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Understanding Strategic Planning: Why Nonprofit Organizations Struggle in the Current Era of Privatization

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Walden University
2016

Abstract

Understanding Strategic Planning:

Why Nonprofit Organizations Struggle in the Current Era of Privatization

by

Trunnis Goggins, II

MBA, Anderson University, 2009

BBA, Marian College, 2007

Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Philosophy

Public Policy and Administration

Walden University

March 2016

Abstract

Several studies suggest that nonprofit organizations that compete with for-profit organizations to deliver public services struggle to obtain mission clarity and face resistance by staff and volunteers when implementing traditional for-profit business planning procedures. The purpose of this study was to extend the Austrian theory of entrepreneurism and Bourdieu's social practice theory to identify particular procedural functions during the strategic planning process that played a role in the struggle of nonprofit organizations to obtain mission clarity. This study focused on nonprofit organizations that delivered residential services to disabled individuals in the state of Indiana. Data collected included 15 face-to-face interviews with the executive leadership from the study's participating nonprofit organizations; qualitative survey results from 17 staff members who were asked open-ended questions about their experiences with the strategic planning process; and publicly available documents related to the strategic planning process, including internal documents, and standard business documents. All data were inductively coded and then subjected to a constant comparative method of analysis to identify key themes and concepts. A key finding identified that communication during the strategic planning process and the clarity of the role played by staff in that process had a direct effect on both mission clarity and staff resistance during the strategic planning exercise. The positive social change implications of this study include recommendations for non-profit organizations for the improvement of strategic planning processes, which may, in turn, lead to an increase in options for care and service delivery available for people receiving public service that results in a better quality of life.

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Dedication

My quest to obtain a college education began in November of 2004. At the time my journey began, I was a Navy Recruiter, married, and a father of six wonderful children. Today I am a married father of nine (one deceased) wonderful children and a grandfather of one handsome boy. I was recently named an Assistant Professor for Ivy Tech Community College in Columbus, Indiana, and I am at the cusp of achieving the highest of academic credentials. None of these accomplishments could have been achieved without the unconditional support and dedication of my strong and wonderful wife Lori Ann Mullins-Goggins.

Table of Contents

iii

List of Tables

List of Figures

Chapter 1: Introduction to the Study

Introduction

The privatization of public service has been commonplace in the United States since it became a nation in 1776. However, the concept and practice of privatization of public service and the role of the nonprofit sector plays has certainly evolved over time. Gronbjerg (2001) wrote that from the early 20th century up until the early 21st century the privatization of public service has gone through three different phases, and with each phase the role of the nonprofit organization was affected.

According to Gronbjerg (2001), the first phase of privatization lasted from the beginning of the 20th century up until the end of World War II, and this phase was localized, meaning that funding came from private donations and occasional municipal funding. The next phase started after World War II and lasted until the early 1980s. During this phase, the privatization of public services was funded in large part by the federal government. During this phase, there was also an increase in the range of public services being delivered. Now in the current phase of privatization, though there is still a wide range of public services being offered to the public, the federal government has turned over a considerable amount of financial responsibility back to the states. This current phase has dramatically changed the nonprofit sector.

Salamon (2002) wrote that from the 1960s up until the 1980s the nonprofit sector was the dominant sector when it came to partnering with public organizations in order to deliver public services to the constituents of those public organizations. However, the federal budget crisis of the late 1970s and early 1980s caused the Reagan Administration

to propose, pursue, and implement policies that shifted some of the financial

responsibility to fund public service programs from the federal government to state and

local governments. These fiscal policies were known as *New Federalism* policies (Cole &

Taeble, 1986).

According to Cole and Taeble (1986), New Federalism caused state and local

governments to find innovative ways to deliver public services to their constituents. The

for-profit sector saw the need for improved efficiency and innovation as a way to enter

the public services industry. The entry of for-profit organizations into the public service

industry increased the level of competition in the public service industry and

consequently ended the dominance of the public service market that the nonprofit sector

was able to maintain for 20 years. Though the previously mentioned instance would raise

several research questions, this study focused on the strategic planning aspects associated

with this instance. The increased presence of for-profit organizations into the public

service industry and other industries such as higher education and the health care

industries, once dominated by the nonprofit sector, caused the boards of nonprofit

organizations to require the operational leadership of nonprofit organizations to adopt

more "businesslike" behaviors. The literature suggested that by adopting these behaviors,

like the development of traditional marketing, business, and strategic plans, the

operational leadership of these nonprofit organizations now struggle to obtain and

maintain mission clarity (Salamon, 2004; Tierney, 2006). In addition, the literature

indicated that there is resistance from the staff and volunteers of nonprofit organizations

to participate and accept traditional "businesslike" procedures (Dart, 2004; Salamon, 2004).

The struggle to successfully implement businesslike procedures has led to public organizations deciding to partner with for-profit organizations in order to deliver public services in more instances (Cole & Taeble, 1986; Salamon, 2002). In addition, this struggle to implement businesslike procedures has led to instability and inconsistency in the leadership of many organizations in the nonprofit sector (Salamon, 2004; Tierney, 2006). The purpose of this study was to explore the strategic planning and other businesslike behaviors of nonprofit organizations that operate in this era of privatization, where for-profit and nonprofit organizations compete for the opportunity to deliver public service. This study employed an explanatory case study design to better understand why there is a struggle by the leadership of nonprofit organizations to obtain mission clarity (Salamon, 2004; Tierney, 2006) and why there seems to be a resistance by staff and volunteers of nonprofit organizations to accept those traditional "businesslike" practices (Sharp & Brock, 2010, 2012).

In this chapter, the background in which this study was conducted along with the problem affecting the strategic planning behaviors of nonprofit organizations will be presented. In addition, the purpose of the study will be clearly explained. Also, the theoretical framework and conceptual framework in which this study was conducted is explained. The definitions of terms that were presented in this study will be explained, and, assumptions, limitations, and the significance of this study will be presented.

Background

The literature regarding the privatization of public service indicated that since the start of the 20th century privatization of public service has gone through three primary phases. When addressing the history of privatization, Gronbjerg (2001) wrote that the first phase of privatization was very much localized, the second phase of privatization was federalized, and the current phase of privatization is commercialized.

Cole and Taeble (1986) presented a clear understanding of the conditions that caused this current stage of privatization by addressing how the New Federalism created an opportunity for for-profit organizations to enter the public service market. The entry of for-profit organizations into the public service market has changed how public organizations deliver service to their constituents. Nightingale and Pindus (1997) validated Cole and Taeble (1986) by concluding in their review that the trend towards privatization will continue.

Both Cole and Taebel (1986) and Nightingale and Pindus (1997) concluded that the current phase of privatization is beneficial to both public organizations and the end users of public service. However, Gronbjerg (2001) addressed the trends and challenges that privatization has on the nonprofit sector. In addition, Gronbjerg and other scholars and experts (Guo 2004; Helmig et al., 2004, Salamon, 2002;) wrote that, due to privatization policies and the increased presence of the for-profit sector in the public service industry, changes the line between the nonprofit and for-profit sector has been blurred.

The current phase of the privatization of public service led to increased for-profit competition in the public services industry. As a result, many nonprofit organization board members require their organizations' chief executive officers and other leaders to implement more "businesslike" practices to remain competitive and relevant in this new market climate. However, the literature on this subject suggested that the adaption of businesslike practices has been a challenge for nonprofit organizations. Guo (2004) wrote that this current phase of privatization changed the fundraising practices of nonprofit organizations and caused those organizations to rely more on fees for services than on more traditional forms of funding.

According to Guo (2004), this commercialization has had a negative impact on the missions of nonprofit organizations. Guo wrote that a major negative impact of commercialization is a "shift in client focus" (p. 15). This shift will cause nonprofit organizations to market their services to more "affluent clientele" (p. 15), thus leaving lower incomes communities with little access to the services that may be provided by the nonprofit organization.

Another challenge to nonprofit organizations adapting more "businesslike" practices is how nonprofit organizations view the concept of business. Frank (2002) presented how nonprofit and for-profit organizations approach the concept of entrepreneurialism. Frank wrote that the business concepts of profit, entrepreneurship, and other common concepts of the business sector are viewed differently by nonprofit organizations than by for-profit organizations. As a result, nonprofit organizations struggle to successfully adapt sound and efficient business principles.

This struggle to adapt business principles successfully has led to leadership and organizational culture challenges within the nonprofit sector. Stull (2009) stated that the implementation of for-profit strategies has fundamentally changed the very concept of the nonprofit sector's mission in society because now nonprofit organizations have begun to focus more on business principles, which has a negative effect to the social contract that a particular nonprofit organization established with society. In addition, Salamon (2004) and Tierney (2006) both wrote that the difficulty of balancing traditional business principles with the traditional missions of nonprofit organizations has led to the "burnout" of the prime decision makers and leaders of nonprofit organizations.

When it comes to the implementation of businesslike practices, most literature suggested that the modifications implemented by the nonprofit sector have not proved to be as effective as the sector would have liked. For one, researchers suggested that the implementation of businesslike planning has led to a resistance from staff members of nonprofit organizations (Brock & Sharp 2010, 2012). Other researchers suggested that the implementation of businesslike procedures has led to executive staff burnout (Salamon 2004), while other scholars suggested that the implementation of businesslike procedures coupled with competition from the for-profit sector has led to retention challenges when it comes to organizational leadership (Tierney, 2006). For an example, Stater (2009) noted that nonprofits have had a difficult time trying to balance the for-profit marketing concepts of price, place, promotion, and product with the organization's mission. Hall and Kennedy (2008) stated that nonprofit organizations struggle to adhere to the performance matrices that are established by the public organizations in which they

partner. As a result of this struggle, oftentimes nonprofit organizations fail to deliver public service as efficiently as their partner public organization would like.

Gaps in Prior Research

The previously mentioned literature along with other previously conducted research is presented in this study to show how nonprofit organizations have had difficulty adjusting to the changes in in this current phase of privatization of public services. Scholars such as Salamon (2004), Sharp and Brock (2010, 2012), Tierney (2006), and others have addressed the struggle to obtain mission clarity and staff and volunteer resistance to the adaptation of businesslike practices by nonprofit organizations. However, when researching this subject, I found very little information in the literature that answered why there has been a struggle to achieve mission clarity, or as to why there seems to be a resistance to businesslike practices by the staff and volunteers of nonprofit organizations. Hence, the goal of this study was to determine how nonprofit organizations devise and implement their strategic plans in this new environment. By studying the strategic planning processes, the results of this study may be able to help identify flaws that, if corrected, could reduce the challenge of obtaining mission clarity and the resistance to traditional businesslike procedures by the staff and volunteers of nonprofit organizations.

Importance of the Present Study

The purpose of this study was to better understand why the implementation of traditional strategic planning procedures has led to executive burnout and why there is a resistance to the process by the staff and volunteers of nonprofit organizations. By

discovering the reason behind this struggle, the results of this study can be used to help nonprofit organizations modify their operational and strategic planning in order to return the nonprofit sector to relevance in the public service industry. In addition to returning to relevance, this study can be used to help in the overall improvement of the public service industry, particularly in the way that services are delivered to the disabled population in the State of Indiana.

