



## Understanding the Work Beliefs of Nonprofit Executives Through Organizational Stories

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*Through qualitative interviews that featured a story component, the researchers learned that nonprofit executives share beliefs, values, and assumptions that are different from their for-profit counterparts. The study participants saw themselves operating in a complicated and ambiguous world, balancing business and personnel requirements with a spiritual mission. Implications of these findings for HRD professionals are highlighted.*

Today more than ever HRD is needed in nonprofit organizations. With a dwindling volunteer population, greater reliance on permanent staff, and demand for improved organizational structure and greater accountability (McFarland, 1999; Young, Bania, and Bailey, 1996), our expertise is called upon to help these agencies more carefully align personnel requirements and organizational structures with missions and business objectives (Sheehan, 1996). To nurture cultures in which new systems of performance management can thrive, HRD professionals must understand the assumptions and goals of nonprofits in general and of their executives in particular.

All organizations possess cultural norms that frame expectations and influence strategic support and perceptions of effectiveness. Studies suggest that an organization's executives help shape these formal and informal codes and assumptions (Hansen and Kahnweiler, 1997; Schein, 1985, 1991; Trice and Beyer, 1993). Similarly, executives as a subculture possess a unique set of values and beliefs that may clash with other groups—including our own—and thus have an effect on our strategic significance (Hansen and Kahnweiler, 1995). What we know about executives' beliefs comes mostly from research conducted in the for-profit sector (for example, Gustafson, 1984; Jackall, 1988; Knudsen, 1982). However, nonprofit organizations are different (Drucker, 1990a, 1990b; Gelatt, 1992; Najam, 1996; O'Neil and Young, 1988; Vladeck, 1988), and they offer greater challenges for HRD professionals.

Accountability is an ever-present struggle because, unlike the clear financial targets of for-profits, the goals of nonprofits are based on fulfilling often imprecise and challenging human issues. Because nonprofits usually deal not with "hard" financial issues but rather with "soft" human issues, and therefore must respond to the diverse needs of multiple contingencies, they struggle continually with accountability issues (Luecke, Shortill, and Meeting, 1999; McDonald, 1997). Likewise, organizational structure and forecasting issues are difficult because nonprofits are often at least partially staffed by volunteers and funded by grants and charitable contributions. Because of the ambiguity and uncertainty, the systematic application and accountability of HRD interventions are formidable tasks. HRD professionals need a greater understanding of this milieu in order to succeed.

The available research on nonprofit management is limited. Missing, in particular, are data that explore the cultural side of nonprofits (Austin, 1989; Levy, 1988; Schmid, Bar-Gal, and Hasenfeld, 1991; Young, 1987) and their directors' perspectives and behaviors. The present study was conducted with this challenge in mind. It was designed to offer an emic perspective on nonprofit management by asking participants to recount and analyze their own stories about their work.

The emic tradition, or the analysis of subject expression, which is used in ethnographic research (Pike, 1967), permits study of a culture's beliefs through the identification and use of concepts, definitions, and rules that are important to that culture's members. Organizational stories, as an artifact, are a form of emic expression because they are created with the culture and often act as an informal and unconscious script for transmitting and teaching norms (Martin, 1982; Wilkins, 1983).

### Conceptual Framework and Research Questions

This section describes the theoretical link between prior relevant research and the development of our research questions. We also present a conceptual rationale for the use of organizational stories as the primary means of data collection.

**Occupational Culture.** The theory of occupational culture (Trice and Beyer, 1993; Van Maanen and Barley, 1985) provided a conceptual foundation for the study. It is through culture and cultural form that people negotiate and control the indeterminate and unpredictable features of their environments. People hold specific beliefs—based on actual experiences or on superstitions—that define the reality of their collective culture. Cultural membership is a self-reinforcing process. Members hold these assumptions as part of their cultural identity, and this, in turn, strengthens that affiliation (Smircich, 1983a, 1983b, 1983c).

The most extensive form of subcultural patterning is linked to the kind of work people do. Occupational subcultures are discrete groupings in a larger

organizational culture that share unique values and beliefs (Trice and Beyer, 1993). These subcultures are cohesive even though they often cross organizational boundaries and lack consistent face-to-face interactions (Haralambos and Holborn, 1991). Members with similar activities and roles in physically separate locales interact over distances through computer bulletin boards, e-mail, conference calls, and the like. In this manner, shared beliefs spread throughout the subculture, forging professional ties, creating social bonds, and influencing all managers and their respective organizations (Trice and Beyer, 1993).

This theoretical body offered a foundation for the following research questions.

*In what way or ways do nonprofit executives define their function and mission?*

*What do nonprofit executives see as significant motivating factors, obstacles, or risks in their organizations?*

Of particular interest was prior research on for-profit managers (Hansen and Kahnweiler, 1997; Mintzberg, 1973, 1989). Mintzberg's findings supported our own by showing that managers' work is fragmented and diverse and that managers put great emphasis on personnel issues.

