I: Right.

B: Alright. You've talked about this with regard to your - your report, but I'd like to ask, so I know that you do it, outcomes evaluation, program evaluation here at your organization. Why do you do it?

I: We do that primarily because, it lets us know that what we're doing is making a difference; that its making a positive impact in the lives that we're serving. Um, for the children, we measure their outcomes because we believe, and our philosophy states that, um, we are here for the purpose of helping children grow, our logo proudly boasts "(agency name) is a place to grow" and, um - I'm sorry, I keep saying the name of the organization...

B: That's ok. Its entirely fine. And -and we'll deal with that in transcription.

I: But we are here because we know that we have an opportunity to help these children grow and develop and, um, we can measure that n a lot of reliable and valid ways. Um, we have a few tools that we use. Every child's development gets assessed using the Brigands Diagnostic inventory (B: hum.) and that measures all the different areas of development: gross motor, physical, social, emotional, cognitive development, fine motor (B: Uh-hum.) and um, we also use a kindergarten readiness checklist for those kids who are transitioning into kindergarten to ensure that they are exhibiting the skills needed for success in kindergarten. Also, every child has parent - teacher conferences twice a semester, and daily care sheets for infants and toddlers. We're tracking their activities in the program. Those are the measurements for children. For the parents we have every, um, every parent through the intake sets up self-identified goals, and um, those are measured three times per year by meeting with our family support specialist. Um, we also, um, gather demographic information, and we have a database here onsite so that we can report out the total of clients served, what age groups they are in, their ethnicities, um, level of education, where they currently are in obtaining their degrees, um, even their grades that semester. We can report out all of that stuff. Its really important for us to know, using all of these measures, that, um, that we are making a difference. You know, you can look at the pre and the post and if you don't see growth or you don't see that goals have been made by the parent, that would be the red flag for us to do something differently (B: Uh-hum.) in the future, because we do want to show that children and parents are making a difference in their own goals and accomplishments and, um, for the organization its also important that we measure, you know monthly, on a monthly basis, the, um, financial statements. It's not just annual financial statements, but um, (B: Uh-hum.) monthly our board reviews the profit-loss reports and um, we - we have to show there as well that we're, um, holding ourselves accountable to what's expected, um, profits are always, you know, a great thing, and its great for all of us to be aware of how - how we've done that and if there is a loss for the month, how we can improve it for the next month, and what we can do differently, and, um I think the overall reason we collect the statistics is to show that positive impacts are being made and um, also, um, to be good stewards of, um what we've been given. As a non-profit, we do rely on the generosity of others; both foundations, individuals, corporations who understand the value of our mission, and um they give generously, particularly in an economy like this one, its important that we're doing all we can to steward that money appropriately. To give them back some feedback so that they're aware of, "Here's how your money has impacted our program this year." That's a deep commitment at (agency name).

B: Ok. I know that your organization holds some accreditations, we've talked about some of them on the tour. Why do you pursue those accreditations?

I: Um, well, right from the beginning, the founder here, um, she was a retired, well, she was working as a schoolteacher at that time and, um, quality in education has always been a personal goal of hers. And um, it was stated very early on that - that they would continue to operate these programs as long as they felt confident that the quality was of the highest nature, and through the years, different measures of quality in early childhood education have been developed. And, um, right now, the highest accolade in early childhood education is the NAEYC accreditation, being accredited by the National Association for the Education of Young Children and, um, you know, what-what better seal of approval to give your funders, and more importantly, the parents who bring their children here every day, to let them know that this is a place where you can rest assured that we are meeting all the standards that are required not only by the state, um or the county, but that we're surpassing that and, um, trying to make our quality even better than what is minimally required by other entities, but um, its also an area of pride for staff to be involved with a program that, um, that does value this and works hard - there's a lot of hard work that goes into getting these accreditations, and um, you have to have a deep knowledge base in early childhood education, and um have a sound understanding of why these standards are in place. Its not a matter of, "We're meeting that - check, and we're meeting that - check." (B: Uh-hum.) Its because we understand that there's a reason behind it and, um, we want to ensure the best and safest environment for all the kids who come through our doors. And Keystone Stars, its similar with NAYCE, you have these structures in place that say, "Here's what we're doing to ensure quality in this area." And we want to be a part of that, participating in that so that we can show - yes, we are meeting all of that criteria, and here are all of the seals of approval from the local entity, the national entity, (B: Uh-hum.) and giving that to funders and to parents is-is - it's very wonderful. And there are incentives with both, um, being accredited by NAYCE and Keystone Stars, um, there are staff retention bonuses involved, they provide grants at the end of the fiscal year, um, for programs that are star 4 designated, or even any level of star, the grant money goes up with every level of star that you have, and um, its something we appreciate because we're able to buy supplies and materials for the classrooms. And um, a source by which to give teachers bonuses, you know, early childhood education is a field that is sorely underpaid, so that's an incentive to be involved.

B: Ok. I have one last, uh, in this section, one last mechanism to ask you about, do you have an executive compensation policy - a policy that outlines how salary is set for the director, how the director is reviewed, what benefits belong in that particular package... is there a formal policy?

I: Uh, we have all those pieces. I don't know that they're outlined in one particular policy (B: Ok.) um, but the personnel and the finance committee has a joint, um, it's a document that is the (agency name) adjusted, um, salary scale, and there is a level for executive director outlined in that. Um, the nominating and evaluation committee on the board has, um, procedures in place for evaluating the executive director - for evaluating all positions in the organization, but also in evaluating the executive director. Um, there is a particular evaluation tool that's used on an annual basis to evaluate the executive director, um, what was the other piece? The salary, the evaluation...

B: ...benefits. Just the overall how the board interacts and evaluates – trying to get a sense of how that's put together and if its put together in policy and how so.

I: Yeah, I just know it to be mingled in other...

B: ...the overall (I: Right.) staff compensation and compensation policy, but its not necessarily pulled out (I: Right). That's what I'm hearing from you. (I: Yeah.) Ok.

I: That's something to consider, though.

B: The second set of questions, and there are just a few of them here, uh, sort of move into more globally, and uh, learning, and how you might value some of this information. So the first question is, how important do you think these accountability mechanisms are? The ones we were talking about, the other ones that were on the survey, if you wanted to be reminded about any of the 41 that were on the survey, how important do you think that they are to you and your organization? And when I say organization I mean board, staff, any volunteers that may interact with the organization.