Problem Statement

The current phase of the privatization of public service has played a major role in ending the dominance that the nonprofit sector experienced when it came to partnering with public organizations to deliver public services. Today in the State of Indiana, for-profit organizations now have a major role when it comes to partnering with public organizations to provide public services. For example, Advantage Health Solutions, a for-profit health care provider in the State of Indiana, has partnered with the state to administer the Money Follows the Person (MFP) program. The MFP program is designed to give aged and disabled citizens more control over health decisions. In addition, this plan is designed to allow aged and disabled citizens to stay in their homes as opposed to moving into assisted living centers (Advantage Health Solutions, 2009).

In another example, Indiana Professional Management Group (IPMG) partnered with Indiana back in 2005 in order to administer the Indiana Medicaid Waiver program. The Indiana Medicaid Waiver is offered to citizens of Indiana who suffer from disabilities and are therefore in need of a variety of respite and residential services. These are just a few examples of how the for-profit sector has made major gains in the public

services market. Gains by for-profit organizations in a market traditionally dominated by the nonprofit sector have presented a major challenge to organizations in the nonprofit sector. The increased presence of for-profit organizations in industries previously dominated by nonprofit organizations present a challenge to the very business model of nonprofit organizations. This is due to the fact that nonprofit organizations now must implement new planning procedures and marketing procedures in order to remain competitive and maintain sustainability in the marketplace.

When it comes to strategic planning behaviors of nonprofit organizations, the literature highlighted the importance of strategic planning. One notable example was Dart's (2004) citation of Dees, stating that in order for a nonprofit organization to be a legitimate competitor in the delivery of public service nonprofit organizations must institute effective business, market, and policy planning. Another notable example was Hall and Kennedy (2008) writing that strategic planning is essential for the effective governance of a nonprofit organization.

Also found in the literature were the inadequate methods of resource allocation and the negative views that nonprofit organizations have in regards to strategic planning. Thomson (2011) wrote that nonprofit organizations, due to their funding models, have resource constraints that are not always found in the for-profit sector. When it comes to negative views regarding strategic planning, Sharp and Brock (2010, 2012) wrote that there is a resistance by staff and volunteers of nonprofit organizations to adapt to businesslike behaviors.

However, I determined from the literature review that there is not enough information addressing why there is a struggle to obtain mission clarity or as to why there is resistance to traditional businesslike behaviors. Finally, though there is literature that instructed nonprofit organizations how to plan strategically (for example, Bryson [2010] provides literature supporting the importance of nonprofit strategic planning and offers steps to strategically plan effectively), there is little in the literature that instructed these same organizations on how to succeed at strategic planning. This study was conducted in order to contribute to the scholarly knowledge regarding these topics and also to gain a deeper understanding as to why the challenges exist in the nonprofit sector.

Purpose of the Study

When it comes to partnering with public organizations to deliver public services, it has been established that at one time the nonprofit sector was a dominant force in that industry. However, changes in government policy and the entry of the for-profit sector in the public service market had a negative impact on the nonprofit sector. Nonprofit organizations were compelled to change their business models. This change has led to a lack of mission clarity and staff resistance to businesslike behaviors. The purpose of the study was to find out why these phenomena are occurring.

This was a qualitative case study exploring multiple cases. Yin (2009) wrote that the multiple case study design "uses the logic of replication" (p. 74). Creswell (2007) wrote that the case study is "the study of an issue explored through one or more cases within a bounded system" (p. 73). The purpose this study was to gain a better understanding of the strategic planning processes of nonprofit organizations and to

clearly understand why there are challenges to mission clarity and organizational "buy-in." By conducting an information-rich case study on two nonprofit organizations that deliver services to the mentally and physically disabled populations of the State of Indiana, I was able to recognize similar challenges that are found in two different cases.

The primary intent of this study was to understand why nonprofit organizations struggle to implement businesslike procedures. By having a better understanding of strategic planning behaviors, nonprofit organizations can make necessary modifications to their strategic and operational planning approach, which will in turn assist nonprofit organizations achieve mission clarity. By achieving mission clarity, nonprofit organization will be in a better position to serve their constituents. This improvement in service delivery will ultimately lead to positive social change.

Research Questions

The goal of this study was to find the answers to the following research questions regarding the strategic planning behaviors and challenges of nonprofit organizations.

1. Why does the practice of business-like behaviors in the nonprofit sector lead to an organizational struggle to obtain mission clarity in this current era of privatization?

2. What are key factors that contribute to the resistance to strategic planning that seems to be common within nonprofit organizations?

3. What do nonprofit organizations do that is successful in the strategic planning process?

Theoretical and Conceptual Framework for the Study

In order to better understand why nonprofit organizations struggle to gain mission clarity and why there is a resistance to traditional businesslike practices by the staff and volunteers of these organizations, the theories of practice and the Austrian theory of economics were employed in this study. The Austrian theory of economics is a theoretical view that is different from the neoclassical supply and demand view of economics. An example of a difference between the neoclassical and the Austrian theories of entrepreneurship is as follows. Under the neoclassical model, Henry Ford came up with the idea to mass produce automobiles at low cost and sell those cars to the consumers at a reasonable price. At the time of market entry, Ford's target consumer was perfectly happy with the horse and buggy. However, the customer adjusted his or her lifestyle and bought Ford's automobile. Under the Austrian theory, an entrepreneur sees a need or a problem and develops a system or product to address and overcome that need. This is a common trait of nonprofit organizations as in the instance of establishing health clinics and child care centers in low income communities.

The neoclassical theory of entrepreneurship does not necessarily fit the model of the nonprofit sector due to the fact that in many cases nonprofit organizations are formed because of some type of market failure. Market failure occurs when the neoclassical theory of economics, which is supply and demand or production and consumer consumption, cannot fit in a certain socioeconomic situation (Bator, 1958). These situations of market failure could include providing housing for the poor, providing assistance to the disabled, or providing mentoring to at-risk youth. Traditionally when a

market failure occurs, the for-profit sector retreats from the instance of the market failure, and the public and nonprofit sectors then attempt to fill that void.

A pragmatic research approach was employed for this study. This is due to the fact that the literature suggested that nonprofit organizations have struggled in this current phase of privatization. The pragmatic approach was implemented in order to analyze and recognize potential flaws in the nonprofit sector's approach to the strategic planning process. Finally, because this current phase of privatization has required many nonprofit organizations to implement traditionally for-profit strategic and operational practices, traditional strategic planning concepts that are practiced in the for-profit sector were used to analyze the data.

Theoretical Foundation

In the case of this study, the focus was on the strategic planning behaviors of nonprofit organizations that compete directly with for-profit organizations while delivering services to the disabled population in the State of Indiana. When it comes to strategic planning there are certain generalizations that pertain to that practice. With that being said, the social practice theory (Bourdieu 1977, 1990; Giddens, 1979, 1984) was established as the theoretical foundation to gain a deeper understanding of the strategic planning behaviors of nonprofit organizations.

In the social sense, the social practice theory "bespeaks such desires as those to free activity from the determining grasp of objectified social structures and systems" (Schatzki, 2000, p. 10). However, in a general sense the social practice theory refers to organized human activities and shared human behaviors or practices (Schatzki, 2000).

Schatzki (2000) wrote that the social practice theory is not a unified approach. However, there a presupposed set of practices that are associated with certain practices. In the case of strategic planning there are indeed general practices (i.e. SWOT analysis) that are in some way performed by virtually every organization, nonprofit or for-profit, that develop strategic plans. With this in mind, the practice theory was the ideal theory to employ to achieve goals of this study.

In addition to employing the theory of practice, the Austrian theory of economics was also considered. Rosen (1997) wrote that there are two primary theories of economics, the neoclassical theory and the Austrian theory. The neoclassical theory of economics is a microeconomic view, which is commonly known as supply and demand. In addition, this view of economics refers to the act of "pursuing those specific actions from available alternatives that maximize the difference between personal benefits and costs" (Rosen, 1997, p. 140). The Austrian theory on the other hand views the economy in constant evolution that regularly creates new and "unforeseen" (p. 141) opportunities for profits in which "agents are constantly trying to find and exploit" (p. 141). Two major proponents of the Austrian theory of economics are as follows: Kant, who believed that human behavior and characteristics play a major role economics and entrepreneurship, and Kirzner, who stated that "economic systems must involve fundamental and ongoing sources of newness" (Cowen, 2003, p. 7).

By definition, for-profit and nonprofit organizations are designed to achieve two distinct missions. The *Business Dictionary* described a for-profit organization as an organization whose primary goal is to generate monetary profit. A nonprofit organization

was defined by the *Business Dictionary* as an organization whose primary goal is to help the community. Stater (2009) wrote that the nonprofit organizations operate under conditions of market failure, and that these organizations do not operate within the neoclassical boundaries of economics. However, this current phase of privatization has led to the commercialization of the nonprofit sector, and the distinction between the for-profit and nonprofit sector is no longer as defined as it was in past eras of privatization (Gronbjerg, 2001; Guo, 2004).

Authors Hall and Kennedy (2009) and Thompson (2011) wrote that the current phase of privatization not only increased the pressure by nonprofit board members to institute businesslike behaviors, but there is also increased pressure from the public organizations that nonprofit organizations partner with to deliver public services to enact more businesslike procedures as well. Public demand for greater accountability and greater efficiency when it comes to the delivery of public services has caused public organizations to approach forged partnerships with private organizations differently than they once did before. As a result, nonprofit organizations are now compelled to operate more like their for-profit counterparts.

As mentioned previously in this chapter, there have been challenges in implementing businesslike practices in the nonprofit sector. The very view of economics by the nonprofit sector could be a hindrance to that implementation. Frank (2002) wrote that nonprofit organizations hold many of the Austrian concepts of entrepreneurship. According to Frank, nonprofit organizations recognize market failures and see opportunities to "bridge the gap" (p. 16). However, Frank went on to write that the

nonprofit sector view of profit gain from their actions is much different than the for-profit sector's view of profit. It is quite possible that this view of entrepreneurship may have an effect on the strategic planning process of nonprofit organizations, thus contributing to the struggle of mission clarity and the organizational resistance to businesslike processes that have been enacted in the nonprofit sector as a reaction to the current phase of privatization.

Pragmatism was employed in order to gain a better understanding of the strategic planning challenges that are present in the nonprofit sector. Creswell (2007) stated that pragmatism is the worldview that focuses on finding a solution. Creswell (2007) went on to state that pragmatism is "not committed to any one system of philosophy" (p. 23), the researcher is free of methodology constraints, and pragmatism is "truth in what works" (p. 23) among other characteristics. As previously mentioned, information gathered from this study's literature review showed that there is a problem with the way nonprofit organizations that operate in the public service industry strategically plan. With that in mind, a goal of this study was to discover the systematic problem so that a solution can be found. The theoretical approach of pragmatism was generally applied to the third research question of this study.

Conceptual Framework

Reynolds (2007) wrote that when it comes to concepts in social science, an audience can "add meaning unintended by the writer" (p. 47). With this in mind, the definitions and common procedures of strategic planning provided by Bryson (2010) were the primary concepts I used in this study. Bryson defined strategic planning as "a

deliberative to, disciplined approach to producing fundamental decisions and actions that shape and guide what an organization (or entity) is, what it does, and why." (p. 8).