Hansen and Kahnweiler also found that people issues were a high priority for managers. In particular, their data illustrated executives' concern for succession planning and their tendency to reinforce their own values by unconsciously promoting and grooming individuals who shared their beliefs. In addition, they valued entrepreneurial skill, and its link to the bottom line, more than technical skill. But in nonprofits, the permanent staff is small, with individuals usually hired for their technical knowledge. This difference led us to wonder how nonprofit executives might view personnel development and its link to organizational missions, resulting in the following research question:

*In what ways do nonprofits see themselves, their personnel, and their organizational structures and missions as similar to or different from their for-profit counterparts?*

Finally, a study of HRD specialists in for-profit organizations by Hansen, Kahnweiler, and Wilensky (1994) indicated that practitioners in our field were highly dependent on the strategic support of management in order to carry out their work. An HRD specialist's ability to gain this aid was influenced by the degree to which the practitioner's goals and tactics were similar and therefore compatible with the cultural beliefs of management (Hansen and Kahnweiler, 1995). We thus asked the following research question:

*How might the beliefs of nonprofit executives influence HRD goals, priorities, and strategies?*

**Organizational Stories.** We chose the organizational story as a tool for studying the subculture of nonprofit executives (Hansen and Kahnweiler, 1993). As active participants in the construction of their subculture's reality, these executives develop symbols that reflect the meaning and significance they impose on their work settings (Berger and Luckman, 1966; Morgan, 1985; Smircich, 1983b). One such symbol is the organizational story, which depicts historical consequence and envisions present and future organizational experiences (Hansen and Kahnweiler, 1993; Feldman, 1990; Feldman, 1991; Martin, 1982). More than with most other data collection methods, stories allow researchers to examine perceptions that are often filtered, denied, or not in the informants' consciousness (Martin, 1982). Stories provide access to metaphorical meanings by bridging the space between symbolic structures and conscious understanding (Feinstein, Krippner, and Granger, 1988). Therefore, it is not necessary for stories to be factual representations of events, relationships, or ideology. Stories reflect what the cultural member believes to be true, not what others may confirm as true (Feldman, 1991; Martin, 1982; Martin and Powers, 1983; Mohan, 1993).

A unique aspect of the story analysis used in this study was the examination of the stories' individual components. Drawing on previous research models (Hansen and Kahnweiler, 1993; Hansen, Kahnweiler, and Wilensky, 1994), we defined story elements to include heroes, villains, motivating forces, morals, and plot development. It has been found that a subject's perception of what constitutes a hero or a dilemma, for example, influences plot development and subsequently reveals what the informant considers to be positive or negative forces and conflict-resolution methods (Hansen and Kahnweiler, 1993). Thus, story line components can serve as useful and relatively unobtrusive vehicles for bringing the storyteller's cultural beliefs and biases to the surface.

## Research Methods

This section describes the study participants and the procedures followed to collect, triangulate, and analyze the data.

**Participants.** Story data were collected by the lead author through open-ended interviews with twenty-eight executives (eleven women and seventeen men) from twenty-eight organizations. These were the primary data set for this study (see Table 1). At the time of the research, each person interviewed was serving as director or assistant director of a national or international nonprofit organization. Interviews took place at each nonprofit's U.S. headquarters in Atlanta, Boston, New York, or Washington, D.C. Participants were obtained through snowball sampling, which allowed key participants to identify social and professional networks from which the interviewees were drawn (Bernard, 1988). The participants were queried about other nonprofit executives who might be amenable to participating in this investigation. In line with guidelines developed by Herman and Heimovics (1989, 1990, 1991) the participants

**Table 1. Profile of Participants and Organizations**

<i>Title of Participant</i>	<i>Organization's General Focus</i>	<i>Organization's Primary Focus</i>	<i>National</i>	<i>International</i>	<i>Male</i>	<i>Female</i>
Executive director	Public health	Disease research	x		x	
Assistant executive director	Public welfare	Multiple services		x		x
CEO	Public health	Food	x			x
Executive director	Public welfare	Multiple services		x	x	
Executive director	Public health	Disease research	x			x
Executive director	Public welfare	Homelessness	x		x	
Assistant director	Think tank	Multiple services	x		x	
Executive director	International development	Peace		x	x	
Executive director	Public health	Family planning	x			x
Executive director	Public policy	Multiple services	x		x	
Associate director	Educational development	Multiple services		x	x	
Vice president	Public health	Hunger			x	
Executive director	Public health	Women	x			x
Executive director	Public welfare	Civil rights	x		x	
Assistant executive director	Public health	Disease research	x		x	
Executive director	Public health	Disease research	x			x
Executive director	Public health	Hunger	x		x	
CEO	Public health	Families and children	x			x
Assistant director	Public welfare	Health outreach	x			x
Executive director	Public health	Children	x			x
Executive director	Public welfare	Multiple services		x	x	
CEO	International development	Diversity	x		x	
Executive director	Public welfare	Poverty	x		x	
Senior vice president	Public health	Environmentalism	x			x
Assistant director	Public welfare	Children		x	x	
CEO	Educational development	Poverty	x			x
Assistant executive director	International development	Research		x	x	
Senior vice president	Public welfare	Multiple services		x	x	
Director	International development			x		

came from publicly supported nonprofit organizations. Executives from grant-making foundations and religious institutions were excluded; executives from hospitals and colleges were also excluded because of their institutional complexity and competition from other sectors.

