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Strategies for Socioeconomic Development: A Study of Nonprofit Practices

Honors Thesis

Submitted In Partial Fulfillment of The Requirements of HON 420

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By

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Abstract

This project seeks to examine methods in which nonprofit organizations (NPOs) are able to further their impact, specifically in regard to the socioeconomic development of their communities. This is done through examining consequences of socioeconomic disparities such as health disparities and increased crime rates, reviewing a number of commonly used NPO strategies, and emphasizing the importance of performance measurement tactics. All information was gathered through the combination of a complete literature review and a case study on a local nonprofit organization: MadisonHome Inc. It is important for nonprofit organizations to implement a variety of measurement tactics in order to determine which of their policies are most effective for goal attainment. This will ultimately serve to further their overall community impact.

Keywords and phrases: Nonprofit organization, Strategies, Collaboration, Performance measurement, Socioeconomic development.

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Strategies for Socioeconomic Development: A Study of Nonprofit Practices

The aim of this project is to further the overall impact nonprofit organizations can have on the socioeconomic stability of the communities they serve. By presenting the consequences that stem from socioeconomic disparities, examining commonly used strategies, and analyzing the importance of measurement tactics - specifically in determining which practices are most effective. Nonprofit organizations need to understand, establish, and utilize accurate measurement tactics, thus allowing them to determine which practices are best suited for their organization and increase the overall impact they have on the socioeconomic sustainability of the communities they serve.

Consequences of Socioeconomic Disparities

It is important to understand the necessity of NPOs that assist with bettering the socioeconomic stability of their communities. To do this it is critical to examine the direct ramifications of socioeconomic disparities. There are two main consequences that are examined in this review of the literature: health disparities and the influence that socioeconomic status (SES) has on crime rates. Crime and disease are both significant public issues that have direct social, psychological, and biological causes. These causes operate for both crime and disease at the individual, group, and ecological levels. More to the point, exposure to crime and disease share very similar causes and correlations (Cockerham, [2013](#); Piquero, [2015](#), as cited in Barkan, S.E., Rocque, M., 2018). Understanding the consequences of socioeconomic disparities provides critical insight into the importance of establishing nonprofit practices that serve to implement socioeconomic betterment and sustainability.

Health Disparities

Discrepancies in health is one direct outcome of SES disparities that is commonly considered. In fact, socioeconomic status, whether measured by income, education or occupational status, is among the most robust determinants of variations in health outcomes in virtually every society throughout the world (WHO Health Commission, 2008 as cited in Williams, et. al., 2018). One must first understand that a person's SES creates differences at the individual, family, and neighborhood levels, and exactly how these differences have an explicit impact on an individual's life experiences (Chen, et. al., 2013). SES is a complex and multi-dimensional concept comprising a range of factors encompassing economic resources, power and/or prestige that can influence health at different times in the life course (Williams, et. al., 2018). It is significant to consider SES at each of the three levels (neighborhood, family, and individual) and their interrelationships, in order to best understand the connections between these factors and the consequential clinical health outcomes (Chen, et. al., 2013).

Direct factors that relate to SES that also have an influence on health disparities are exposure to violence and social capital. Scholarship indicates that exposure to violence can be directly associated with increased morbidity from a variety of health problems. This indicated that greater violence exposure is associated with greater asthma symptomatology, greater risk of cardiovascular disease, poorer physical health, greater disability, and more chronic pain (Chen, et. al., 2013). Social capital is another factor that is impacted by the correlation between low SES and an individual's health outcomes. For example, states that have higher levels of income inequality also experience lower levels of social trust (Chen, et. al., 2013); in turn, those states

with lower levels of social trust also have higher total mortality rates as well as higher mortality rates due to coronary heart disease and malignant neoplasms (Kawachi, et. al., 1997).

At the family level there are three key sections to examine: parenting, conflict, and routines. Studies indicate that different characteristics of low-SES neighborhoods can overflow and have an impact on various family behaviors. One example of this is presented in how the dangers inherent in low-SES neighborhoods directly shape parenting behaviors toward children; research presents that parents who reside in lower income neighborhoods are more likely to use controlling and restrictive parenting practices as well as harsh and punitive parenting strategies, such as corporal punishment with their children (Chen, et. al., 2013). These types of parenting tactics have been linked to long-term physical health outcomes in children:

For example, parenting characterized by neglect predicts an increased risk of obesity 10 years later in young adults (Lissau & Sorenson 1994). In the seminal studies conducted on this topic from the Adverse Childhood Experiences (ACE) study, investigators documented that those who grew up in childhood environments involving abusive parenting were more likely as adults to be diagnosed with coronary heart disease (Dong et al. 2004) and to die prematurely (Anda et al. 2009). (Chen, et. al., 2013).