I: They're desperately important. Every measure that I've talked about and even others that haven't surfaced in this conversation, they are treated with um, the utmost responsibility by myself, and by the board. We also have a very devoted team of administrative staff, which consists of the three program directors at all three houses, our director of development, Lauren who does all of our marketing, we have a financial administrator who is based at Brookline, and um, her responsibilities are to take care of all of our finances, the bills, all of our donations received. We have a program called Donor Perfect, (B: Uh-hum.) where we hold the database of information on donors, and she's our point person for that. Its really important that everyone understands their role in making it work. Um, and I'm very fortunate to have such a great team of administrative staff who are dedicated to (agency name) and are committed to making sure that their roles and responsibilities are met because they understand that the rest of the organization relies on it as well. Um, it's, um, we have an involved board where, um, the questions, right since the very beginning when I started at (agency name) they asked the important questions and I've been to trainings where I hear people talk about their board as if they're not as involved. Um, I personally would feel very uncomfortable without having that supportive network and that supportive environment, both the board level and the administrative staff. Um, because I know that whenever a question comes up, that I am aware of the answer, or I can get the answer from the staff who know where to find it. Um, I think it gives us all a certain comfort level that lets us know that we're doing things according to, um, what's best for the organization and what's required by, uh, the people who keep us going. (B: Ok.) Sorry I'm rambling...

B: No, not at all. I've asked you specifically to not limit yourself just whatever one answer pops into mind because it gives the answer a lot more richness. What sources do you learn about some of these practices that we've talked about – these accountability and management practices that we've talked about. If you could maybe answer this in terms of what are the two, perhaps

three sources, if you want to learn something about accountability and management practices for your organization, where do you turn?

I: Um, well, I'll say my informal resources were board members, and specifically I've had the opportunity to, see, I was hired in August of '07 and I overlapped my time with our founder and former executive director for about nine months and had the opportunity to work with her every day and just receive her guidance and her information, and she's been a great source to me in answering questions regarding this organization specifically. And the board members have been extremely available to me throughout this transition period, and, um, even currently – I can call them with any questions, and um, ask them directly. They, also were very thorough in training me in their bylaws required for this organization. Generally speaking, my resources have been, um, periodic trainings I've attended since starting. We've had a wonderful opportunity to have a capacity building grant through the Forbes Funds (B: Uh-hum.) just shortly after I started and, um, being new to the area I learned about the pieces that they provide: The Non-profit Summit, The Greater Pittsburgh Non-profit Partnership, the GPNP, um.

B: Do you belong to that?

I: Uh-huh, yes, we belong to that. And I attended the trainings at the Duquesne Non-profit Academy, (B: Uh-hum.) I attended the Forbes Fund Conversation Series for executive directors, uh, currently I'm a participant in LDI, (B: Uh-hum.) which is through Leadership Pittsburgh, um, I attended the The Non-profit Summit, I attended...uh, oh well, just, you know, quite an array of different opportunities that focus on accountability for non-profits and board development and just understanding all the pieces that are required. And then on a daily basis I refer to resources like Boardsource.com, there's um, the foundation center, you know, different websites that are easily accessible.

B: So if I asked you to name the top two out of – you've given a number of different resources – what are the two most regularly or frequently tapped into for you? Um, if you thought, “Oh, I really need to get the best answer on how to handle this , or how to answer this...” who would you go to?

I: Probably Boardsource.com

B: Uh-hum. What would be second?

I: Um, our board president. (laughs) Just an informal conversation with him, um, who could guide me to some other source. That's probably not what you wanted...

B: No, I just... there are no right or wrong answers at all. So, likewise, I want to flip that question around, you've shared where you receive your information, do you then share it with others? Within your organization... (I: Internally?) and externally.

I: I do. I do both.

B: And who are the few most likely suspects with whom you share your information?

I: Internally it would be our administrative staff, particularly as it relates to accountability and management practices. Probably our director of development and our financial administrator, because they're the two most closely linked to the finances and the accountability (B: Uh-huh.) here in the organization, um. And, if its particularly about the board or some area of board development I will copy it and include it in the board packets that I mail out every month. (B: Uh-huh.) um, and I do that quite often if its something that I've learned and probably they already know it, too, I'll give them – I do a monthly report too (B: Uh-huh.) and um, in my own report I'll let them know I've attended this training, these were the topics that were discussed, and just give them a brief synopsis of whatever it was that I've learned, um, or that I've – on occasion, I'll begin to implement it if its something that I, for example, something that I learned back at a training in the fall, which is very timely, that um, an executive director should do an annual board letter, um to each member individually on the board and just recap their involvement for the year. Let them know – it's a tone of gratitude for them for everything they've done, but then breaking it up specifically into specifically, you've attended these events, you gave financially this amount, um, you attended X out of twelve meetings...just make it very individual. This year it wasn't something that I discussed with everybody, I just did it. I just generated a letter for each board member and I just sent it out. And, um, I got a lot of good feedback, you know, just saying thank you, that was a nice gesture, and we hope to be more involved, you know. Ultimately, a lot of them said...

B: (slightly laughing)...their report card, right.

I: (also laughing) Um, and so if I think its something that I think would have immediate benefit, I will just implement it. The, uh, externally I share information with my cohorts, um, you know, I've been in this city for a little over a year and a half and I've been so fortunate to have developed a good networking relationship through the things that I've been involved with. For instance, the Forbes Fund Conversation Series (B: Uh-huh.) that I was telling you about, um that was a group of us, about 25 of us who met regularly to discuss these conversations about non-profits and at the end of that series it culminated with a trip; all of us going to Washington, DC for a few days meeting with leaders in the non-profit sector, and um, we had had regular, scheduled conversations about what we know, what we do, and um, currently through being involved in this year's class through LDI through Leadership Pittsburgh, I am one of 45 leaders in this city who, um, come together to similarly be trained and discuss things that we've learned and know, and we can brainstorm together. And informally I've ran into people that I've met just here and there and we would just meet for lunch, and in fact next Friday I have a lunch with, um, a lady about my age who is also a new executive director and we've sort of just identified each other as peer mentors (B: Uh-huh.) um, where here in this city I haven't found any sort of peer mentoring program other than the two things that I've mentioned, but being identified with one person who can be your external contact (B: Uh-huh.) for just questions and sympathy when the week's been really tough, um, you know, I've really appreciated having those informal peers that I can just meet with occasionally and just share information. You know, the support is just great and very appreciated internally within the organization through the board and the staff, but also to have someone where you don't have to get into detail about the specific scenarios, but you can just generally talk about how's this working at your place, and how did you address this when it came up. Just having this informal network of peers...