When it came to the observation of the strategic planning behaviors of nonprofit organizations, those observations were guided by the Bryson (2010) terms of strategy, which are identified as: 1. Gathering, analyzing, and synthesizing information to consider it strategic significance and frame possible choices; 2. Producing considered judgments among key decision-makers about desirable, feasible, defensible, and acceptable missions, goals, strategies, and actions, along with complimentary initiatives, such as new, change, or terminated policies, programs, and projects, or even overall organizational designs; 3. Addressing effective ways key organizational issues or challenges now and in the foreseeable future; 4. Enhancing continuous organizational learning; and 5. Creating significant in and during public value. (p. 8).

Nature of the Study

This qualitative study employed a case study design. Yin (2009) wrote that researchers use the case study to "contribute to our knowledge of the individual, group, organizational, social, political, and related phenomena" (p. 1). Yin wrote that the case study design is used in studies when "why and how" research questions are posed, when there is "little control over events" (p. xix) within a study, and when a phenomenon has "real-life context" (p. xix). Creswell (2007) wrote that the case study approach is a common approach throughout all social sciences. Eisenhardt (1989) wrote that the case study is "a research strategy which focuses on understanding the dynamics present in single settings" (p. 534). Case study definitions provided Yin, Creswell, and Eisenhardt

were the guiding influences that led to the determination that the case study method was

the best research method to employ when searching for a better understanding of the

challenges of strategic planning in the nonprofit sector.

Rationale

I determined that multiple case study design was the best method to find an

answer to the research questions. Yin (2009) wrote that the multiple case study method is

used to find the "why" of a particular phenomenon. This study focused on the

businesslike behaviors of nonprofit organizations. Mainly, this study focused on how

nonprofit organizations conduct strategic planning. Eisenhardt (1989) presented multiple

examples of the case study being used to understand corporate behaviors. Those

examples presented by Eisenhardt were the decision making behaviors of British retailers

studied by Pettigrew and the Warwick study of competitiveness and strategic change in

the major United Kingdom corporations. Case study research is a commonly used

methodology employed when studying corporate phenomenon. Based on the examples

presented by Eisenhardt, the case study approach would provide valuable "real-time"

information regarding the strategic and operating behaviors of an organization.

The Phenomenon Being Investigated

The current phase of the privatization of public service has taken a lot of the

responsibility for the delivery of public service away from the federal government and

has given more responsibility of public service delivery to state governments. As a result

of the responsibility shift, state governments have had to create innovative ways to

deliver public service. These innovative policies and procedures enacted by state

governments have created a public service industry environment that for-profit organizations have deemed favorable to enter the market. The entry of for-profit organizations into an industry primarily dominated by the nonprofit sector has caused the boards of nonprofit organizations to promote the implementation of businesslike behaviors within their organizations in order to stay competitive in the new public service industry environment (Gronbjerg, 2001; Guo, 2004; Salamon, 2004; Stull, 2009; Tierney, 2006).

The literature suggested that nonprofit organizations have struggled to implement more businesslike procedures. For example, Salamon (2004) and Tierney (2006) wrote that the implementation of traditional, for-profit business practices has led to a struggle for nonprofit organizations to maintain mission clarity. According to Salamon and Tierney, this lack of mission clarity has led to executive burn-out in many cases. In addition, Sharp and Brock (2010, 2012) wrote that there seems to be a resistance to traditional for-profit business practices by the staff and volunteers of the nonprofit organizations that implement those practices.

Bryson (2004) wrote that strategic planning (which is a primary traditional business function) is the roadmap to mission clarity. Bryson (2011) wrote that strategic planning is a process that assists organizations in addressing "issues or challenges facing an organization" (p. 8). The current era of privatization has presented the nonprofit sector several unique challenges, so effective strategic planning should be an essential part of a nonprofit organization's operation. Bryson (2004) wrote that some of the benefits of

implementing strategic planning procedures for nonprofit organizations include the following:

- Strategic organizational thinking

- Enables an organization to clarify future direction

- Improves organizational decision making

- Improves performance

- Builds teamwork

However, with all of the benefits listed by Bryson, there has been substantial evidence that showed implementation of traditional strategic planning procedures by nonprofit organizations has, in some cases, had an opposite effect. As a result, in some instances strategic planning in nonprofit organizations has had a negative impact on mission clarity. The purpose of this study was to develop new knowledge of the current phase of public service policy and to better understand why this opposite effect is occurring in nonprofit organizations.

Methodology

In order to find the answers to this study's research questions, a multiple case study was conducted. Two nonprofit organizations that deliver services (i.e. respite, vocational, and residential services) to disabled citizens living in Central Indiana were sampled. The data that were collected could be found in primary organizational documents such as strategic plans, business plans, and marketing plans from the time period of fiscal year 2008 up until fiscal year 2012. In addition, study participants (staff members) were asked to complete an electronic survey and others (executive leaders)

were asked participate in in-depth individual interviews. The rationale of this sample selection follows.

First, at the time if data collection I lived in Indiana, and due to the time constraints and scope of this study I decided to focus on nonprofit organizations within a close proximity. The second reason behind the sample selection is that this current phase of privatization has drastically affected the business model of the nonprofit sector (Gronbjerg, 2002; Guo, 2004; Salamon, 2002, 2004). With this in mind, it was determined that the focus of this study should be on nonprofit organizations that directly compete with for-profit organizations while delivering public services. The third reason is that I was looking for why nonprofit organizations have struggled to maintain mission clarity in this current phase of privatization. This means that, based on Yin's (2009) rationale, a multiple case study should be the approach taken. With that in mind, the decision was made to focus on two nonprofit organizations that were large enough to have boards that would require the implementation of businesslike behaviors. Yet these organizations had to be small enough for me to gain access to the organization's primary decision makers.

Data collected from these participating organizations were analyzed by employing the qualitative data coding software Nivo10. Data analysis was also done by comparing collected strategic planning documents with the strategic planning concepts of Bryson (2010)

. Finally, the interpretation of the data was reviewed by experts and scholars in the nonprofit sector and strategic planning discipline for accuracy.

Definitions

Services listed in this section are provided under the Indiana Medicaid waiver. In this study, the following words and phrases carry these meanings:

Businesslike: This pertains to (a) specific business tools (e.g. strategic planning, market analysis, etc.) to both the analysis and the management of both nonprofit programs and other programs intended to generate revenue or profit or (b) activities of a blend of profit motivation and the use of managerial and organizational tools developed for for-profit settings (Dart, 2004).

Disabled citizen: A person with a physical or mental impairment that substantially limits at least one of the major life activities of the individual (Indiana Code 22-9-5-6, Definitions).

Medicaid waiver: In the State of Indiana, the medicaid waiver provides an alternative to nursing facility admission for adults and persons of all ages with a disability. The waiver is designed to provide services to supplement informal supports for people who would require care in a nursing facility if waiver or other supports were not available. Waiver services can be used to help people remain in their own homes, as well as assist people living in nursing facilities to return to community settings such as their own homes, apartments, assisted living or adult foster care. (State of Indiana, 2012)

Nonprofit organization: Organizations that are eligible for exemption from federal income taxation under Section 501(c)(3) of the tax code, plus the closely related social welfare organizations eligible for exemption under Section 501(c)(4) of the code (Salamon, 2002, p.7).

Public-private partnership: Long term agreements between public and private organizations in which private organization produce and distribute services that are deemed traditionally public in nature (Forrer, Kee, Newcomer, and Boyer, 2010).

Services: The Indiana Medicaid Waiver covers the following services: the State of Indiana's Adult Day Services definitions of services covered under the Medicaid Waiver.

Adult day services (ADS) : Community-based group programs designed to meet the needs of adults with impairments through individual plans of care. These structured, comprehensive, non-residential programs provide health, social, recreational, and therapeutic activities, as well as supervision, support services, and personal care. These services must be provided in a congregate, protective setting and meals and/or nutritious snacks are required.

Adult family care (AFC): A comprehensive service in which the participant of services resides with an unrelated caregiver in order for the participant to receive personal assistance designed to provide options for alternative long term care to individuals who meet nursing facility level of care and whose needs can be met in a home-like environment. The participant and up to three(3) other participants who are elderly or have physical and/or cognitive disabilities and are not members of the provider's or primary caregiver's family, reside in a home that is owned, rented, or managed by the adult foster care provider. Participants selecting the AFC service may also receive Case Management Services, Adult Day Services, Specialized Medical Equipment and Supplies and Health Care Coordination through the waiver.

Assisted living (AL): Personal care, homemaker, chore, attendant care and companion services, medication oversight (to the extent permitted under State law), therapeutic social and recreational programming, provided in a home-like environment in a residential facility which is licensed by the Indiana State Department of Health, in conjunction with residing in the facility. This service includes 24 hour on-site response staff to meet scheduled or unpredictable needs in a way that promotes maximum dignity and independence, and to provide supervision, safety and security. Participants may also receive Case Management Services, Specialized Medical Equipment and Supplies and Health Care Coordination through the waiver.

Attendant care: Attendant care services primarily involve hands-on assistance for aging adults and persons with disabilities. These services are provided in order to allow older adults or persons with disabilities to remain in their own homes and to carry out functions of daily living, self-care, and mobility.

Case management: A comprehensive service comprised of a variety of specific tasks and activities designed to coordinate and integrate all other services required in the individual's care plan. Case Management is required in conjunction with the provision of any home and community-based service.

Community transition services: Reasonable, set-up expenses for individuals who make the transition from an institution to their own home where the person is directly responsible for his or her own living expenses in the community and will not be reimbursable on any subsequent move. Reimbursement is limited to a lifetime cap for set up expenses up to $1,500.

Environmental modifications: Minor physical adaptations to the home, as required by the individual's Plan of Care/Cost Comparison Budget. The modifications must be necessary to ensure the health, welfare and safety of the individual and enable the individual to function with greater independence in the home, and without which the individual would require institutionalization. Maintenance is limited to $500 annually for the repair and service of environmental modifications that have been provided through the waiver. There is also a lifetime cap of $15,000.

Health care coordination: Medical coordination provided by a Registered Nurse to manage the health care of the individual including physician consults, medication ordering, and development and nursing oversight of a healthcare support plan. Skilled nursing services are provided within the scope of the Indiana State Nurse Practice Act. The purpose of Health Care Coordination is stabilization; prevention of deteriorating health; management of chronic conditions; and/or improved health status.

Homemaker: Homemaker services offer direct and practical assistance consisting of household tasks and related activities. The services assist the individual to remain in a clean, safe, healthy home environment and are provided when the individual is unable to meet these needs or when an informal caregiver is unable to meet these needs for the individual.

Home delivered meals: Nutritionally balanced meals that help prevent institutionalization because the absence of nutrition in individuals with frail and disabling conditions presents a severe risk to health. No more than two meals per day will be reimbursed under the waiver.

Nutritional supplements: Liquid supplements, such as "Boost" or "Ensure" to maintain an individual's health in order to remain in the community. Supplements should be ordered by a physician based on specific life stage, gender, and/ or lifestyle. There is an annual cap of $1,200.