When considering the association with health, one must analyze the family level of SES disparities. There are significant financial hardships that are associated with low socioeconomic status, and studies present the idea that it can have a negative correlation to the quality of family relationships. Family conflict is more common amid low SES households because parents are often facing multiple, competing demands that can drain their energy and patience. (Chen, et. al., 2013). These familial conflicts often have established associations with different health outcomes: Greater amounts of family conflict are associated with greater health symptoms in

youth, they serve as a predictor to the onset of diseases such as asthma and of metabolic control in youth with diabetes (Chen, et. al., 2013).

There are multiple competing demands that influence familial conflicts and also serve to impact families' daily routines. Studies have directly tested factors such as conflict and routines in mediating the relationship between SES and health; "determining that risky family environments (characterized by conflictual, cold families) form one intermediary pathway between low childhood SES and adult metabolic functioning, inflammatory markers, and blood pressure" (Lehman et al. 2005, 2009; Taylor et al. 2006, as cited in (Chen, et. al., 2013).

The third level associated with SES and health discrepancies take place at an individual classification. This level examines the socioeconomic status correlation to both psychological characteristics and individual health behaviors. There is a significant amount of literature that has documented the direct association between low SES and individual psychological characteristics including negative emotions such as depression and anxiety (Chen, et. al., 2013). Characteristics such as these have a direct impact on health outcomes. Scholarship has documented the effects that depression may have on future cardiovascular morbidity and mortality outcomes; while anxiety has been seen to predict the risk of additional negative cardiovascular outcomes (Rozanski et al. 1999, as cited in Chen, et. al., 2013). SES disparities amid neighborhood and family characteristics can also directly influence individual health behaviors. One example of this occurs when examining the overall safety of neighborhoods: "when neighborhoods are more dangerous (as low-SES neighborhoods are), parents are more likely to keep their children indoors, meaning that they will be less likely to engage in physical activities such as walking or playing at parks" (Carver et al. 2008 as cited in Chen, et. al., 2013). These actions have direct consequences to an individual's long-term health. Relating back to the previous example, studies

indicate that youth who participate in less physical activity are more at risk for obesity (Patrick et al. 2004, as cited in Chen, et. al. 2013).

There are additional intervening mechanisms that can account for the correlation between socioeconomic status and health discrepancies including stressful life events, poor social support networks, insufficient knowledge about health issues, participation in risky health behaviors; residence in neighborhoods with substandard living conditions and other problems, lack of money for affordable health care, and inadequate health care when it is affordable (Cockerham 2013; Link and Phelan 2010, as cited in Barkan, S.E., Rocque, M., 2018). Research supports the idea that there are significant correlations between health and low socioeconomic status. There is a necessity in lessening socioeconomic disparities, as it stands currently there are notable, long-term consequences to people's health. Thus, the existing literature indicates that there are significant correlations between low-socioeconomic status and health discrepancies. Nonprofit organizations which effectively address the issue of socioeconomic status benefit their communities on neighborhood, family, and individual levels.

Influence on Crime Rates

It is also important that we examine the correlation between socioeconomic disparities and crime rates. An individual's neighborhood provides a base that shapes the kinds of social exposures that they experience. Studies indicate that individuals who live in low-SES neighborhoods are more likely, for example, to witness or be the victims of violence (Diez Roux & Mair, 2010; Buka et al., 2001, as cited in Chen, et. al., 2013). There are certain neighborhood conditions that are associated with low-socioeconomic status. These conditions include high population density and several dimensions reflecting social disorganization: high residential

turnover, low collective efficacy, and high amounts of single-parent households. These aspects ultimately weaken social institutions, informal social control, and parenting and consequently promote delinquency and other antisocial behaviors (Barkan, S.E., Rocque, M., 2018). Because low-SES people are much more likely to live in neighborhoods with some or all of these conditions, neighborhood residence is yet another intervening mechanism for the SES-street criminality relationship. (Barkan, S.E., Rocque, M., 2018). Scholarship indicates that there is an inverse, linear gradient that exists between household income and the likelihood of witnessing or experiencing violence (Crouch et al. 2000, as cited in Chen, et. al., 2013). In fact, violence in low-SES neighborhoods is exceedingly common, with over 50% of children in neighborhoods with these characteristics having witnessed severe acts of violence (Margolin & Gordis 2000, as cited in Chen, et. al., 2013). It is also important to consider the resources that are available to individuals. People of different social classes have contrasting access to resources such as education, money, knowledge, power, prestige, and beneficial social connections that they can utilize in situations in order to limit a negative outcome. (Barkan, S.E., Rocque, M., 2018). The most basic observation is that individuals and families with money and education can much more easily avoid most if not all of the risk factors for street criminality (Barkan, S.E., Rocque, M., 2018).