B: Great. I have a few questions about the organizational environment that we find ourselves in right now, and I'd like to ask you to characterize your current operating environment as one of low, medium, or high competition for financial resources.

I: I think we're high – we're in high competition.

B: And if you could just say a few words about why you would use high as opposed to the others...

I: Ok. Um, we're in competition with lots of human service funding and, um, serving a low-income population (B: Uh-huh.) lots of organizations serve low-income populations, lots of organizations serve children. Um, something unique about us is that we serve full-time student parents, um, so there are a few sources of funding that are specific to that population, but in general, children and low income families is something that lots of people apply for (B: Uh-huh.) and it means we're in competition with other organizations who are also doing great work with our population. Um, particularly right now I think we're, um, high in competition because of the state of our economy. And when it comes down to it, here at (agency name) we're enhancing the quality of life, um, we are providing services that enhance quality of life, whereas other organizations are saving lives, you know there's a distinction between providing for those basic, necessary needs of food, shelter, and safety (B: Right.) um, and rightfully so, funding should go to those first, you know, it makes sense that you would give to organizations that are saving lives that are meeting those immediate, basic needs before you would give to organizations that are enhancing lives, um. (B: Uh-huh.) Both are important, (B: Uh-huh.) but one is-is certainly...

B: So how do you, you know, how do you compete with this kind of environment that is highly competitive and other organizations may have more basic needs...how do you position yourselves?

I: You know, it's interesting, I left the Non-profit Economic Forum not too long ago and that was a room of about 500 people in the room from the non-profit sector, and hearing from the panel that funders do need to reevaluate their giving and make sure that they are, you know, reaching those-those needs that save lives versus those that are enhancing lives during this economic climate. And I walked away from that feeling, you know, a little part of me like "Ouch!" you know, that I feel like what we're doing here is really, really important and we're making a huge impact within our city and within our region economically. We're helping parents get their degrees, which is gonna help them get better jobs, which is gonna teach their children the value of education.

B: It's a whole short term – long term battle.

I: Yeah. Its – its very. There's no question to the benefit to it, but at the same time, I walked away feeling really humbled by the fact that, um, there are even things that we can do here as an organization – as an organization to help the ones who are struggling with those immediate needs. You know, we're a food pantry designation site and we can help out with food and clothing, and we can start to turn a lot of our resources around to help meet those needs too. And

by letting others know that – yes, our primary services are for low income single student parents, we can also help the community too by these other – by funneling these other resources out and, um, I – I think that letting-letting funders know that (B: Uh-huh.) that they would be helping sustain our services, but also we would be helping sustain other places too, you know, not on a large scale like the food bank would, (B: Uh-huh.) but you know we could certainly address some of those. Also, its-its increasingly important in this economy to ensure that we are conserving the resources that we do have and letting places know that an investment in (agency name) would mean an investment in something else, that we can use to make that dollar go even further. And I think that funders are wanting to see that, and also see that we’re trying to collaborate with other organizations here in the community to try to make the most use of their dollars. For instance, we’re right next door to Pittsburgh Project, (B: Uh-huh.) they’re just a walk around the corner, and I was just at a meeting there last week and we were talking about some of the things we can do to collaborate and save money and, um, you know, we want that, I think funders want to see that, and ultimately it ends up benefiting us all because the dollars are used in a smarter way.

B: Uh-huh. Would you say that the elements of the current political, social, and economic climate kind of all put together, would you characterize that as putting together some level of uncertainty, low, medium, or high, for your organization’s ability to continue its mission?

I: At this point, its certainly on our radar – we certainly have a strong awareness of what’s going on in our economy, um, and we are acting to be very responsible with what we have, but it hasn’t been tremendously impactful in a negative way. (B: Uh-huh.) We have seen a loss in our endowment, um, we’ve received feedback from foundations where we’ve sent a proposal, saying that you know, they’ve just been overwhelmed with a tremendous amount of requests and ours can’t be granted at this time, (B: Uh-huh.) so filtered through different ways we’ve felt it, um, our monthly statements are still strong, um, we have sustainable funding through certain sources where we’re guaranteed increments in giving...

B: So would it be fair to say that you have an eye on it but it doesn’t feel like an immediate threat?

I: Right, right.

B: Is that a fair characterization?

I: Yeah, yeah, I think that’s fair. We also have started thinking more about what we can do to generate more of a steady source of income. We have programs – we have one great program here at (agency name) called “Adopt an Angel” where just individuals or church groups, or – mostly its individuals and families who decide that they want to adopt a parent who is enrolled in our program. (B: Uh-huh.) It’s all confidential; they never know their names or their personal information, of who it is they are supporting, but they give on a monthly basis - the same amount. Like they are making a pledge (B: Uh-huh.) and at the beginning of the year they pledge X amount, so that generates a steady source that we really appreciate. And you know, it varies – a small amount, all the way up to, you know, a pledge of up to \$250 a month, which is - all of it is deeply appreciated. Things like that are what we are hoping to, um, fully develop

more, so that people are aware that they can give in a steady increment and it does help the organization feel more secure in an environment like this.

B: I have just two final questions for you: uh, given your experience in the non-profit sector locally, would you say that the adoption of accountability mechanisms or the level of the fusion of them would be low, medium, or high? We're talking about your knowledge of the sector locally versus your particular organization. In your experience, do you think that they're low, medium, or high?

I: Just to clarify the question, you're asking if I think that other organizations are held accountable?

B: If their level of adopting some of the mechanisms that we're talking about in your experience with them, and a fair answer – and certainly an appropriate answer is -you don't know- but I'm curious as to whether you have an opinion about whether or not with your experiences with other agencies if you would characterize their adoption of these types of accountability practices as low, medium, or high.