Personal emergency response systems (PERS): Electronic devices which enable certain individuals at high risk of institutionalization to secure help in an emergency. The individual may also wear a portable help button to allow for mobility. The system is connected to the person's phone and programmed to signal a response center once a "help" button is activated. The response center is staffed 24 hours daily/ 7 days per week by trained professionals.

Pest control: Services are designed to prevent, suppress, or eradicate anything that competes with humans for food and water, injures humans, spreads disease and/or annoys humans and is causing or is expected to cause more harm than is reasonable to accept. Pests include insects such as roaches, mosquitoes, and fleas; insect-like organisms, such as mites and ticks; and vertebrates, such as rats and mice. There is an annual cap of $600.

Respite: Respite services are those that are provided temporarily or periodically in the absence of the usual caregiver. Service may be provided in an individual's home; the private home of the caregiver or in a Medicaid certified nursing facility. For those individuals receiving the service of Adult Foster Care, funding for respite is already included in the per diem amount and the actual service of respite may not be billed. The level of professional care provided under respite services depends on the needs of the individual. An individual requiring assistance with bathing, meal preparation and

planning, specialized feeding, such as an individual who has difficulty swallowing, refuses to eat, or does not eat enough; dressing or undressing; hair and oral care; and weight bearing transfer assistance should be considered for respite home health aide under the supervision of a registered nurse. An individual requiring infusion therapy; venipuncture; injection; wound care for surgical, decubitus, incision, ostomy care; and tube feedings should be considered for respite nursing services.

Specialized medical equipment and supplies: Medically prescribed items required by the individual's Plan of Care/Cost Comparison Budget, which are necessary to assure the health, welfare and safety of the individual, which enable the individual to function with greater independence in the home, and without which the individual would require institutionalization. Individuals requesting authorization for this service through the waiver must first exhaust eligibility of the equipment or supplies through the Indiana Medicaid State Plan. There should be no duplication of services. Maintenance is limited to $500 annually for the repair and service of items that have been provided though the waiver.

Transportation: Transportation services enable individuals to serve under the waiver to gain access to waiver and other community services, activities and resources, specified by the plan of care. Transportation services under the waiver shall be offered in accordance with an individual's plan of care and whenever possible, family, neighbors, friends, or community agencies which can provide this service without charge will be utilized. This service is offered in addition to medical transportation required under 42

CFR 431.53 and transportation services under the State plan, if applicable, and shall not replace them.

      Vehicle modifications: The addition of adaptive equipment or structural changes to a motor vehicle that permit an individual with a disability to be safely transported in a motor vehicle. Vehicle modifications, as specified in the Plan of Care/Cost Comparison Budget, may be authorized when necessary to increase an individual's ability to function in a home and community based setting to ensure accessibility of the individual with mobility impairments. These services must be necessary to prevent or delay institutionalization. The necessity of such items must be documented in the plan of care by a physician's order. Vehicles necessary for an individual to attend postsecondary education or job related services should be referred to Vocational Rehabilitation Services. Maintenance is limited to $500 annually for repair and services of items that have been funded though the waiver and there is a $15,000 lifetime cap (State of Indiana, 2012).

      Strategic planning: A purposeful approach to the decision making procedures of an organization (Bryson, 2012).

Assumptions

      It was assumed that organizations that participated in this study would submit for analysis all of the necessary primary and secondary strategic and operational planning documents. It was assumed that the primary decision makers would answer all of the in-depth individual interview questions in a frank, truthful, an unbiased manner. The staff and volunteers of this study's participating organizations were willing to fully participate in the electronic survey portion of this study. It was also assumed that the staff and

volunteers of these organizations would feel comfortable freely participating in this study without fear of negative consequence of their voluntary participation.

Scope and Delimitations

Rudestam and Newton (2007) wrote that delimitations are limitations that are "imposed deliberately" (p. 105) by the researcher. In this study, my intent was to better understand why the leadership of nonprofit organizations struggled with mission clarity and why there has been resistance by staff and volunteers to the traditional businesslike strategic and operational planning. The final intent of this study was to find processes practiced by nonprofit organizations during the strategic planning process that those organizations do well. In order to find the answers to these questions, a research strategy was implemented to sample two nonprofit organizations that delivered services to the disabled citizens of the State of Indiana.

One example of delimitation provided by Rudestam and Newton (2007) is the restriction of population in order that the results of the study "can be generalized" (p. 105). A small sample size can lead to results that are information rich. Devers and Frankel (2000) wrote that one of the characteristics of qualitative research is "purposive sampling" (p. 264), which is a method designed to obtain a better understanding of a phenomena. Employing a small sample size provided an opportunity to gain a deeper understanding of why nonprofit organizations have a difficulty in achieving mission clarity and as to why there seems to be resistance by staff and volunteers of these organizations to businesslike practices in this current era of privatization.

As far as transferability, the data collected in this study were explained and generalized by using the five steps of "thick description" as presented by Ponterotto (2006). Those five steps as described by Ponterotto are accurate description, the capture of thoughts and emotions, the interpretation of social interaction, the context of social interaction, and the meaning of the findings. A more in-depth explanation of the thick description method will be explained in Chapter 3 of this study.

Limitations

There were limitations to this study. The limitations that were considered were author and participant bias, data collection processes, and the common challenges associated with the case study approach. The following is a briefly detailed explanation of each of these limitations.

The first limitation was author and participant bias. Yin (2009) wrote that sloppiness and the failure to adhere to systematic procedures may inadvertently lead to bias finding. Creswell (2009) wrote that in qualitative research the primary data collection instrument is the researcher. With that being said, it is possible that as the researcher, my culture, experience, perspective, and bias did influence to the final analysis of the collected data. In addition to bias that can be attributed to me as the author, there was also a concern about the level of bias that may be attributed to the participants of this study as well.

As mentioned in the *Assumptions* section of this chapter, I assumed that the participating organizations of this study would positively encourage their staff and volunteers to freely participate in this study as well. However, there could have been an

issue of trust on the part of the staff and volunteers when participating in this study. In other words, there could have been some staff and volunteer participants that may not have answered survey questions in a completely truthful manner because they feared negative consequences from the leadership of the organization if they did so. In addition to staff and volunteer bias, there was also the possibility of bias from the senior leadership of the participating organizations.

Salamon (2004) and Tierney (2006) both wrote about the pressures being put on the executive leaders of nonprofit organizations by those organizations' boards to implement more businesslike practices in order to stay competitive in this current era of privatization. However, Sharp and Brock (2010, 2012) wrote that there is a resistance by the staff and volunteers of nonprofit organizations to fully accept the businesslike procedures that are being implemented. This situation, according to both Salamon and Tierney, has led to executive burnout. With this in mind, it was possible that the leaders selected to participate in the in-depth interviews may have been compelled to give cautious and balanced answers to the interview questions as opposed to giving frank truthful answers in hopes of preserving organizational harmony.

The next limitation considered was the data collection process. Hodkinson and Hodkinson (2001) wrote that a principle limitation to the case study approach of qualitative research is that "there is too much data for easy analysis" (p. 8). Hodkinson and Hodkinson went on to explain that in case studies there is a vast amount of data that could be analyzed. The issue for many case study researchers is to determine how much

data should be included in the study. This limitation was mitigated due to the guidance of dissertation committee assigned to this study.

The final limitation associated with this study was the challenge presented by Creswell (2007) when it comes to the case study approach. Creswell wrote that choosing the right case is a major challenge in the case study approach to qualitative research. Creswell went on to write that there is no real solution to this issue. However, like with other limitations listed in this section, the following measures were implemented in order to mitigate these limitations.

First, in order to address the limitation of author bias that I could have contributed to my conclusions and findings regarding this study, I shared the research findings with experts in the field of strategic planning and my committee members. Creswell (2009) stated that there must be accuracy in the interpretation of the data. Creswell listed suggestions such as debriefing with others and cross-referencing strategies to maintain integrity during data analysis. In order for this study to meet its purpose, sound analysis and interpretation standards as suggested by Creswell were implemented.

In order to address the issues of participant bias, steps were taken to build trust between the participants and me, the researcher. DiCicco-Bloom and Crabtree (2006) wrote that building positive rapport with the participants is essential to the overall success of a researcher's study. DiCicco-Bloom and Crabtree went on to write that it is important that the researcher creates an environment in which the participant is comfortable sharing his or her experiences. With this in mind, procedures were put in place to ensure that participants felt comfortable participating in the study without fear of negative

consequences that may have been considered by the participants prior to agreeing to participate in the study.

In order to address the issue of collecting too much data, I set boundaries as to the data that were collected. Yin (2009) wrote that researchers should have a scheduled protocol established that should be followed as closely as possible. A clear schedule of data collection activities that includes a specified period of time for data collection must be part of that protocol. Creswell (2007) wrote that one strategy to avoid collecting too much data is for the researcher to create a "data collection matrix" (p. 76). With this in mind, I created a matrix in order to assist in qualifying what data should and should not have been collected for this study. Creswell wrote that preparing a data collection matrix can be in itself a challenging process. With that in mind, I invited experts and academics to contribute their expertise to this study in order to ensure that the matrix was properly prepared.

<div align="center">**Significance**</div>

By having a better understanding of the strategic planning behaviors of nonprofit organizations, decision-makers of those organizations will be able to make necessary modifications to their businesslike activities in order better achieve mission clarity and reduce the staff and volunteer resistance to the businesslike processes that many feel must be enacted in this new era of privatization. This study is not only important to decision-makers of nonprofit organizations, but it is also important to the disabled populations in the State of Indiana that rely on organizations that deliver public services to them. By improving strategic planning behavior, nonprofit organizations will put pressure on for-

profit organizations to improve their efficiency even more. Improved efficiency from both nonprofit and for-profit organizations that deliver services to the disabled will in turn improve the quality of service delivered to these organizations' constituents. This improvement of service will lead to positive social change demonstrated by an improved quality of life, which means that the disabled citizens of Indiana will have greater access and shorter wait times for services that are provided by the Indiana Medicaid Waiver program. This improved quality of life will lead to a greater level of independence and mobility for those with mental and physical disabilities.

Summary

As presented in this chapter, the privatization of public service has always been in a state of constant evolution in the United States. However, this current era of privatization has caused many organizations in the nonprofit sector to have to modify their operating model in order to compete with the for-profit sector. These changes have come with several organizational challenges.

The two major challenges that this study focused on were the lack of mission clarity caused by the changing of the operating model and the resistance by staff members of nonprofit organizations to be businesslike aspects of organizational planning. As presented in this chapter, this was a qualitative study focused on nonprofit organizations that compete with for-profit organizations in the delivery of public service. Chapter 2 of this study will highlight some of the findings that have already been established by other researchers. It will also highlight some of the gaps that still remain in regards to this study's primary focus.

Chapter 2: Literature Review

Introduction

In the mid-1980s, in an effort to ease federal financial responsibility, the Reagan Administration promoted and implemented policies that shifted some of the financial responsibilities away from the federal government and more to state governments when it came to the delivery of public services. In an effort to make the delivery of public services more efficient, the Clinton Administration promoted and implemented policies that gave the end-user of public services more choice in how they receive the service and from whom they receive that public service. The actions of the Reagan and Clinton Administrations both changed the way public service is delivered, and they created a market climate that for-profit organizations found beneficial to enter.