Nonprofit Strategies

The next part of the literary research focused on examining various NPO strategies. Common NPO strategies that serve to benefit an organization's contribution to the community include collaboration, social media engagement, strategic planning policies, inter-faith involvement, and civic engagement. By understanding and implementing these strategic tactics in an effective way NPOs are able to better serve their communities. Acquiring this information

is the first step in understanding what policies and procedures are most effective within the not-for-profit sector.

Collaboration

The first of the key strategies that needs to be considered when examining common NPOs tactics is that of collaboration. It is critical to first understand the aspects that make up interorganizational collaboration. The process of collaboration ultimately implies that two or more organizations are sharing “information, resources, activities, and capabilities” (Bryson, et al., 2006 as cited in Shumate, M., et al., 2018). Through these communications, individuals, organizations, and society are ultimately able to better generate value (Shumate, M., et al., 2018). Research centering around the topics of nonprofit studies, public administration, organizational theory, and sociology have demonstrated the importance of implementing collaborative practices and establishing interorganizational relationships (Fu, JS, et al., 2021). It is becoming more common for organizations that fall within the nonprofit sector to participate in or seek out more collaborative practices. Interorganizational collaboration increasingly provides a social safety net for human services nonprofits; the effectiveness of these partnerships has important implications for the quality and adequacy of the services organizations are offering (Atouba, Yannick C., et al., 2019). There are a number of both drawbacks and benefits that organizations need to understand before considering synergistic applications or policies.

Barriers

There are several barriers and challenges associated with nonprofit collaborative efforts that need to be identified. These barriers include coordinating with competition, pursuing a

potential loss of autonomy, potential measure of risk, and a lack of effective communication techniques.

The first of these challenges that an organization needs to consider is that they will be actively coordinating with other institutions that are in competition for the same resources. Considering the fact that NPOs are often urged to coordinate with others that are seeking the same resources, it is important to understand that this ultimately increases the risks associated, as each partnering organization has a driving economic interest in the other's failure (Proulx, et al., 2014). This process is referred to as co-opetition; the actions in which organizations are simultaneously collaborating and competing with each other (Gnyawali et.al., 2006). Organizations may choose to engage in a collaborative relationship when it is recognized that a complex problem could be better solved with a collaborative effort, and that solving that particular issue would ultimately serve to benefit all organizations involved (Peloza and Falkenberg, 2009 as cited in Proulx, et al., 2014). This provides some insight into the reasons for engaging in interorganizational collaboration. Essentially, though nonprofits are inherently competing, they are also explicitly seeking collaborative opportunities with those same competitors, making the relationship between competition and collaboration for nonprofits a contradiction that leaders must reconcile (Curley, C., et. al., 2021). There are a number of risks that are directly related to collaborating with competition, however there are also benefits related to this type of collaboration that organizations should consider. One clear risk associated with co-opetition is information leakage; however, organizations with many ties in their network also benefit from the flow of information, assets, and status among the networked organizations. This allows for both organizations to learn about and from their competitors, using these relationships to their advantage. (Proulx, et al., 2014).

Another barrier that organizations need to consider before entering into collaborative partnerships is the potential loss of autonomy. Identifiable boundaries are a defining characteristic of a formal organization; it essentially serves as the characteristic that makes collaboration innovative for organizations. Collaboration, however, can threaten the boundary, and therefore the identity, of an organization; meaning that participation in any sort of collaborative activity will result in the loss of at least some of an organization's autonomy (Tsasis, 2009; Mulroy and Shay, 1998, as cited in Proulx, et. al., 2014). Thus, NPOs must establish ways to retain and manage boundaries when carrying out collaborative activities (Proulx, et al., 2014). It is also important to understand that organizations' interorganizational relations are interdependent, so ultimately the costs of developing and sustaining a relationship with one organization could directly influence the characteristics of relationships with others (Fu, JS, et al., 2021). Collaboration at its core presents a type of partnership, and as with any partnership both collaborating organizations are at risk to lose some autonomy. It is critical that organizations prepare for this and are able to manage it effectively if they are going to enter into any collaborative relationship.