I: My personal opinion is that it's high, (B: Uh-huh.) it's at a very high level and that's just based on the conversations that I've had with other individuals in non-profits, and you know, its sort of like we're all in this together. We talk about this as being a non-profit community in the larger community. Um, the GPNP is really helpful in letting us see that we're the organizations that are, who are making an imprint on our society and on the lives of the people who live here, and we're meeting needs that the government can't, or for whatever reasons don't have the funding for, or, um, you know, so there's a reason why we're a non-profit and why we have the tax exempt status, um, we receive funding and its all that – its work that we're doing on a large scale together. (B: Uh-huh.) We may have a specific mission, but the other organization does too, and the other organization does too, but together we come as a non-profit community and together we're making... And in all these conversations, I hear, um, I hear about the reasons we're held accountable and why we need to ensure that our organization is, um, practicing only the best of – has only the best strategies for practicing accountability. Because if we don't, we're not only hurting ourselves, but we're hurting the community, and the non-profit sector. Ultimately we, there's sort of a brand for the non-profit sector, and if – if one organization doesn't fulfill its...

B: ...we all rise and fall on the same tide. (I: Yeah.) Ok. Do you feel that your funding sources require low, medium, or high levels of accountability from your organization?

I: High.

B: Can you just briefly comment on why you'd characterize that as high, as opposed to medium or low?

I: Um, I think it's high because, well, we expect it of ourselves, but also some of the sources where we get the funding, they – they have high standards of accountability. We report back to them um, using - sometimes using standardized tools, sometimes using our own reports that are

developed to explain how that money was, uh, well used, and if it stayed in the alignment of what it was asked for, and um, so its constantly something that we're thinking about. Given our reporting calendar that, um, these dollars that were asked for X were used for X, we're letting them know and we're letting ourselves know that we're constantly on track with, um, with what the necessary requests should be in the future and if any need to be revised at all for outstanding dollars.

B: That brings me to the place that I will just...

SEMI-STRUCTURED INTERVIEW: CASE #153

Wednesday, 21 January 2009

Interviewee's Office

B: Bobbi Watt Geer

I: Interviewee

B: Where I'd like to start this morning is, uh, I'd like to look at a few of the management practices that were on the survey and ask you to reflect the reasons as to why or why not you have adopted them in your agency here. And if you could sort of brainstorm; it doesn't have to be limited to one reason if there are multiple reasons why you do things or don't do things here, list as many as you can think of. The first one I'd like to start with is filing a 990, an IRS form 990. (I: Uh-hum.) Why do you do that at your agency?

I: (Laughing) Up until, and I apologize, I don't know the actual specifics, but I think a few years ago was the first time we filed one. (B: Uh-hum.) Up until that time we never had revenue, um, above \$25,900. Probably never had revenue over \$5,000 (laughing). Um, once we started growing a little and our grant money became a little higher, that's when we realized we had to file (B: Uh-hum). And we do the easy form.

B: Great. Now, you don't – are you required to do an audit, or are you in a compilation? Or a review?

I: We just do a review.

B: And why do you do that?

I: Um, as opposed to an audit? Or just why in general?

B: Just why in general? Uh, certainly the level of revenue dictates that you do a review as opposed to an audit (I: Right.) What we – why philosophically you do it here at the organization.

I: Mainly, because we felt we needed something to apply for grant money. (B: Uh-hum.) Um, and for, you know, we file with the Pennsylvania Bureau of Non-Profit organizations, and you need some kind of review, (B: Uh-huh.) however general it may be. Um, so those are the two main reasons. As our board is, I guess, becoming more involved in, um, public standards and more professional people they just want it because, um, of where the stakes are.

B: Ok. I think you indicated that you don't have a conflict of interest policy at the agency. Can you speak to why that hasn't been adopted here?

I: Um, um, basically because we didn't know we needed one. (B: Ok.) And, um, the um the as late as we began, you know, the organization became independent I'm not sure whether it's a requirement. I know it is with the new 990 (B: Uh-hum.), um, even now we only need the 990 EZ, um, as part of the policy, but it is something we wanna put on our to-do list. (B: Ok.) (Phone ringing.) Can you excuse me?

B: Sure. (Silence for a few seconds.)

B: The next, uh, mechanism that I wanted to ask you about was evaluating your programs; your outcomes. I-I know that's something that you indicated was not wholly implemented here. (I: Uh-hum.) Could you speak to program evaluations, outcomes evaluations here at the agency?

I: Um, the – the track we do mainly is, you know, keeping track of, um, how many people we have coming, um, you know, ages that they're coming from. Outcomes, um, number one, are very time consuming (B: Uh-hum.) but number two, I think it goes back to the size of our agency, um, our mission. We're trying to, number one, um, (sigh) you know, talk to girls about their crisis pregnancy and - and steer them toward parenting or adoption. Because of the nature of what we do, some of them don't come back. Um, they're in a crisis. Maybe they're parents stepped out, or you know, someone doesn't – you know, they're – they're afraid of someone knowing the outcomes of their – their pregnancy tests, um, depending on how much need - help they needed, we – we may never know what happened. And we don't call because if there's someone who doesn't know the situation, um (phone ringing). The second part of the parenting education, um, we've often talked about doing evaluations, you know, how much they knew before they took our class and when they left, you know, how much did they learn? Again, time consuming, um, we do it for one of our programs, our Adopt-a-Dad program, there is a lot of paperwork involved, um, basically timing and lack of staff. Um, you know, we're trying to rush through appointments and that takes up extra time, but you know, its something we've been considering.

B: The next one is, uh, accreditation through any type of industry organization. I know that your organization, again, is small, which is probably one of the reasons you don't pursue accreditation, but if you could speak to that.

I: I-I don't think there's any accreditation in, such as JCHAO or NCCQA – things like that, we don't have one for our industry except non-profit, uh, PANO (B: Uh-hum.). Like you said, size...cost, uh, our budget is about \$60,000, which isn't a lot.

B: Makes sense. (I: Yeah.) Uh, and considering the income thing from the last one, in terms of, uh, you – you do not have an executive compensation policy...

I: No.

B: And, uh, why – why don't you?

I: (laughing) I don't even know what that is... a compensation policy?

B: Its basically a policy that outlines how the rationale for what it is that the organization pays its executive director, uh, how that person is reviewed and should be trained, uh, its really the compensation, uh, policy that outlines how the compensation is determined.