Machado (2009) defined privatization as "the process of private, usually for-profit businesses taking over the provision of public, government provided services" (p. 1). However, the concept of privatization is not new when it comes to delivering public services in the United States. Nightingale and Pindus (1997) wrote that privatization of public service in the United States dates back to the 19th century and that this concept of privatization has evolved throughout the nation's history. Gronbjerg (2004) wrote that the privatization of public service has experienced three major phases since the turn of the 20th century. Through each evolution or phase, nonprofit organizations have been affected in some way.

The following literature review is two-fold. First, this review briefly presents the evolution of both the privatization of public service and the roles nonprofit organizations

played during those various phases of evolution. Second, this review focuses on this latest phase of privatization, what role strategic planning plays in the nonprofit organization, and the struggles, as described by scholars such as Salamon, Thomson, and Tierney, nonprofit organizations have had in implementing strategic planning procedures in this current era of privatization. This study focused on nonprofit organizations that have a primary mission of delivering public services to the disabled citizens of the State of Indiana. In addition to the two-tiered review of literature, this chapter will provide a more in-depth detail of both the conceptual and theoretical framework used to analyze the data collected for this study.

Literature Search Strategy

The literature obtained for this literature review was collected by using the Walden University Library research databases and the Internet search engine Google Scholar. The three databases used within the Walden University Library were ProQuest, Business Source Complete/Premier, and the Thoreau database. In order to find the necessary literature within the search engine and databases, the terms *nonprofit strategy*, *New Federalism*, *nonprofit competition*, *strategic planning*, *mission clarity*, *privatization of public service*, and *nonprofit performance* were entered in the search fields.

Theoretical Foundation

Salamon (2001) wrote that from the end of World War II up until the mid-1980s the nonprofit sector was the dominant sector when it came to partnering with the public sector to deliver public or public services. However, as previously mentioned, this new phase of the privatization changed the overall environment of the public service industry

in a way that made it favorable for for-profit organizations to enter the public service

market, thus increasing competition. Today the nonprofit organizations that operate in the

public service market no longer enjoy the dominance that they once possessed. This is

partly because for-profit organizations have entered into the public service industry and

have taken some of the public contracts that were usually almost always given to

nonprofit organizations. Another reason why nonprofits no longer enjoy the dominance in

the public service market is due to increased demands on the efficiency of the delivery of

a public service, for which the nonprofit lacks the resources to deliver at that efficient

level consistently.

This study focused solely on how this new phase of privatization has affected

nonprofit organizations that deliver services to the disabled populations in the State of

Indiana. Currently in the State of Indiana, for-profit organizations hold major strategic

partnerships with the state government when it comes to delivering public services to

aged and disabled citizens that reside in the state. It could be said that the dominance

described by Salamon is now being enjoyed by the for-profit sector as opposed to the

nonprofit sector when it comes to public service delivery in the State of Indiana. The

literate reviewed for this study indicated that one of the reasons that the for-profit sector

is now the dominant sector in service delivery to the aged and disabled in the State of

Indiana is due to a flaw in the strategic planning process of nonprofit organizations that

operate in the public service industry. In order to test this hypothesis, the theory of

practice and the Austrian theory of entrepreneurship were employed.

The practice theory was originally introduced in 1977 by Pierre Bourdieu (Schatzki, 2000). When describing the practice theory, Schatzki (2000) wrote that there really is no "unified practice approach" (p. 11). However, Schatzki defined the practice theory "as the skills or tacit knowledge and presuppositions that underpin activities" (p. 11). Schatzki wrote that the theory of practice can be approached in three different methods. The methods of the theory of practice are "practices and social order," "inside practices," and "posthumanist challenges," which divided in categories objectivism, and the prioritization of practices.

In order to find out why the leadership of nonprofit organizations have struggled to obtain mission clarity, the approach of the prioritization of practices was employed. Schatzki (2000) wrote that in this approach "forms of individual activity depend on the practices in which people participant" (p. 20). In addition, "knowledge and truth including the scientific versions, are mediated both by interactions between people and arrangements in the world. Strategic planning is both an internal and external practice; by employing the theory of practice, more specifically the prioritization of practices, I was able to achieve the goal of understanding the strategic planning practices of nonprofit organizations that deliver public services to the aged and disabled in the State of Indiana and why there seemed to be a challenge in these nonprofit organizations finding mission clarity.

The other theory that was employed in this study was the Austrian theory of entrepreneurship. Frank (2002) wrote that nonprofit organizations view entrepreneurship differently than the for-profit sector. Frank wrote that nonprofit organizations seem to

hold an Austrian view to entrepreneurship. Rosen (1997) wrote that the Austrian view of entrepreneurship is different than the neoclassical view of entrepreneurship. According to Rosen, the neoclassical view to entrepreneurship is the "establishment of economic equilibrium" (p. 140), whereas the Austrian view of entrepreneurship is that the economy is in a constant state of disequilibrium, and, due to this ever-evolving state, there are ever-emerging opportunities for profit generation. One can surmise that these different views to entrepreneurship may lead to different approaches to strategic and operational planning.

In order to better understand why the staff and volunteers of nonprofit organizations seem to resist the implementation of traditional businesslike practices in their nonprofit organizations, data were analyzed by using the Austrian theory of economics and entrepreneurism. The view of entrepreneurism may be at the heart of this resistance. If so, modifications to the strategic planning approach in nonprofit organizations may lead to less resistance by staff and volunteers of nonprofit organizations. This reduced resistance could also lead to less stress on the leadership of nonprofit organizations, which could lead to reduced leadership burnout and a lower turnover rate amongst nonprofit executives.

Conceptual Framework

According to many scholars of the nonprofit sector, the current phase of the privatization of public service has caused the boards of nonprofit organizations to require the executive staff and primary decision-makers of those organizations to implement more businesslike procedures. Skloot (as cited in Dart, 2004) defined businesslike

activities as sustained activity designed to earn money. Dart (2004) went on to write that those activities include commercial activity and focus on the "financial bottom line" (p.293), market analysis, and strategic planning. When it comes to the activity of strategic planning, Bryson (2010) wrote that strategic planning is the roadmap to mission achievement. Knowing this, I designed this study around the conceptual framework of strategic planning as described by Bryson.

Olsen (2007) wrote that strategic planning is a process that "includes certain basic elements that all businesses can use to explore their vision, goals, and next steps" (p. 9). Olsen went on to write that good strategic plans are a reflection of the organization's values, inspire change and modification of products and markets, define organizational success, and assist in organizational decision making. However, when it comes to the implementation of strategic planning in 21st-century nonprofit organizations, many scholars have presented the process as described by Olsen and Dart as challenging.

Bryson (1988) wrote that there are several benefits that come from the implementation of strategic planning by nonprofit organizations. Among those benefits are a more clear direction, better decision making, improved performance, and better teamwork. However, several scholars of the nonprofit sector have suggested that the results and benefits described by Bryson are not easily attainable. In fact, many scholars of the nonprofit sector concluded that the implementation of traditional strategic planning procedures in the nonprofit sector and led to a challenge in the achievement of mission clarity for many nonprofit organizations.

Literature Review Related to Key Concepts

Defining Privatization

It has been found that over the last two decades nonprofit organizations have struggled to obtain mission clarity. This struggle has been linked to this current phase of privatization and the increased competition created by for-profit organizations entering the public service market. However, according to Nightingale and Pindus (1997), and other scholars, privatization of public service has been prevalent in the United States since the 19th century. Furthermore, Salamon (2001) wrote in *The State of Nonprofit America* that from just after World War II and up until the early 1980s the nonprofit sector was the dominate sector when it came to partnering with federal, state, and local governments to deliver public services and to overcome public service challenges. With this in mind, it is imperative to understand what privatization is and how privatization could benefit and challenge the nonprofit sector.

Savas (as cited in Wallin, 2001) defined privatization as "the act of reducing the role of government, or increasing the role of the private sector, in an activity or in the ownership of assets" (p. 3). The *private sector* refers to any organization, either for-profit or nonprofit, that does not directly report to a public or government entity. Wallin (2001) wrote that some of the goals of privatization are to reduce bureaucracy, increase competition to lower costs, increase efficiency, and reduce corruption. Though Wallin presented a sound definition of modern privatization, the paper in its entirety seemed to be a position paper that argued against privatization and for the government assuming a greater role in the delivery of public service.

In addressing privatization, Seader (2002) took a more historical and chronological approach. Seader's approach gave a different perspective of what privatization means when it comes to the delivery of public service in the United States of America. According to Seader, the United States has a "unique history" when it comes to privatization.

Seader (2002) wrote that roads built in 18th-century colonial and early America were privately built toll roads intended for public use. Seader also referred to public-private partnerships when referring to the 19th-century westward expansion and the national conversion to electricity. Seader wrote that public services were primarily delivered in the 18th and 19th century because of the innovations and efficiencies of private organizations. However, this dichotomy would change in the 20th century.

Seader (2002) wrote that privatization in the United States changed in the 1930s because of the Great Depression and the inability of private organizations to fund public projects and services as they had in the past. As a result, the government assumed a much larger role in ensuring the delivery of public service largely by the implementation of the Roosevelt Administration's New Deal policies. This government control over the delivery of public service would go on up until the 1980s when the Reagan Administration implemented policies that shifted some responsibility from the federal government and towards state and local governments when it came to the funding and delivery of public service.

Both the Seader's (2002) and the Wallin's (2001) papers were position papers. Wallin took the position that warned of the dangers of privatization. Seader, on the other

hand, wrote of the historical context and the benefits of privatization. Though neither Seader's nor Wallin's position papers were peer reviewed, both papers help understand what privatization means in the United States of America.

The Evolution of Privatization in the United States

Gronbjerg (2001) provides a scholarly explanation of the privatization of public service in the article *The U.S. Nonprofit Human Service Sector: A Creeping Revolution.* In this article Gronbjerg wrote that the privatization of public service is not a modern phenomenon, but has been a common practice since the turn of the twentieth century. Gronbjerg went on to write the privatization of public service has taken place in "three major waves" (p. 291). With each of these phases or "waves" as described by Gronbjerg, the role of nonprofit organizations has changed.

Gronbjerg (2001) wrote that the "first wave" (p.291) of privatization occurred from the turn of the twentieth century and lasted up to the mid-twentieth century. During this period of privatization, local government would subsidize nonprofit organizations that cared for the underprivileged and elderly of the community. It was during this period that funding needed for nonprofit organizations to deliver public services came from local government and community sources.

The second "wave" of privatization came during the 1960s, (though it could be argued that this wave of privatization started earlier in the century), and lasted up until the period in which Cole and Taeble (1987) call New Federalism. It was during this period where the nonprofit organizations were needed to assist the federal government in delivering services that were created under the social welfare programs that were

implemented during this time. Funding during this wave of privatization came primarily from federal and state governments and funding from local governments and community donations diminished.