With loss of autonomy comes a measure of risk, which is the third barrier organizations need to be aware of. Collaborating organizations often risk their reputations, lose some control over their activities, and are typically involved in unequal exchanges where one partner must provide more resources than the other (Proulx, et al., 2014). The risk of trust violation is also one that needs to be considered. This is presented in Proulx, Hager, and Klein's study:

“An unequal partnership also raises the risk that one organization will dominate the relationship, perhaps to the detriment of the other organization's chances of

survival (Bunger, 2013). This type of domination can take several forms, all of which involve a violation of the partner organization's trust.”

It is critical that managers clearly examine their objectives in engaging in collaboration and base their choice of collaborative partners and activities solely on those objectives. In order for collaborative practices to be effective, it is also important that any participating organizations understand the differences in organizational cultures and goals. This is because if there is any goal misalignment, such as one partner engaging in the collaboration to make itself more visible in the community, while the other partner believes it is collaborating to impact a particular issue, trust may be violated and the entire collaboration may fail as a consequence (Proulx, et al., 2014). Organizations should be aware that entering any collaborative partnership presents risk, as they need to be prepared to address and minimize these risks in order to secure a successful collaboration.

Communication is another characteristic of collaboration that can prevent organizations from participating. High communicative effectiveness between partners can have a multitude of benefits such as reducing ambiguities, uncertainties, and information asymmetry; it thereby enhances coordination of efforts, knowledge exchange, and co-creation and implementation of partnership goals and strategies (Atouba, Yannick C., et. al., 2019). Establishing effective communication within the partnership is essential in a successful collaborative endeavor. Studies indicate that when organizational partners adequately share ideas, information, strategies, and knowledge relating to common issues, they experience benefits such as improvement on the quality of their solutions, development in innovative ways of thinking about issues, improvement in the quality of their services, and they are more likely to achieve the partnerships goals (Paulraj et al. 2008; van Oortmerssen et. al. 2014, as cited in Atouba, Yannick C., et. al., 2019).

Communication is the key that acknowledges and supports the synergistic combination of resources, capabilities, and processes that ultimately contribute to the achievement of efficient and effective collaborative partnerships (Atouba, Yannick C., et. al., 2019). Organizations must be able to effectively communicate with one another if they are to enter collaborative relationships.

Organizations need to understand the barriers of competition, loss of autonomy, measure of risk, and communication which can prevent the implementation of effective collaboration. This awareness can allow NPOs to establish methods that will encourage them to successfully work together in order to further the services they provide their communities.

Motivators

NPOs often engage in collaboration with other organizations, regardless of the previously mentioned barriers, because of the benefits that stem from establishing partnerships. These benefits can be surmised into four key motivators which include resource dependency, pressure to comply with sector norms, network growth, and further development of services.

Resource dependency is one of the most important motivators for collaboration between nonprofit organizations. In many instances organizations are willing to give up some level of autonomy in exchange for a better chance at resource sufficiency; resource dependence ultimately suggests that NPOs are often looking for a tangible benefit from their collaborations (Proulx, et al., 2014). It should be noted that there are a number of ways that NPOs can share resources when partnering together. Collaborative practices have been used to decrease the burdens on nonprofits through the process of service delivery, resource sharing, and grant seeking (Curley, C., et. al., 2021). One argument that could be presented is that the more

insecure an organization's access to resources, the more likely it is that they will collaborate with other NPO's. This argument is supported through studies which have determined that the more uncertain an organization's resource base, the more likely it will enter into a collaboration with another organization (Proulx, et al., 2014). However, additional research has actually found that organizations with greater resource sufficiency are often more likely to formally collaborate with other organizations; this could be attributed to the fact that they would experience fewer risks to their autonomy in collaboration than a small organization, and that they are possibly considered to be more desirable collaboration partners (Proulx, et al., 2014). Whether organizations are collaborating because their resources are insecure or because they have greater resource sufficiency, resource acquisition can be considered a central motivation for participating in collaborative actions.

The second motivator for collaboration that organizations need to consider are external pressures to comply with the sector norms. One needs to understand that the number of organizations engaged in collaboration in any given environment has the potential to directly influence prevailing industry norms; essentially, as the number of organizations participating in interorganizational collaboration rises, the practice begins to be viewed as the correct way of doing things (Proulx, et al., 2014). This perspective presents the idea that organization is able to increase its chances of survival when it conforms to the norms of its institutional environment, whether this is done to meet legal requirements or to match what similar organizations are doing (Guo and Acar, 2005, as cited in Proulx, et al., 2014). It is also important that organizations consider what their beneficiaries and donators consider. Scholarship indicates that many funders place a high value on collaboration, and as a result of this organizations may collaborate in order to gain legitimacy in the eyes of these funders (Bunger, 2013, as cited in Proulx, et al., 2014).