**Data Collection Procedures.** The interviews were an hour to two hours long and included two parts. First, participants were asked to relate a brief story about their organization. After that, a semistructured interview scheme explored each participant's personal interpretation of that story. Participants were asked to identify the story components described earlier, and these interpretations offered a base for probing their beliefs related to the research questions. Interviews were conducted individually, occurred in the participants' offices, and were audiotaped and transcribed.

**Triangulation.** The data were triangulated in two ways: through the review of executive annual report letters as cultural artifacts and through the observation of executive focus groups. Of the twenty-eight participants in the interview portion of the study, fifteen provided annual report letters that were analyzed using a cross-case matrix approach (Miles and Huberman, 1994). Although it was possible that the executives did not write their annual report letters alone, this artifact was chosen for triangulation as an available public statement of the mission and values espoused by the organization and its director.

The lead author also employed nonintrusive participant observation of four three-hour focus groups. Each focus group included eight to ten executives and was part of an ongoing leadership program established by a nonprofit resource organization that promotes nonprofits and their executives, staffs, and volunteers. These preset, monthly, facilitated sessions provided a venue for discussing effective nonprofit management processes and developing creative funding streams. The author had no influence on the subject area of each session's agenda. Participants and the facilitator were aware of the reason for the author's presence in the group. She usually intervened at the end of each session, clarifying and synthesizing the information gathered from the participants. Eight to ten executives (total  $N = 39$ ) from a variety of agencies participated in one of the four three-hour observations. Data were transcribed from field notes.

**Analysis.** The study used grounded theory methodology (Strauss and Corbin, 1990). Grounded theory is inductively derived and is an iterative process with both collection and analysis continually informing, elaborating, and redefining the other as categories and relationships emerge.

The story interview data, as the principle data set, were divided into three areas of analysis: the story focus, the story content, and the story elements. In analyzing the story's focus, we asked who or what the story was about. To analyze the story's content, we looked at the plot. To analyze the story elements, we further broke them down into four subcategories: heroes, heroines, and positive forces; villains and negative forces; motivating forces; and morals. To

analyze heroes and heroines as identifiable people, positive forces, and factors internal or external to nonprofits, we asked who or what contributed to the story in a positive way. We asked the opposite questions to determine villains and negative forces. To analyze motivating forces, we asked who or what acted as a catalyst for the story; to analyze the morals, we looked into the lessons to be learned from each story.

The observation data were also analyzed for consistent themes. We did not consider codes or categories that specifically reflected the designated topic of discussion for a particular focus group. For example, data collected during a meeting focusing on collaboration would not include collaboration as a code. However, another session centering on quality might include codes or categories for collaboration or collaborative endeavors.

Annual letters were analyzed using a cross-case matrix approach (Miles and Huberman, 1994). Initially, the first four annual report letters were coded according to subject. A pattern of consistent subject codes emerged; each was placed as a variable along one axis while each annual report letter was placed as a case number along the other axis. This permitted an analysis of the frequency of codes and the addition of new variables.

As data from the three data sets emerged into core categories, the overall analysis proceeded through the three stages that included open coding where categories and taxonomies surfaced, axial coding where new categories were reassembled via interconnections to develop themes, and selective coding where a core category, new meanings, and abstract interpretations emerged. The second level of analysis, the axial coding, is illustrated in Table 2 for each of the three data sets. Results of the selective coding process form the basis for the following sections on research findings and discussion.

## **Research Findings**

This section reports on emic data from the stories collected during the executive interviews as well as on findings from the observations and annual report letters. The results are organized and presented in accordance to their link with the first three research questions. The fourth research question, connecting this study's findings to the work of HRD practitioners, is addressed in the later section of this article on implications.

**Work Definitions, Missions, and Functions.** While exploring the first of the four story elements (heroes, heroines, and positive forces), we found that executives were very willing to discuss the positive aspects of their organizations, usually intertwining their missions and visions of their organizations with this component. In their stories, they often described the mission of the organization in terms of its ethical commitment to serve the community and address societal problems. In all the annual report letters an account of current success was linked to the agency's continued accomplishment of and dedication to its mission. Both the stories and annual reports communicated the