The third "wave" of privatization began in the mid-1980s. It was during this phase where the delivery of human and public services in an "institutionalized" environment faded and individualized public service evolved. Gronbjerg (2001) wrote that during this third phase new funding methods, (i.e. tax-based consumer subsidies, and voucher programs), now give the consumer more choice and flexibility when it comes to the type of service that is being delivered. Unlike the previous two phases of privatization, funding now primarily derive from service fees.

Gronbjerg (2001) went on to write that this current phase of privatization creates an environment that encourages for-profit organizations to enter the public service industry thus increasing competition. In order to stay relevant in this current environment Gronbjerg wrote that nonprofit organizations now must focus on more "market-like" (p.294) functions in order to stay competitive. This new focus according to Gronbjerg has virtually commercialized the public service industry.

The Gronbjerg (2001) gives a clear explanation of the phases of the privatization of public services in the United States. Gronbjerg also provides the groundwork for this study's goal of understanding how nonprofit organizations have adopted and adjusted to implementing more "market-like" behavior. However, the Gronbjerg (2001) article only provides an overview of the new phase of privatization, and does not provide information regarding how nonprofit organizations have implemented market-like behaviors. In

addition this article is only on overview, and there was no sampling or surveying

conducted to contribute to Gronbjerg's findings.

Describing the Current Phase of Privatization in the United States

As previously mentioned Savas (1987) as cited by Wallin (2001) wrote that the

purpose of privatization is to improve the efficiency of the delivery of public service,

lower cost by increasing competition, and among other reasons reduce corruption. Pack

(1987) when referring to the privatization of public services wrote in the article

Privatization of Public-Sector Services in Theory and Practice that the privatization of

public service became acceptable due to the fact that "market failures of all sorts justify

public intervention is no longer accepted" (p.523), and that there was a belief that the

private sector could deliver service more efficiently. Pack (1987), virtually echoing Savas

(1987), also wrote that the expansion of social programs caused the government to grow

too large resulting to what some believed to be a threat to individual freedom. Pack goes

on to write that privatization of the public sector was a way for the Reagan

Administration to minimize such a threat.

Pack (1987) concluded that the privatization of many public services would be a

lasting practice. In addition Pack (1987) wrote that privatization reduces the "natural

monopoly" (p.527) which in turn will increase the possibility of more efficient service

delivery. However, Pack (1987) did write that privatization leads to questions about if the

practice results in outputs that are "equity-enhancing or efficiency-enhancing" (p. 539).

Pack's article was a review of "major issues" (p. 524) presented and debated at

the Privatization of Public Sector Services held at the University of Pennsylvania. In

addition this article reviews articles that deal with the role of government in a mixed

economy, the role of institution in public service provision, and privatization of public

service. The Pack (1987) review assisted in gaining a deeper understanding behind

modern privatization and the potential benefits to the end user due to this new phase of

privatization.

Though the Pack (1987) article gives an in depth explanation of reasons and the

benefits of the privatization of public service, it does not offer a clear explanation of what

type of operating climate was created for the nonprofit organization. In addition this

article focuses on the purpose of privatization, but it does not address the parameters

necessary for private-public partnership. These parameters are necessary for nonprofit

organizations to understand in order to make more sound strategic decisions.

Nightingale and Pindus (1997) studied privatization further in the article

Privatization of Public Social Services and found that there were an ever increasing

number of established for-profit organizations that are entering the social service market.

Nightingale and Pindus reviewed various issues related to the move to privatization. Like

Pack (1987) and Savas (1987), Nightingale and Pindus wrote that efficiency of service

delivery, reduced bureaucracy, and cost factors were the primary motivations to privatize

public service. However, Nightingale and Pindus also found that dissatisfaction with

public sector performance and end user empowerment also played a major role in the

privatization of public service.

Pack (1987) presented the question of "equity-enhancing" public service delivery.

Nightingale and Pindus (1997) address this when the concern is raised that matters of

profit and the tendency to cater to "easily served" (para. 37) constituents may cause

public services to be delivered unequally. However, Nightingale and Pindus responded to

that argument by stating the importance of "well-structured contracts" (para. 37) between

public and private organizations could be designed in a way to overcome this issue.

Nightingale and Pindus also presented the idea that through privatization the

strengths of all sectors (public, for-profit, and nonprofit) can be utilized. Nightingale and

Pindus (1997) wrote that through privatization, the public sector can focus more on the

policy of public service, the for-profit sector can focus on the delivery of public service,

and the nonprofit sector can focus on the needs of the individuals that receive public

service. In the spirit of this type of public-private partnership, Nightingale and Pindus

concluded that privatization will reduce public service monopolies and increase

competition thus improving the overall delivery of public service.

The Nightingale and Pindus article was prepared for the United States Department

of Labor, so it does not adhere to the same standards as scholarly, peer-reviewed

material. The literature review is in bullet-point format and it summarizes key points.

However with that being said, this article does provide key information regarding the

privatization of public service. What is valuable about this article is it gives information

regarding the modifications made to this current phase of privatization under the Clinton

Administration, and the Contract with America era.

Though this article does contain useful information that is necessary for this

study, this article does not offer information regarding the methods of how the

information was obtained. With that in mind it is difficult to accurately determine the

reliability of the data. Though the information in this article is necessary and useful for this study, further verification of the information was necessary

A common theme in the literature was that privatization encouraged competition in the public service industry. In the article *Competition and Choice in New York City Social Services* Savas (2002) found that competition in social services did indeed improve the quality of service delivered. Savas (2002) also concluded that the pre-New Federalism policies of the government funding nonprofits to deliver public service produced "undesirable consequences" (p.90). These consequences included rigidity or a lack of innovation in service delivery, and a reactive approach to social challenges as opposed to a proactive and preventive approach to social problems. Savas (2002) writes that a more proactive approach reduces social and government costs in the long term.

Savas (2002) further concluded that when it comes to the delivery of some public and social services in many cases for-profit organizations deliver services that are "high-quality" (p.90) and more efficient. In addition, for-profit organizations can deliver these services at a lower cost than their nonprofit counterparts. This finding will be addressed in more detail in the second part of the *Findings* section of this chapter.

Savas (2002) gives a clear explanation of how this new phase of privatization changed the definition of competition in the public service market. However Savas sample subjects came from the Metropolitan New York City area. New York City is a unique environment, and Savas' findings may not be common throughout the rest of the United States. According to Savas, there is a high saturation of nonprofit organizations, and a growing number of for-profit organizations that deliver public services in the New

York City area. With this in mind, it is quite possible that competition in the public

service market in the New York City area was already at a high level. With that being

said the modifications made by nonprofit organizations may not have been as great as

modifications made by nonprofit organizations in other areas of the United States.

It is agreed by other scholars and researchers in the area of the privatization that

privatization did indeed increase competition within the public service industry.

However, do for-profit organizations and nonprofit organizations approach competition

in the same manner? Once more, can for-profit organizations and nonprofit organizations

approach competition in the same way?

The Environment Created by the Current Phase of Privatization

Frank (2002) writes in the working paper for The Philanthropic Enterprise titled

Nonprofit vs. For-Profit Entrepreneurship: An Institutional Analysis that the concept of

entrepreneurism is vastly different between nonprofit organizations and for-profit

organizations. Frank (2002) cites Hayek (1948) when describing the entrepreneurial

model most likely followed by for-profits. This model which Frank refers to as the

neoclassical model consists of three parts which are: "1) homogenous commodity 2) free

entry into the market and 3) complete knowledge" (p.5). Whereas nonprofit organizations

subscribe to what Frank (2002) calls the Austrian model of entrepreneurship. According

to Frank, the Austrian model to entrepreneurship is a "problem-solving activity which

involves the exercise of imagination and critical faculties in the context of structurally

uncertain and complex problem situations that are conjectured to present profit

opportunities" (p.6).

Frank (2002) goes on to write that even the concept of profit is viewed differently between nonprofit organizations and for-profit organizations. Frank (2002) wrote that due to the non-distribution constraint monetary profit does not have the same meaning for nonprofit organizations as it would for for-profit organizations. As a result of this different view of profit, nonprofits do not have the same organizational and entrepreneurial motivations as their for-profit counterparts.

The Frank (2002) paper offers valuable insight at a key characteristic in organizational behavior. However, what the Frank paper does not do is offer insight into how the approach to entrepreneurism by the nonprofit sector has helped or hindered the organizations within the nonprofit sector during this current phase of privatization. In addition the Frank paper does not offer insight into how the Austrian model of entrepreneurism affects the strategic planning behaviors of nonprofit organizations that employ such a model.

Like Gronbjerg, Guo (2004) described the phases of public service privatization in the United States. Also like Gronbjerg, Guo wrote that this third phase of privatization has led to the commercialization of the social service market. However in the article *The Commercialization of Social Services: Toward an Understanding of Nonprofits in Relation to Government and For-Profits,* Guo delves deeper into the effects of that commercialization.

Guo (2004) wrote that the Reagan Administration's desire to "break the state monopoly in social welfare" (p. 7) coupled with the welfare reform programs of the mid-1990s had a negative impact on the level of funding nonprofit organizations received

from government agencies. As a result of this reduction in government funding, nonprofit organizations had to rely on the "commercial sale of services" (p.12) to make up the funding shortfall.

Nightingale and Pindus (1997), Pack (1987), and Savas (2002) wrote about the potential benefits when it came to the delivery of public service because of privatization. Though Guo does address the potential benefits of privatization and the commercialization of public service, Guo (2004) writes that commercialization of social service is a "double-edged sword" (p.17). The benefits to commercialization according to Guo is that it "brings infinite opportunities" (p.17) for nonprofit organizations. However, the commercial sale of services could affect the mission of nonprofit organizations in a negative way that could impact the constituents that the organization originally desired to serve.

When addressing how nonprofit organizations responded to this new phase of privatization, Guo employed multiple theories that relate to the nonprofit sector. Those theories include market failure, contract failure, voluntary failure and sector-based functionalist theories. By employing these theories Guo addressed what led to the commercialization of nonprofit organizations. However, this approach does not answer how nonprofit organizations modified, or failed to modify their approach to achieve their organizational mission.

Helmig, Jegers, and Lapsley (2004) wrote that the ideology of nonprofit organizations when it comes to commercialization makes it challenging to compete with for-profit organizations in the open market. Helmig et al. (2004) cite Jegers (2002) study

highlighting the lack of importance placed on accounting and auditing as one major challenge to successfully competing with for profit organizations. Primarily however, Helmig et al. (2004) write about how the nonprofit organization's approach to marketing is also a major challenge for nonprofit organizations.

The Helmig et al. (2004) study presents the issue and example of how the commercialization of the nonprofit sector has caused nonprofit organizations to be compelled to employ more for-profit behaviors in order to stay competitive in this current era of privatization. However, Helmig et al. (2004) method of coming to their findings leaves several questions as to the accuracy of those findings. According to Helmig et al., the authors came to their findings by analyzing peer-reviewed articles that could be found in scholarly journals that focus primarily on nonprofit issues.

The weakness of this method when it comes to this study is that Helmig et al. (2004) only write that the articles dealt with nonprofit marketing, and it really does not specify what types of nonprofit organizations which are the focus of these analyzed articles. For example, marketing difficulties for nonprofit organizations that operate in the area of education may not be the same as marketing difficulties that occur in nonprofit organization that operate in the area of social services. Though the Helmig et al. (2004) findings are vague, these findings were still useful for this study.