Industry norms have a significant influence on organizational practices, and this extends to the concept of collaboration.

Another motivation for collaboration that organizations need to examine are the direct benefits of growing and retaining an established network. Studies on public, private, and nonprofit organizations have determined that performance can be improved through networking (Johansen & LeRoux, 2013). The network theory presents the idea that organizations can be motivated to collaborate by a previous history of partnerships or interactions with other organizations (Sowa, 2009 as cited in Proulx, et al., 2014). It is however also important to consider that collaboration can also work by simply exchanging intangible resources which indirectly can lead to network building. This practice often happens in instances in which the collaborating organizations are also competitors. The intangible resources that are being traded could include things like knowledge, visibility, and legitimacy. This type of resource sharing is crucial to network building because these intangible resources could lead to tangible resources: increased visibility or legitimacy could lead to more donations or meeting a requirement to engage in collaboration could lead to additional grant funding. (Proulx, et al., 2014). Establishing and growing a network is a critical aspect of any successful institution within the nonprofit sector, which is why it serves as a motivator for collaboration between organizations.

The final motivator for entering an interorganizational collaboration that needs to be discussed is the potential to develop the services offered. This is due to the fact that collaboration can serve as a direct pathway to assist an organization with improvement on the depth or quality of its services, which might be more efficiently achieved through added financial resources or through the sharing of organizational expertise or ideas (Sowa, 2009, as cited in Proulx, et al., 2014). The longevity of collaboration is another aspect of service development that organizations

can consider. If collaboration is proven to help an organization achieve its mission in the short term, the organization may be willing to extend that collaboration into a long-term commitment (Mulroy and Shay, 1998, as cited in Proulx, et al., 2014). Extending goals and branching out from specialized services is a way for NPOs to better their communities in more ways, and collaboration can assist with these types of developments

Despite the barriers that often serve to prevent interorganizational collaboration NPOs continue to engage in collaborative efforts. The key motivations for collaboration within the nonprofit sector include resource dependence, external pressures, network growth, and the development of resources offered.

Social Media Engagement

Social media engagement is the second essential NPO strategy to be discussed. Many managers of nonprofit organizations have been applying social media as an indispensable marketing tool to reach more consumers and increase support from the public (Raman, 2016 as cited in Feng, et. al., 2017). This is because the public overwhelmingly relies on social media as a tool for gaging an organization's intentions, understanding its mission, and to witness the overall impact they are having within their communities. NPOs can actively take advantage of social media as a channel for consumers to obtain educational and useful information about the organization, and as a venue for them to engage in sincere communication with the organization and other consumers; implementing effective social media strategies can be functionally used to enhance consumers' overall satisfaction and trust (Lovejoy et. al., 2012). Influencing consumers' satisfaction and trust of an organization can play a major role in establishing a brand within the community and thus extending the number of people an organization can reach. There are also

significant financial gains that can be had through increasing social media engagement. It has been established that consumers' perception of an organization's social media presence has a significant influence on satisfaction and trust but noting that these factors are important drivers of donation intention (Feng, et. al., 2017). In other words, gaining the public's trust through effective social media strategies will likely lead to an increase in charitable behavior intentions. There are concerns that need to be effectively handled when an organization begins using social media as a tool for managing public engagement. These can include dealing with different stakeholders, needing social media training, and efficiently managing multiple social media sites; understanding that for small organizations, this can provide even more of a challenge because they are unable to confront the overhead involved in learning and managing multiple social media systems (Hou, Y., & Lampe, C., 2015). Utilizing social media channels is an effective way for organizations to build their brand, establish satisfaction and trust with consumers, and ultimately increase donation intent.

Strategic Planning

The third NPO tactic that should be understood is that of strategic planning. Strategic planning is essentially a process that can be used in an effort to help organizations define their goals and how to achieve those goals. This process includes identifying the most effective methods of acquiring the resources that are necessary in fulfilling an organization's mission (Gratton, 2018). Research shows us that this important organizational tool that would further assist NPOs in addressing systemic issues and charting an efficient plan for future endeavors is extremely underutilized within the nonprofit sector (Gratton, 2018). Conventional and innovative strategic planning methods have been used within the nonprofit sector before yielding positive