I: Uh, maybe the answer could have been yes. But, I mean, when I was hired there was a policy, um, that - we get funding based on how many people come in – we actually get fee for service, um, under a state grant program. Um, so for every person that comes in, we get a certain amount of money from the state. When I was hired, they agreed to pay me based on how many clients actually came. However, there's a cap on what they get from the state, so they had to cap my income, which actually just in the last month changed my pay structure, because I was straight salary, (B: Uh-hum.) um. But there are no – I don't have guidelines or quotas I have to meet or things I have to meet in order to accrue my salary. But we legally, probably don't have one because we're so limited on what we can get here, um however, the board would like to, um, create a better job description for me.

B: The second set of questions relate to a little bit about learning and a little bit about, uh, what these practices mean to your organization. So, I'd like to ask you how important, in thinking back on reporting on some of them on the survey itself, management practices and accountability practices: how important do you think these issues are to you as a director, to your board, to your agency? Just think about them, talk about them - the ones that, let's say, have been on your radar.

I: Um, they're on my radar, and in fact more so than our board. Our board meets quarterly. Until recently, they've been a very "hands-off" board, um, we've gone through a change in officers and it's become a little bit more "hands-on" and involved. Um, I looked through the 990 and I pulled out, all worried, "Oh, we have to do this, this, and this." Um, and you know, I guess the response I got was, "Well, wait a minute, are you sure we need to do this? If we don't really need to do it, then we're not going to worry about it." Which makes sense when we have other things on our priority list, so I think that changes and improvements will be made slowly. There are some things that I want to implement, even though I think maybe we don't have to since we file the EZ. Um, like the conflict of interest, the (unintelligible) policy, and have a board member reviewing the 990. So these are on my radar; not necessarily on the board's.

B: In terms of where you learn about these things -you're a small agency- where do you turn to learn about how you should be managing your agency?

I: Um, because when I came here I had no – I'd never been a director in this type of agency, um, so – so learning managing has been really on my own. The United Way has provided some, um, helpful training sessions, um, when I was hired I read a few books on non-profits (laughing), um, that just, you know, the internet, um, there's not a whole lot out there because most of the resources out there are for very large organizations. Um, we do have a solicitor, a lawyer, who can, you know, answer legal questions for us, but...

B: A lot of its self driven...

I: Well, yeah.

B: And I guess part of that question is, what you're learning on your own, (I: Right.) do you share that with I guess networks that you share information with?

I: Um, not on a formal level, um, no.

B: It doesn't need to be formal; it can even be informally.

I: Well, I mean, if something would come up in - in conversation, yes, but I-I can't - I'm trying to think if that's ever happened, um, I belong to a couple different, um, pregnancy and parenting type of committees, and um, the information we share is more related to our clients (B: Uh-hum.), um, not necessarily the administrative part, so...

B: The next few questions I want to ask you relate to the overall environment that you operate this organization in. When I say overall, that can be political, economic, social environment... a lot of these different factors. The first question is, would you characterize the environment as one with low, medium, or high levels of competition for financial resources?

I: Um, well, I guess high.

B: And why would you say high?

I: If I understood the nature of the question, you mean compared to other agencies?

B: ...really how you're feeling day to day...if you feel like pressure to compete for financial resources... to keep your agency on track for resources...

I: Uh, yeah, um, first with our grant, um, if the clients don't come in, the grant money isn't released, um, so I feel pressure to get clients in here. Um, we usually see up to a certain amount with our grant, but if the clients aren't coming, we don't get that money. So I-I do feel, um, pressure there. We don't have many people to compete with around here for that grant money though, so it makes it a little less stressful. (B: Uh-huh.) Recently, a new focus pregnancy center just opened up in Uniontown, so I do have to worry - are we gonna lose some clients? Although I am glad they're there, because, uh, Uniontown, uh, isn't well served and the people who came here from Uniontown had trouble finding transportation, obviously. But, you know, there's a general sense of that stress with finances, um, donations, um, our donations this year have actually been our best year ever, in 2008. But, you know, when you hear about all of the economic - the recession, you can start to worry about that. I can't say it's affected us at all, but, you know, we still worry - are we still going to get those donations? But, you know, knock on wood, they're still here.

B: If it's any consolation to you, I've heard the same from a number of people with whom I've talked; that despite the economic conditions they're having best (unintelligible) and the opportunity in the chaos is that human services for people in need of services...there's still hope there. That's not to say what might happen if we move on into it, next year or however long it takes to bounce out of it, but I've been hearing that from other agency directors - that, "No, I'm

sorry, you know, we've had a pretty good year." (I: Uh-hum, yeah.) So, that's helping us... (I: Yeah.) Also, I guess the second piece of that question about this environment and, are you feeling competitive pressure, do you feel, uh, with human resources... and in your- in your case that would be with your volunteer resources. Now, do you feel that there's a competition – low, medium, or high level of competition for...

I: ...volunteers – absolutely. Um, time, well it could mean how you look at it. Um, in the house there's been – in the early years here, there were many, many volunteers. Um, its harder to keep– well, I think everywhere its harder to get volunteers. Grandparents are babysitting, um, yeah, mothers are taking care of kids and women are working more, um, so people who were free to volunteer in the past aren't actually free anymore. And – and you see everyday pressures of more things to do, um, so there's – we definitely have that problem here.

B: Could you tell me, uh, I know you have a government grant, that you described, that's, I'm assuming the major source of your funding. Could you comment about other sources of funding?

I: Um, strictly donations. The grants and individual donations, um. There are several churches that support us, um, there are two churches that are committed to serving us on, um, on an ongoing basis, and others, who, you know, maybe at Christmas might take up a collection. Um, a lot of churches throw baby showers for us. So, its definitely individuals and churches. The grants makes up about 80% of our budget and the donations make up about 20%.

B: And so do you feel that its better to go specifically more toward the grant, what types of accountability, uh, does your grantor require? If you can, maybe, do they require a lot of accountability...

I: Yeah.

B: And can you speak to – in what ways.

I: Actually we are a contracted provider of (agency name). (agency name) is the receiver of the grant, uh, from Department of Public Welfare money, um, and they contract with 172 different agencies like us, um, throughout the state, and then they distribute the money – I think 5 million per year. Um, they do an annual audit. Um, we have, you know, there are certain regulations we follow with them, like certain policies we have in place. Our by- they regularly review our bylaws and policies, um, and tell us – I think they're allowed to do this- every client we see we have to submit paperwork to them. Um, we're a...so, they um give us, um, pretty strict guidelines on how to operate.