Stater (2009) also addressed the marketing strategies of nonprofit organizations and found that nonprofit organizations tend to employ the for-profit marketing mix of price, product, place, and promotion in a different way. Like Helmig et al. (2004), Stater (2009) wrote that nonprofit organizations are marketing to two target audiences. The first

target market is the donor, and the second target market is of those who are the potential

receivers of the organizations service.

Stater (2009) wrote that nonprofit organizations marketing strategies are created

in conditions of market failure. Nonprofit organizations tend to market their organization

through "emotional and moral" (p. 206) appeals. For-profit organizations on the other

hand tend to market the value and benefits of their organization's product or service. As a

result Stater (2009) found that nonprofit organizations may be compelled to adjust

marketing strategies to the environment in which the nonprofit organization is operating.

Stater collected data by sampling 300 randomly selected nonprofit organizations

which filed IRS 990 tax forms in the year 2003. According to Stater, by selecting

organizations via the 990 form it was almost certain, due to IRS guidelines, that the

nonprofit organization selected generated $25,000 or more in gross revenue. Then Stater

selected only the nonprofit organizations out of those 300 originally selected that

conducted "place" (location specific as opposed to electronic) marketing. The drawback

to this type of sampling is that unfortunately this sampling pulled from a wide range of

industries. However, with that being said the Stater (2009) study provides valuable that

can be used in this study regarding strategic planning of nonprofits in this new era of

privatization.

The Reaction and Adaptation of Nonprofits in this New Era of Privatization

The previous literature suggests that the type of privatization established during

the Reagan Administration and further advanced during the mid-1990s accomplished the

following. First this era of privatization reduce the costs of public service delivery for the

federal government. Second, this phase of privatization broke up the public service

monopoly and gave the end-user of public service more consumer choice and service

flexibility. Finally, this new era of privatization created an environment that yielded more

efficient delivery of public service and increased competition.

However, the previous literature also suggests that there are several differences in

organizational culture and public policy and regulations between nonprofit organizations

and for-profit organizations. With this in mind one may ask how has the nonprofit

organization fared in this new era of privatization? Pack (1987) suggests that this new era

of privatization will have a positive impact on nonprofit organizations. However later

research does not necessarily concur with the previously mentioned findings.

Salamon (2004) wrote in the article *Nonprofit World Faces Many Dangers* that

since this new phase of privatization was implemented there has been "substantial

growth" (para. 2) in the nonprofit sector. Salamon (2004) wrote that for the most part

nonprofit organizations have successfully employed for-profit business strategies.

However, Salamon (2004) like Gronbjerg (2001) wrote of the growing difficulty to

differentiate between for-profit and many nonprofit organizations.

Salamon (2004) wrote that over the past two decades the reliance of service fees

from governments and private entities have made it "difficult for nonprofit providers to

sustain the charity care" (para. 4). In addition nonprofit executives now must focus on

for-profit like issues as well as the traditional nonprofit issues and that according to

Salamon has led to an increase in "executive burnout" (para. 7) in the nonprofit sector.

Finally Salamon (2004) wrote that this new phase of privatization has posed a "threat to

nonprofit missions" (para. 9) by causing nonprofit organizations to cater more to clients who can pay, and decreasing its focus on those who are really in need of the service that the nonprofit organization provides.

Salamon's article was mostly an observation of the environment in which nonprofit organizations operate, and how these organizations have responded to these market changes. Salamon does not provide a particular method in which the information for the article was collected. In addition, Salamon writes this article in a way that suggests that the observations were of the nonprofit sector as a whole and did not focus on nonprofit organizations that operated within a particular market (i.e. education, health, or social service). With this in mind, this information was able to be used as a loose guide when observing potential signs of executive burnout that executive leadership of nonprofit organizations that operate in the social service industry may experience in the State of Indiana.

Like Gronbjerg (2002) and Salamon (2004), Stull (2009) acknowledged that the line between for-profit and nonprofit organizations has blurred. However the Stull (2009) study argued that the for-profit entrepreneurial strategies employed by nonprofit organizations have weakened "the social bond and contract that is a fundamental imperative for nonprofits" (p.130). As a result Stull (2009) concluded that nonprofit organizations are experiencing organizational and societal tension, and ultimately leaders within nonprofit organizations are finding it challenging to balance the mission with the market.

To come to this conclusion, Stull (2009) conducted an ethnographic case study that consisted of observation and interviews of executives and staff at a public service facility that specializes in offering care to seniors. Though this study offers information rich results, this study only gives the results on one facility. Location and resources vary from organization to organization and with that in mind the Stull (2009) findings may not be a true norm throughout the nonprofit sector.

The challenge of attracting leadership in the nonprofit sector is addressed by Tierney (2006) in the article *Understanding the Nonprofit Sector's Leadership Deficit*. Tierney (2006) wrote that nonprofit organizations face a challenge to "attract and retain" senior leadership. Tierney cites the exodus of baby-boomers from the workplace as one of the factors for this leadership deficit.

Nonprofit organizations have little control over the aging workforce, and frankly that challenge is shared by organizations in both the public and private. However Tierney (2006), like Salamon (2004), cites senior manager "burn out" (p.14) as another factor that threatens a nonprofit organization's ability to retain talent. Tierney (2006) wrote that "61 to 78 percent" (p.14) of the senior managers of nonprofit organizations leave their positions within five years.

Salamon (2004) wrote that there has been a significant growth in the nonprofit sector over the past two decades. Tierney (2006) addressed that growth by writing about the increase in nonprofit organizations that have revenues that exceed $250,000 during the past decade. Tierney (2006) wrote that this growth further increases the demand for more quality leaders in the nonprofit sector.

Tierney (2006) also addresses that implementation of more for-profit business strategies have led to nonprofit board members to look into hiring individuals with the skill sets that are traditionally desired in the for-profit sector. As a result nonprofit recruiting strategies must be altered to attract those individuals. According to Tierney, this type of recruiting can be cost prohibitive.

Finally Tierney (2006) addresses a concern that was previously presented by Frumkin and Keating (2001) in the way of the challenge of compensation. Frumkin and Keating (2001) looked at the compensation challenges of nonprofit organizations, and found that nonprofit organizations are bound by legal restrictions that regulate their compensation abilities. Tierney (2006) wrote that with the unique challenges that nonprofit leaders face, it is reasonable for nonprofit organizations to review the compensation packages that are offered to its leaders. Tierney wrote that more favorable compensation packages could assist in nonprofit organizations attracting and retaining quality leaders.

Like Salamon's *Nonprofit World Faces Many Dangers,* Tierney's article was a general observation of the nonprofit sector as a whole. Tierney's observations do not seem to focus on any particular industry in which nonprofit organizations operate. The information found in the Tierney (2006) article was used in this study much like the information found in the Salamon (2004) article and provided this study with guidance during the data analysis process.

Salamon (2004), Stull (2009) and Tierney (2006) all wrote that nonprofit leaders have had difficulty in obtaining mission clarity for their organizations. This difficulty to

maintain mission clarity may not only affect the overall culture of the nonprofit organization, but it also may have a negative impact on revenue generation for the nonprofit organization as well. This issue is presented by Hall and Kennedy in 2008.

Gronbjerg (2001), Guo (2004), and Savas (2002) all wrote that the current phase of privatization has produced a favorable environment for for-profit organizations to forge partnerships with public organizations, those that were traditionally forged between nonprofit and public organizations with the purpose of delivering public services. When looking for private partners, Hall and Kennedy (2008) wrote that public organizations tend to form partnerships with private organizations that are mindful of legal regulations, have sound personnel, strategic, and fiscal policies; and possess "clarity of mission" (p.319). Hall and Kennedy (2008) concluded that many of today's nonprofit organizations are at a disadvantage when it comes to possessing these characteristics.

Hall and Kennedy (2008) came to this conclusion by conducting a quantitative study in which they surveyed "591 community-based organizations that received grant funds from the Catholic Campaign for Human Development" (p. 313). The Hall and Kennedy (2008) study consisted of sample organizations that were located in several states across the United States. These organizations selected operated in the public service areas of affordable housing, community development, and economic development. The Hall and Kennedy (2008) survey does not sample nonprofit organizations that operate in the area of service delivery to aged and disabled populations. However, the Hall and Kennedy (2008) study does address some of the

issues that may lead to nonprofit organizations and their struggles of obtaining mission clarity.

Public organizations also must adhere to strict performance requirements. As a result of these requirements public organizations look to partner with private organizations that will deliver public service in a manner that meets or exceeds the performance expectations that are established through public policy and legislation. Thomson (2011) wrote that there are a growing number of nonprofit organizations that have adopted methods to measure performance outcomes. However, there are "considerable obstacles to consistent and accurate measurement" (p. 56). Thomson (2011) went on to write that these obstacles create a challenge for nonprofit organizations to make necessary performance improvements.

Thomson (2011) conducted a case study of eighteen nonprofit organizations that are a part of Detroit's Neighborhood Opportunity Fund program. These nonprofit organizations had budgets of $250,000 or more. In addition these nonprofit organizations received at least a third or more of their funding from the government.

Thomson's sample organizations do not operate in the same industry as the organizations that will be sampled and observed in this study. However, the Thomson (2011) study offers an insight into how funding and performance plays a major role in the planning process of nonprofit organizations. The information obtained in this study was used to research how funding from the Medicaid waiver program, and private insurance companies play a role in the performance matrix of nonprofit organizations that deliver service to the aged and disabled populations in the State of Indiana.

Strategic Planning in the Current Era of Privatization

Recent literature by authors like Salamon (2004), Stull (2009) Thomson (2011),

and Tierney (2006) suggest that the prime decision makers of nonprofit organizations that

have a primary mission of delivering public services have had a difficult time trying to

obtain mission clarity. This may lead one to believe that there may be a flaw in the

strategic planning process of nonprofit organizations that compete with for-profit

organizations in this new era of privatization. This section will review literature regarding

strategic planning and nonprofit organizations.

As previously mentioned this new era of privatization created an environment that

was favorable for for-profit organizations to enter the public service market thus

increasing the level of competition that nonprofit organizations faced. As a result of this

new environment, many board members of nonprofit organizations have encouraged their

executive directors and other organizational leaders to employ for-profit behaviors as a

way to stay competitive with for-profit organizations.

One of the keystones of for-profit organizational and operational behaviors is

strategic planning. Olsen (2007) defined a strategic plan as the "formalized roadmap that

describes how your company executes the chosen strategy" (p.12). Bryson (2010) defined

strategic planning as "a deliberative, disciplined effort to produce fundamental decisions

and actions that shape and guide what an organization is, what it does, and why it does it"

(p. S256-S257). However, even though scholars like Bryson and Olsen describe strategic

planning as a tool for mission clarity there is literature that suggests that the nonprofit

sector finds the strategic planning process as a major challenge.

Stone, Bigelow, and Crittenden (1999) researched and analyzed "65 empirically based journal articles" (p.379) from 1977 up until 1999 that addressed the strategic management issues and practices of nonprofit organizations. The journal articles that were selected were articles that were empirical, scholarly, peer-reviewed, and had an "impact on strategic management studies" (p.380). Stone et al (1999) approached this analysis by separating strategy in three categories which are formulation, content, and implementation.