results, most notably during the economic downturn of 2008 (Raffo, et.al., 2016). One of the most important outcomes of strategic planning is organizational development (OD). It is the study and practice of organizational change through human systems, as driven by humanistic values; in order to do this, it “utilizes behavioral science and knowledge to bring about planned, systemic change to an organization’s strategy, structure, culture and processes over a sustained period of time for the purpose of making an organization more effective” (Gratton, 2018). Issues that the nonprofit organizations are facing today have greatly increased the need for OD to be in place. These involve fiscal challenges, increasing competition, technologic challenges, and human resource challenges (Salamon, 2002, as cited in Gratton, 2018). Together these four distinct areas form an interrelated system, each affecting the others; if the issues are not systematically addressed, these challenges can create a downward spiral for NPOs, greatly reducing their overall effectiveness (Gratton, 2018). In order to ensure effectiveness, there are considerations that organizations need to address before engaging in strategic planning. NPOs have six prerequisites to establish before engaging in strategic planning, these are to “achieve financial stability, raise enough resources to make significant investments, involve stakeholders in decision making, develop monitoring and evaluation tools, embrace transformational leadership, and train staff members in strategy and planning applied to their particular work” (Marin, 2015). Essentially, there needs to be a basic level of operational stability and maturity already established before strategic planning can be effective; an organization must be ready and able to follow through with intentional change (Gratton, 2018). Strategic planning can be an extremely effective and useful tool for organizations that are prepared and able to implement it.

Inter-Faith Involvement

Incorporating inter-faith involvement within the non-profit sector is the fourth NPO strategy. This tactic can be an extremely valuable tool, however there is a significant lack of academic research on the topic. One thing to understand is that nonprofit organizations have traditionally relied on dedicated and committed volunteers in order to implement many of their community initiatives; these volunteers serve as a representation of the critical human resource factor for organizational effectiveness and long-term sustainability (Kappelides et al. 2019; Windrum 2014, as cited in Zollo, et. al. 2020). While there is no research directly associating interfaith work and the nonprofit sector, there is scholarship which indicates that interfaith work can benefit the wider community in a number of different ways. Interfaith work often serves to build branches of meaningful relationships with members of this community; encouraging an individual to be more confident in reaching out to members of the larger community, and at the same time more willing to invite these same community members into one's own immediate and everyday surroundings for cooperation (Patel, M., et. al., 2021). Interfaith engagement also can be implemented to build stronger relationships and progress towards shared goals within the wider community (Patel, M., et. al., 2021). There is also a concept referred to as communal grounding that interfaith cooperation can provoke. Communal grounding can be defined as an individual's sense of developing a feeling of "at homeness" or situatedness within a community and can be a direct outcome of meaningful community engagement (Patel, M., et. al., 2021). There are a number of community benefits that stem from interfaith cooperation and engagement, further research should be conducted on the impact that this concept can have directly within the nonprofit sector.

Civic Engagement

The final tactic that will be examined is that of civic engagement. It is extremely important that organizations within the nonprofit sector establish effective civic engagement practices. Local governments have been known to often collaborate with nonprofit organizations in order to address a number of different public issues. (Whitaker, et.al. 2007). These types of collaborative arrangements between businesses, nonprofits, and government agencies are increasingly considered by corporate nonprofit, and government leaders as a potential solution to social issues and a mechanism to greatly increase organizational benefits (Shumate, M., et al., 2018). In fact, as local governments deal with public service delegations from state and federal governments, they face the challenge of providing more and better services while facing tighter fiscal limits. In an effort to meet this challenge, many have partnered with nonprofit organizations in efforts of service delivery, drawing on nonprofits' volunteers, and private financial resources, as well as their greater flexibility of action (Whitaker, et.al. 2007) Nonprofit organizations are also receiving benefits from this collaboration. In return, NPOs have become skilled advocates for the citizens they serve, making persuasive appeals for public funding or otherwise influencing the governments' priorities (Whitaker, et.al. 2007). However, it is also important to consider that government regulations at the local, state, and federal level, can sometimes impede efforts of nonprofit organizations. Engaging in civic partnerships or collaborative efforts can further the impact that NPOs have on their communities.

Determining Effective Practices

Determining what policies are effective and which are not is a crucial part of operational management in any field and is especially relevant within the nonprofit sector. This is especially

true when considering that the operating environments of nonprofit organizations are more complex today than in previous times (Langer & LeRoux, 2017). Ascertaining which NPO strategies are effective is a crucial aspect of developing quality policies that will serve organizations in completing their goals and mission. Though, the technical process of assessing the overall extent of mission accomplishment can be difficult (Herman & Renz, 1998). The most efficient way of determining the efficacy of each strategy is through the implementation of measurement tactics. There are a variety of different performance measurement practices that organizations can consider, but many of the most useful ones are often overlooked.