B: Uh, back to that question I had, uh, I'd like to backtrack for a minute and ask you the extent that elements in the political, economical, or social climate that threaten your organization's ability to carry out its mission.

I: Very timely question right now with the political climate, um. We're a pro-life agency, but Pennsylvania was the first state in the nation to have a pro-life state funded program. And now I

think there are maybe 14 other states that have modeled after Pennsylvania and governor Casey was pro-life and thinks that. When Rendell, I worry about the money that will go to pro-life. Uh, we've never lost funding, and that's due to, uh, a lot of lobbying. Um, the state and now that Obama has been elected, he is very pro-choice and wants to – to um, eliminate all obstacles to abortion. I'm conc- let's say we are an obstacle to abortion on demand, so there's a little worry. Um, I wonder, at the community level, could our funding be cut, um, in the near future. Even if it's not, we just have a bigger job to do. Um, but our new, uh- our new president does raise concern about our funding.

B: How will you plan to respond to that particular concern?

I: We will just keep carrying out our mission and hope that, you know, people at (agency name) are the ones in charge of getting this funding at the state level. Um, so, I think there's people working on their behalf to do lobbying. Um, but, it, um, started putting money away. Uh, about five years ago, the board, you know started – there-there was never an money in our savings, you know, savings for a rainy day; we never had that kind of funding, but um, in the last five years, they've been trying to, um, to budget, you know, a savings. That way, if we ever lost our funding we could operate while we're trying – I think that's also why we're trying to get more donations. We started a-a newsletter, just trying to raise awareness about what we do. Networking – reaching out to churches, um. In doing so, we're hoping that our donations increase, because we know that's something we have to keep up. If we ever lost our grant money we would probably have to rely on donations.

B: So, in some ways this ties into the next question, which is, do you think that your overall organizational environment is one of low, medium, or high level of uncertainty?

I: (sigh) Hmm, I would say medium.

B: And, related to some of the things we've talked about?

I: Yeah, uh-hum...

B: Do you – just two other questions – in thinking about other, in the non-profit sector we're all-we're human service agencies, and with your interaction in your profession, do you think that the level of, or how widespread knowledge and use of accountability mechanisms are in the sector is low, medium, or high?

I: Hmm, um, well,

B: ...in the agencies that we work in, they tend to be either agencies that are tied in, um, with other sources of funding or with United Way, or...

I: The ones I seem to come into contact with seem to have a medium to high level of accountability. Um, yeah, I'd say medium to high. The ones that we work with...yeah, they might be a provider of the same funding source, so I know that their rules are pretty tight. On the flip side of that though, when I - other agencies that I know are non-profits and I'll look to see –

you can see their finances listed on there, and there are at least ten other non-profits that aren't even listed in Connellsville. Is that because they didn't know they had to? (B: Uh-hum.) Which, at one time, we didn't know, um, that we had to. Um, so, I-I guess that's a two sided question. The agencies that we work with, and that could be Domestic Violence, or Healthy Start, or Family Partnership, Catholic Charities – I think they have a high level of accountability. Uh, I realize that there have to be a lot of non-profits out there who have a very low level of accountability.

B: Ok. The last question I have relates to whether or not you belong to any, or you are affiliated with any – and I think one of the answers to this is that we all (unintelligible), but what agencies are you affiliated with? Are you affiliated with any industry groups?

I: Um, a formal affiliation other than (agency name), which is our provider, we have no formal affiliation. We have informal kind of networking and referrals, but ...

B: Kind of working with the community is what you are referring to?

I: Right.

B: The nature of the question was whether or not you're – you're aligned with a parent agency or kind of an agency of the broader sector – outreach...

I: Uh- huh...No.

B: That brings me to the end of my questions.

SEMI-STRUCTURED INTERVIEW: CASE #154

Friday, 13 February 2009, 8:30 am

Interviewee's Office

B: Bobbi Watt Geer

I: Interviewee

B: So what I want to do, and you don't need to recall anything from the survey I sent you earlier, is just ask you about six of the items that were on the survey, and ask you to reflect why you do those practices here at your organization, or why you don't do it here at your agency. And you don't need to limit your answers to just one particular reason. We'll begin with financial practices. Why do you file a 990, IRS form 990 here at your organization?

I: Its required by law. The other piece, of course, would be transparency. Uh, if we are asking folks for money or donations, we need to show them how we are using that money. How much we are using for overhead, how much is going to programs... I personally have real problems with organizations that ask for money, saying they are a charity, but they have huge amounts of overhead costs. So part of that is because we have to. The other part of that is the culture of the organization.

B: Ok. And, in the same light, your financial audit...why do you prepare that and have one available here at your agency?

I: Um, again, I guess just the same answer. Legally, as an approved private school, we are required to have an audit done by a not-for-profit auditing firm. (B: Uh-hum) So its for a very specific reason. Its also in our bylaws of the organization. Its also government's practice. If you don't do that, you probably shouldn't be in this work.

B: Right. Do you have a conflict of interest policy for your board?

I: Yes.

B: And why have you adopted that?

I: Um, well, we had a fairly loose conflict of interest policy, and there was a board committee and we ended up changing our board committee format, so we kind of looked at it like we were creating a government. We looked back at all of our practices of what we had and what we didn't have, and then we did a search locally and we did a search nationally on what was considered best practices and there was an interesting piece that we found that Sony or some other large foundation that subsidized and produced a document (B: Uh-hum) so we are using that, as well as some other things we researched and we found on the web, but again, there's

certainly a lot of good information locally. We're fortunate, because in Pittsburgh we are lucky in that way. So we looked at it and we said, "These are the things that we really need to do, um, these are the things we don't have, these are the things we have that are not done well enough, etc." So that was one of the ones where we had it, but it wasn't as well written as it should have been. Now one of the biggest things is getting everybody to understand what it means. And when you have such things as board meetings, reminding the board of what could potentially be a conflict of interest, and reminding them of what the board has decided to do. So, what we have is a fairly large binder (B: Uh-hum) with all of the policies and procedures of the organization, bylaws, policies and procedures, blah, blah, blah, all the way through and so therefore this is what is there in case anybody...and I try to get everybody to understand, um, that, you know, let's look to see if that's something that isn't possible, (B: Uh-hum) or whatever the case may be.

B: So if I'm hearing correctly, the motivation behind that, there were issues that came out that made you reflect on the fact that you may not have quite what you need here.