Measurement Tactics

There are a number of reasons why NPOs need to implement effective measurement tactics. The importance of performance measurement has increased in the nonprofit sector due to financial and competitive pressures within the sector and the growing emphasis on accountability in nonprofits' funding (Lee & Clerkin, 2017). Most nonprofit organizations solely track their performance through financial and numerical metrics such as dollars raised, membership growth, number of visitors, people served, and overhead costs; while these metrics are certainly important, they don't accurately measure the success of an organization in achieving its mission (Sawhill & Williamson, 2001). Accountability is another key reason for implementing measurement tactics. The rapid growth of the nonprofit sector, as well as the significant and increasing economic, social, and cultural impacts that these organizations have on communities further suggest the need for nonprofit accountability (Jones & Mucha, 2014). In order to ensure they are holding themselves accountable and ultimately achieving their mission, organizations need to implement a balanced use of performance measures. Nonprofit organizations need to

incorporate a mix of input, process, output, and outcome measures in order to evaluate the value created by their programs and improve their performance (Lee & Clerkin, 2017). Though, despite being extremely valuable, outcome measures are some of the most underutilized measurement tactics in the nonprofit sector. Outcome measurement has been less preferred when compared to other measures because they take a comparatively long time to be achieved; outcome measurement practices are perceived to be too expensive and too slow to provide adequate information about organizational performance (Lee & Clerkin, 2017). It is important to understand the reason why NPOs should invest in multiple performance measures. Many of the public performance reports and internal performance measurement systems that are used by these organizations focus solely on financial measures, such as donations, expenditures, and operating expense ratios, but the overall success of nonprofits should be measured by how effectively and efficiently they are meeting the needs of their communities. (Kaplan, 2001). A lack of quality performance measures ultimately deprives organizations of necessary insight into their overall effectiveness. An absence of systematic and thoughtful data collection can lead to goal displacement because it can cause nonprofits to focus on generating easily measurable data or figures that please stakeholders, rather than accomplishing the more meaningful, but more difficult to measure outcomes (Lee & Clerkin, 2017). Establishing quality and effective performance measurement tactics is crucial for any organization within the nonprofit sector.

Case Study: Madison Home Inc.

The next section of this project focuses on a case study of a local nonprofit organization in Richmond, KY. MadisonHome Inc., is a non-profit that describes itself as a community-wide effort for fundraising, soliciting grants, accepting donations, and management of day-to-day

activities for the shelter. Through a collaboration with volunteers from faith-based and civic community organizations they seek to effectively offer a variety of services for the community. Examples of these services include emergency housing, food assistance, access to addiction counseling and recovery programs, job training, clothing, employment opportunities, rental and mortgage assistance, pregnancy assistance and preventative care. The intent behind MadisonHome Inc. is to create one place with access to a complete network of all the necessary community services. An interview conducted with MadisonHome Inc., provided valuable information about collaboration within the nonprofit sector. As the organization is just in the beginning to middle phases of development, they are relying a lot on the guidance of other, already established organizations. The progress MadisonHome Inc. has made, especially while also balancing the trials presented by COVID-19 is considerable.

Methodology

The next step of this project, following the literature review, was to formally conduct face-to-face interviews. The first part of this process was to outline the leading questions that would be asked during the interview. These questions centered around program initiatives, organization's successes versus failures and strategic networking tactics. The completed list of questions is referenced in Appendix A of this report. Once the questions had been organized, the proceeding step was to determine the interviewees. This process consisted of writing out an interview cover letter, which can be found in Appendix B of this report, and forwarding it to different nonprofit organizations in an effort to establish communication. The initial outline for this project was to conduct a comparative case analysis: comparing the strategies and practices of

two established NPOs. However, due to a lack of response in participants the project changed directions and moved forward as a singular case study focusing on Madison Home Inc.

Participants

Finding interview candidates to participate in the project was the next course of action. The interview organized was with a representative of a local nonprofit organization, just starting out: MadisonHome, Inc. This was the only interview conducted due to different COVID-19 restrictions, scheduling conflicts, and being unable to find additional interviewees. Though a follow-up interview was not conducted, gathering further information was made possible by observing one of the organization's monthly board meetings. Through the interview and observation process, I was able to effectively gather information on the various strategies and practices that NPOs within the beginning phases of development may implement.

Interview

The interview conducted with the representative of Madison Home Inc., provided valuable insight into the processes and strategies implemented by nonprofit organizations, especially those that are just in the beginning to middle phases of development. The strategies that were referred to the most throughout our discussion were that of collaboration, social media engagement, and inter-faith involvement. The representative explained the timeline of the organization, describing how it began as a collaborative venture between churches of different affiliations. The intent behind Madison Home Inc., is to establish a singular base that offers an entire collaborative network of services. A significant aspect of our interview focused on the different approaches and changes the organization needed to make as a result of the pandemic.

This ultimately provided insight into how they have utilized social media platforms as a tool for fundraising, donations of supplies such as food and clothing, garnering public awareness and support. It was discussed how their activity on social media platforms has ultimately allowed them to expand their volunteer network and also reach more people within the community who may need to utilize the services they are offering. The discussion also indicated that as a result of their collaborative strategies and various social media practices, Madison Home Inc. has been able to establish their brand and grow their network. The interview aspect of this process provided insight into which NPO strategies starting nonprofits are implementing and how these tactics are being implemented in a way that may be effective for other organizations.

Observation: Winter Housing Meeting

The next section of this process consisted of observing one of Madison Home Inc.'s monthly board meetings. This board meeting focused on the planning of the NPO's annual winter housing initiative. This meeting also provided insight into what practices were being implemented and in what ways. It was really evident that collaboration and inter-faith associations remained a central part of the organization's process. This was clearly demonstrated through the planning of transportation and organizing shifts of volunteers from a number of different affiliating churches and civic organizations. Social media engagement is another strategy that was indicated throughout the meeting through discussions on different engagement plans and management of posts, comments, and responses. The observations from the board meeting served to provide further insight into how the various NPO strategies are being implemented at Madison Home Inc.

Discussion

Many organizations can seek to further the overall impact their policies are having in relation to the socioeconomic stability of the communities they serve. First it is important to have a comprehensive understanding of the potential consequences that directly stem from socioeconomic disparities, such as health disparities and increased crime rates. It is critical that nonprofit organizations are able to accurately understand these consequences and which strategies serve to minimize them. The next step is to analyze a variety of frequently used strategies and understand the importance of each one. The third part of this process that is outlined in this report is to acknowledge the value in implementing a variety of different measurement tactics; specifically, in an effort to determine if the practices being implemented are assisting organizations with their overall mission. Organizations must be prepared to establish and implement accurate measurement tactics that will effectively assist them in determining which strategies are best suited for their organization and better the impact they are having on the socioeconomic sustainability of their communities and constituents. The case study with Madison Home Inc., provided key insights into how organizations are implementing different strategies. Though because the organization is still in the beginning stages of development, they did not provide significant insight into the implementation of measurement tactics, and it will take time to determine if their current strategies prove to be effective. Organizations within the nonprofit sector can further their overall community impact through the implementation of effective practices and successfully conducting performance measurement reviews.

Appendix A

Interview Leading Questions

1. What is the mission/ goals of your organization?
2. What communities do you serve?
 - a. What specific services do you provide for the communities that you serve?
3. What projected impact do your services have on the community(-ies) that you serve?
4. Are you able to measure the success of your programs?
 - a. How? What factors do you look at?
 - b. How did you determine that these measurement tactics were effective and accurate?
 - c. Would you be willing to provide any documentation that illustrates the success of your program(s) or depicts your measurement process?
5. How do you measure the overall impact that your organization is having?
6. How do you form your goals? Do you update and/or review them each quarter, semi-annually, or annually?
7. Are there any initiatives that your organization tried to implement that had ultimately proved to be unsuccessful in furthering your mission?
 - a. If yes, what were they? Why did they fail?
8. Does your organization implement any specific networking tactics? Why or why not?
 - a. Does it impact success - in regard to fulfilling the organization's mission?
How?
 - b. Who do you network with?
 - c. How do you make strategic networking choices?

Appendix B

Interview Cover Letter

Alexis Dahl Walls

Eastern Kentucky University

Richmond KY, 40475

at [REDACTED]

02/15/2021

Recipient Name

Title

Company Name

Street Address

City, ST ZIP Code

To Whom It May Concern:

My name is Alexis Dahl Walls; I am a junior at Eastern Kentucky University and this semester I will be completing my honors thesis. My research project is a study on nonprofit organizations. Specifically, I will be analyzing different tactics or processes organizations use in order to establish and maintain a successful organization. My main topic of research is specifically nonprofit organizations that have a focus on supporting socioeconomic growth and sustainability within the communities with which they work.

I am reaching out to see if someone at your organization would be willing to assist me with my research by participating in an interview. I would greatly appreciate any engagement from your organization as the insight that could be gained from your answers would help further my project. I have included an attachment of the leading questions that will be used in the interview.

If you have any questions, or if you would be willing to schedule an interview, please contact me at [REDACTED] or [REDACTED]. I look forward to working with and learning more about your organization.

Sincerely,

Alexis Dahl Walls

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