I: Well, I think that Sarbanes concepts were really a good idea in the for-profit sector. There were not-for-profit organizations that were losing their non-profit status. Another thing that I was involved with was going through an organization we created in the state that was very heavily into lobbying. A lot of our money went to lobbying. Essentially we employed a lobbyist, um, and uh, actually the reason we are still around is because of the lobbyist. As long as you are under attack, you can spend a lot of money lobbying. The minute that you gain a status quo, you cannot do that. So we opened up another not-for-profit, which is a C6. That way, everything that was done was through the C6. (B: Uh-hum) And we also have an attorney on the board who is a, uh, an attorney who has access to not for profit attorneys, so we use them too.

B: Ok. Great. Let me ask you about program evaluation or outcomes evaluation? To what extent do you do it, and why do you do it, or why not?

I: We have a couple of different types. One thing is we are always interested in customer satisfaction (B: Uh-hum) and I am using the term customer loosely. It could mean parent, or whoever. Um, we do it in a series where we send out a questionnaire like you, and then we set up interviews. That's important. If we are supposed to be serving them and we don't check with them, then we have a problem.

B: So, mission fulfillment.

I: The other point is to be able to walk into a foundation and be able to say, "Hey, uh, 99% of our parents said that our program was good to excellent, and here are the statistics. Would you consider giving? We have a 96% graduation rate over the last 20 years. Would you consider giving?" We have to show that we do what we say we do.

B: Ok. Uh, are you accredited by and outside organization?

I: We're licensed by the Private School Group of the Commonwealth of Pennsylvania Department of Education, and then there is additional approval, like the Good Housekeeping stamp of approval, from the Department of Special Education, and we have been able to show

that we are able to provide services to those children who's special needs were not being met in the public school system.

B: The last item on my laundry list of best practices that were on the survey that I want to ask you about is do you have an executive compensation policy, or a leader compensation policy? Why or why not?

I: We have as I said, an independent company that does that piece of it and the board has been recently looking into, within the realm of what is acceptable for organizations of this size. Like the salary survey. There was also a piece that was built into this piece that said that a salary of a Chief Executive cannot be any higher than a Superintendent would be at a contiguous school district.

B: Great. So in this second section, I'd like to ask you a few questions that are more general, how important would you say that accountability practices, the ones we just talked about and the ones that were on the survey, are to you as an organizational leader and also to your board of directors?

I: Uh, we have a very good board, um, we have a lot of expertise on this board, and so our ability to draw on people within our board who have expertise on these practices is not as hard as it might be for some other boards that I've been on. I think it is very important to me, you know, if you can't show that you at least have the practices in writing, you can't say that you are doing it. We have our conflict of interest that impacts everyone who comes into the building, whether they are an employee, or a vendor, or a volunteer. For example, the accounting department started to ramp things up with the new regulations. Over the last three years there has been significant changes in the ways that they do interviews with us. How would you see somebody taking money? Those questions were never asked before. I guess no matter how many things you have in place, it can happen. Who is depositing checks? Who is writing things down? It can't be the business office, etc. Those things make me feel better as the CEO and they make the board feel better as well. They help eliminate the nightmares of finding out that somebody is doing something dishonest.

B: I think I hear you characterizing that as, you have a board that is fairly well attuned to these issues.

I: Right. We actually have somebody in finance who is certified as a CPA. We even hit another thing, we were really tight with the state organization, that really controlled what we did. (B: Uh-hum) The state organization had a budget of \$50,000 and we had a budget of \$4 million, and you are telling us that 80% of our board should be people with learning disabilities? It's a nice idea, but how do we make sure that we have a good representation. So we pulled away, which ended up being a very interesting move from the standpoint of our articles of incorporation, which had to be redone, and the Commonwealth of Pennsylvania has a very interesting way of doing it, so everyone had to approve it. Then we took the leadership and put it with the board. It was sort of like the model of 2 ED. They moved off of that, and that took a year and a half. (B: Uh-hum, for restructuring.) We were doing all of that. We changed our name, our filing within the IRS, etc.

B: But through the lens - what I think I hear you saying is that through the lens of the government's responsibility, threw you to realize that perhaps composition of board coming from directors of other organizations was not allowing you to provide the kind of oversight you needed for your organization.

I: Right. Exactly. They were going in one direction, and that was fine, but it wasn't the direction that we could agree to go in. They had this strange composition of board that we simply could not adhere to.

B: Great. So I'm going to ask you a few things about accountability information, or best practice information and where you learn about them? It could be from people, organizations, or journals...where do you turn?

I: Well, there's a lot of non-profit organizations and foundations that provide that information for us, the Forbes Fund, the Pittsburgh Foundation, and certainly having relationships with other CEOs and other non-profit organizations, even though we don't share consumers, we share information. Even on the internet we found that document about best practices. There was even some information from a university in California that put out their best practices online...

B: So I know that this is sort of arbitrary, but if you were to rank those...

I: I would say that what the local foundations have done, what Pitt and Robert Morris have done. They run a lot of great trainings. So there's a lot of great resources I Pittsburgh, I am always amazed by that. Carnegie Mellon library even has a whole section about not-for-profits. So to say which one is the best, sort of depends upon what you are looking for.

B: Ok. Fair enough. And I think I just heard you answer his question in the context of the one you just answered, but when you get this information, with whom do you share information with once you get it? I think I heard you say a network of CEOs.

I: Right. It's a network of other approved private schools and we belong to a network of national providers who provide services to those with disabilities, so those are the kinds of groups we share with.

B: So this last set of questions relates to the organizational environment you find yourself operating in, and please keep in mind that, this protocol was put together last spring as I was beginning to embark on this project, somewhat timely now, so I'd like to ask you to characterize your environment, the overall environment that you find yourself operating in right now, as one with low, medium, or high levels of competition for financial resources.

I: High.

B: So you would say high?

I: Well, yes, let me give you an example. We put out a new- we received some new funding for

developmental directing, so we were visiting some of the foundations and you come across a foundation that says, “Our portfolio is so bad that we have given away all of the money that we think we should give away (B: For the next five years) for this year and we will let you know when that changes.” So we go to the next foundation...”Um, we aren’t funding anything new. If we aren’t funding you already, we can’t do it now, Come see us in the summer.” I am seeing a significant decrease in what we receive from foundations. Which is surprising. We have always done relatively well with foundations, but not as well with individuals, which is what we are trying to work on. Government funding has dried up as well. A year ago, we lost a program that we had for thirty years. The minute that the war hit, funds for adult services dried up in this country. Seven programs went under in Pittsburgh, and ours was the seventh one. We were serving 150 adults per year. With that you’re lucky to have a success rate of 50-60%, but we had 80%, and it didn’t matter. We just had to close it. So I think that the next five years will be difficult for human services, because a lot of folks will not be in business.

B: So your story tells a bit about how you cope with that, but could you elaborate on how you compete in the way that you are situated?

I: Going back to hiring that lobbyist. I remember going to Pitt a number of years ago and there was a program using this model in DC. It was very interesting, so the thirty of us, three years ago, looked at where we wanted to be, so we started lobbying in Harrisburg. When Rendell came into office, there was \$50,000 that weren’t paid and he refused to pay it because it wasn’t under his watch. So it made headlines in a Philadelphia newspaper, front page, “Rendell refuses to pay for the most disabled children in the state.” And it ran for three weeks. So what I am saying is that if you are going to stay in business and reach your mission, there will have to be some combining of organizations and less territorial, turf issues. Pittsburgh is good for that. I am from Connecticut, and I could immediately see that it was low!

B: You could see it from an outsider’s perspective that a lot of...

I: And I guess that has worked in the past, but I am not sure that they will be able to continue to do that. There are a lot of foundations in Pittsburgh, so maybe this will shake out some of the weaker ones. (B: Uh-hum) You never have enough money to do everything you want to do, but you are lucky to be able to do almost everything you want to do. With the money we get from the state, we can only serve 100 kids.

B: So that kind of segue ways into my next question, focusing on your organization specifically, I would like to ask you, would you characterize your current environment as low, medium, or high uncertainty. And when I say uncertainty, you know, about whether or not you’ll be able to continue your work here.

I: We will do whatever we need to do to protect our line in the budget. In the past we have had both Democrat and Republican support and the governor was the one who had to be forced into it. But we got Act 70 passed, but you know what, nothing is guaranteed. So if you don’t continue to be aggressive in trying to protect what you say your mission is, you will have a problem. We’re not in the 70’s or 80’s where it was enough just to do good.

B: I want to go back – I have already asked you the about competition in the environment – how would you characterize level of competition for human resources? Being low, medium, or high, with regard attracting staff, volunteers, and board members for your organization?

I: Well, it is harder to get board members. Especially great board members. They are either overly committed or they just don't have time. Many are retiring, and there's just not that many younger people who want to get involved. What we have been doing is not holding board meetings. We do a lot of telephone conferences that do not require people to leave where they are, so we've tried to incorporate things that allow people to be more involved...

B: I'm just curious, how large of a geographic region do you pull your board members from?

I: From the North Hills, from this area, uh, the um Peters Township. Everybody is from Allegheny County and within 30 miles... that's the biggest thing.

B: I was just curious....

I: It's a big factor. We get questions like, "How many meetings, what's my commitment, what does my commitment need to be with regards to, you know, and how far away are you." What's the other big one, oh, "Do you have directors and officers."

B: People are getting savvier about that question. I don't want to skip over about some of the things in the political environment, there are certainly things in the economic environment, but I just wanted to make sure I'm not skipping over...do you perceive that there are any elements in the political, economic, or social climate that threaten your organization's ability to achieve its mission?

I: We have this issue, but I also know others have. I was at a meeting about four months ago and this gentleman stepped out and said, "I need to make a money transfer out our account, we are building this building..." and he came back with terrible news: Unannounced, they reduced his line, so he didn't have enough to pay what he needed to pay. (B: Uh-hum) So those lines of credit are an issue. Luckily, every month we get a wire transfer that is from the state and the way that we're funded is that 60% comes from a line item from the state, and the other portion comes from the school districts that send the students here. The federal law says free and appropriate education, so we're actually ok here.

B: So in terms of what your funders expect from you in return, do you feel like there's a low, medium, or high level of accountability expected by your organization through your funders?

I: I would think probably middle. We have to provide the state with a plot of the way we spent the money, and we have to provide a certified audit. We have to provide paperwork that shows each child has a detailed, written program and that the school district is involved with the parent in creating that. Each student that comes in the building is approved by the state for admission. All they have to do is walk in here. Its not cheap. (B: Right) I am not sure if that is what you are asking?

B: Yes, but also what kind of outcomes information, but what I think you are saying is that with the IEP...

I: With the IEP, there is a report back every four months about how the student is doing, how they are progressing...

B: You have some pretty clear structures in place. I just have two other questions for you, and the first one is pretty basic. You talked about being affiliated with the state and national level organizations, but do you belong to any non-profit industry groups?

I: Yes. One of them is an organization that is dealing with private education organizations in the area, and that would be one. We are still affiliated, loosely, with our national organization, the Learning Disability Association of America. (B: Uh-hum) We belong to the state organization that is called the Alliance of Approved Private Schools, which are approved by the schools for that purpose and given a budget, we're involved with the Greater Pittsburgh Non-profits (B: GPNP), yes, GPNP, we are involved with, um, organizations that- with different disability organizations for some that we would serve. For example, there is an organization called the Dyslexia Organization, since we have children with dyslexia, (B: Uh-hum) hyperactivity disorders, and we have involvement with many organizations since we have kids with many strange syndromes. (B: Uh-hum) And then other professional organizations related to the children we serve.

B: So quite a few...

I: I would say at least more than ten.

B: Ok. Uh, my last question is, I just want to get your opinion, and this is just based on your interactions in this community and the region, how diffused or how widespread do you think the adoption of accountability best practices are in the nonprofit sector? Would you characterize it as low, medium, or high, and why?

I: I think that people are understanding that today non-profits require more than the basics and (unintelligible) and paperwork, I'll give you that. Well, I guess from the group that I am hanging around, I would say it is pretty high. (B: Uh-hum) I would suggest - I would say that probably there are five of the not-for-profits that probably dictate, with the exception of Presby Hospital, (I: -laughing-) um, most places probably have the major ones, but maybe they are not knowledgeable enough to know that... (B: Uh-hum) I know there have been efforts in town to try to help not-for-profits understand the need, and I think there is probably more of that.

B: Ok. That's all I have.

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