When it came to strategy formulation, Stone et al (1999) primarily found that strategic planning was not a common practice in many nonprofit organizations, those organizations that do strategic planning do so because of external (i.e. funders) pressure, strategic planning was done to change organizational mission and purpose, and strategic planning and performance had no clear relationship. When it came to content, Stone et al (1999) concluded that little attention is given to changes in services and needs of the clients in which nonprofit organizations serve, strategy is driven by "funder relationships" (p.391), and "Nonprofits pursue both competitive and cooperative strategies, and the outcomes associated with each differ substantially" (p.391). Finally when it came to implementation Stone et al (1999) found that organizational culture and external influences contributed greatly in whether or not a strategic plan could be successfully implemented.

Though the Stone et al. (1999) study was mainly an analysis of previous research, this study raised many questions that up until the Stone et al (1999) study were not addressed or considered. These questions were designed to close research gaps in strategy

content, formulation, and implementation. This study has been a reference for several strategic planning scholars.

When it came to strategy formulation, Stone et al (1999) had developed three research questions. Those questions were:

1. Aside from funder requirements to plan, what other external factors, such as changes in client population and client needs, influence formal planning in nonprofit organizations

2. How is formal planning related to types of strategies pursued and to implementation activities and tactics?

3. Does planning affect performance directly or do other strategic activities intervene in significant ways? (p. 416)

Brown and Iverson (2004) conducted a study with the intent of answering these questions.

In order to gain a better understanding of strategic planning formulation in nonprofit organizations, Brown and Iverson (2004) applied Miles and Snow (1978) theory of typology of strategy. This theory suggests that organizations fall into four different strategy types which are "defenders, prospectors, analyzers, or reactors" (p. 377). Brown and Iverson (2004) divided their quantitative study into two parts. The first part dealt with formulation in which they hypothesized first that "organizations that employ prospector strategies will possess a broader structural pattern than defenders" and that "Defender organizations will be less diffused in committee composition than prospector organizations" (p.382). Brown and Iverson (2004) further hypothesized that

"organizations that operate as reactors will report poorer performance when compared to the other strategic styles" (p.382).

Brown and Iverson (2004) did find that organizational culture does indeed influence the way organizations plan strategically. In addition the Brown-Iverson second hypothesis was also proven where reacting organizations seemed to perform more poorly than proactive organizations. However, what the Brown and Iverson study did not address was why there seems to be an issue with obtaining mission clarity among nonprofit organizations.

Regarding the questions that were presented by Stone et al (1999) regarding strategic planning and performance, LeRoux and Wright (2010) conducted a quantitative study that consisted of a smaller sample of organizations that were originally a part of the "Meeting the Needs of America's Community" (p. 576) study. These organizations were located in 16 metropolitan areas throughout the United States. The results of the LeRoux and Wright study found that performance did indeed influence planning. However, the study also found that customer satisfaction and industry standards do not play a significant role in the strategic planning operations of decision making process of nonprofit organizations. The LeRoux and Wright (2010) findings highlight the issues brought up by Thomson (2011) and by Hall and Kennedy (2008) regarding the challenges of performance and planning within nonprofit organizations.

Jager and Kreutzer (2011) addressed how organizational structure and culture play major roles in the strategy implementation and formulation of nonprofit organizations. In a comparative case study of a large nonprofit European financial

institution, Jager and Kreutzer (2011) came to the following conclusions. First, formulation of strategy at high level can be done through professional strategy experts and consultants. While low level formulation of strategy is done through goal setting. Second, where there is no centralized formal authority blending strategies can be more effective than simply implementing a single strategy. Finally, in order to implement a strategy in which the organization has no formal authority strategists must follow a "sequence of strategy's negotiability, and its reasonability, and comprehensibility" (p. 1041).

The Jager and Kreutzer (2011) study provides necessary insight into how organizational and structural culture play a role in strategic planning. However, when it comes to mission clarity the Jager and Kreutzer (2011) leads to more questions. First, in smaller nonprofit organizations who or what is the legitimate authority the cause or the leadership? Second, does the incorporation of outside strategy experts lead to an organizational resistance to strategy implementation? Finally, is it possible to centralize strategy in a decentralized organization?

The purpose of this study was to gain a better understanding of the strategic planning behaviors of nonprofit organizations. Sharp and Brock (2010) conducted a single case study of an Israeli nonprofit organization that delivered home and health services to the disabled and elderly in that nation in an effort to gain that understanding. Sharp and Brock (2010) found that when it came to strategic planning in nonprofit organizations the planning was primarily done at the highest levels of the organization with little input from senior and middle managers. Sharp and Brock (2010) also found

that strategic planning was a sectional process that "reflected in the narrow scope of issues addressed and in the avoidance of key questions and assumptions that a systemic strategic process would typically address" (p. 330). It was also determined that the strategic planning processes in nonprofit organizations were organic in nature. In other words it is a "dynamic process" (p.331) that was in a state of constant modification and change.

Sharp and Brock (2012) in studying the implementation of the strategic plans of nonprofit organizations reiterated Frank (2002) by writing that a nonprofit organization "is a values-centric organization, characterized by its focus on the execution of a social mission rather than profit generation" (p. 1). This definition of a nonprofit organization falls in line of the Frank (2002) explanation of the Austrian model of entrepreneurship. Sharp and Brock (2012) went on to write that due to their focus, nonprofit organizations are resistant to traditional, for-profit like strategic planning.

Sharp and Brock (2012) conducted a single case study of an organization that served aged and disabled individuals in Israel. According to the study the strategic planning process was conducted by organization executives, high level managers, and external experts. However, when it came to the implementation of the strategic plan the organization as a whole resisted. Sharp and Brock (2012) concluded that this resistance led to the eventual failure of the plan and low organizational morale. Part of this resistance was due to staff and volunteers believing that the strategic plan was in a way a rejection of the organizations real mission.

The Sharp and Brock (2012) study offered a new understanding of the challenges to implementing strategic planning into a nonprofit organizational environment. However, the Sharp and Brock (2012) study only focuses on one organization and there could have been other organizational dynamics that prevented organizational acceptance of the strategic plan. In addition, the organization studied was located in Israel. It is very possible that the operating environment for nonprofit organizations in Israel is quite different than nonprofit organizations that operate in this current phase or privatization in the United States.

Salamon, Tierney, and other scholars in the field of nonprofit management recognized that this new era of privatization has compelled nonprofit organizations in the public service industry to be more "business-like" in their behavior and in their operations. Dart (2004) wrote that the term "business-like" is vague in nature and set out to define what business-like truly meant. Dart (2004) conducted a qualitative, grounded-theory, single case study of a Canadian nonprofit organization that focused on delivering social service.

Dart (2004) concluded that *business-like* referred to four distinct categories of an organization which were revenue-generation, service delivery, management, and rhetoric. These business-like principles are clearly found in the for-profit sector. In addition these principles must be applied in nonprofit organizations that desire to become more business-like

in their operations. However, how must a nonprofit organization apply these principles in this new era of privatization and the increased competition for the for-profit sector? Does *business-like* mean that nonprofit organizations must be more operations focused? Where does strategic planning fit in Dart's definition of *businesslike*?

There is a vast amount of literature that suggests that proper strategic planning is imperative to the overall success of any for-profit organization. Bryson (2010) defined strategic planning as "a deliberative, disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it" (p. S256-S257). Bryson (2010) wrote that strategic planning yields benefits like increased strategic thinking, improved decision making, and improved effectiveness, responsiveness, and resilience within an organization.

The act of strategic planning amongst nonprofit organizations has increased over the past twenty-five years (Bryson 2010). Like Salamon, Tierney, and others; Bryson found that this shift in the planning behaviors among nonprofit organizations along with a growing demand by organizational funders may be the major contributor to the increase

in the act of strategic planning by nonprofit organizations. According to Bryson, strategic planning has become "a conventional feature" (p. S258) of most nonprofit organizations.

When it comes to strategic planning in nonprofit organizations, King (1998) presented that strategic planning will more likely be conducted by larger nonprofit organizations, strategic planning will more likely be conducted when for-profit representatives sit on the boards of nonprofit organizations, and strategic planning will likely be conducted when a nonprofit organization is making a major change. King (1998) wrote that nonprofit organizations with limited resources are not as willing to allocate those resources on strategic planning. However King (1998) concluded that strategic planning by nonprofit organizations is a necessity in this new era of privatization.

Rangan (2004) wrote that for the most part nonprofit organizations "make program decisions based on a mission rather than on a strategy" (p.112). Like King (1998), Rangan (2004) wrote that many nonprofit organizations do not practice strategic planning at all. Also like King, Rangan wrote that a lack of resources is a primary reason why nonprofit organizations do not practice traditional strategic planning.

Rangan (2004) also found that most nonprofit organizations believe that they do not "have the disciplined bottom line and performance obsessed capital markets, so they can go for years without having to make strategic choices" (p. 115). However, Thompson (2011) and Hall and Kennedy (2009) both found that efficient performance and clarity of mission are characteristics that are essential to achieve in order to be a viable nonprofit organization in this new era of privatization. Rangan (2004) concurs with the findings of

Thompson (2011), and Hall and Kennedy (2009) writing that the nonprofit organization

"needs to convert the operational mission into a strategy platform (p.115).

Summary and Conclusions

The literature shows that the privatization of public and public service has been

going on in the United States since its founding. With each phase of privatization

nonprofit organizations were affected in some way. However, in this most recent phase of

privatization for-profit organizations found an opportunity to enter the public service

market, and as a result nonprofit organizations in the public service industry were faced

with a unique challenge.

The literature also shows that the new phase of privatization caused nonprofit

organizations to rely more on fees from services as a primary source of funding and less

of the traditional sources such as grants and philanthropic donations. Many scholars

suggest that this change in funding strategy caused nonprofit organizations to become

more commercialized. As a result of this commercialization, the delineation between for-

profit organizations and nonprofit organizations became distorted.

Another common theme in the literature is that this new era of privatization

coupled with the commercialization of the nonprofit organization has led to many of the

nonprofit organizational leaders struggling to create mission clarity. In many cases this

clarity is imperative to the formation of partnerships with public organizations for the

purpose of public service delivery. Scholars suggest that this clarity of mission can be

achieved with effective strategic planning.

In the case of strategic planning, the literature first finds that it is imperative that nonprofit organizations conduct strategic planning. However, the literature also finds that many nonprofit organizations do not conduct strategic planning due primarily to lack of resources to conduct strategic planning. The literature further finds that this lack of strategic planning puts nonprofit organizations that compete with for-profit organizations at a disadvantage. In addition the literature suggests that the nonprofit organizations that do conduct strategic planning seem to experience resistance from middle management, and organizational staff and volunteers when it comes to the implementation of formulated strategy.

Literature suggests that there are several organizational benefits to strategic planning. In addition the literature addresses the fact that strategic planning does require an organization to expend resources. However what the literature does not clearly present is how a nonprofit organization approaches strategic planning. In addition the literature does not address how nonprofit organizations, especially smaller ones, view the practice of strategic planning.

Bryson (2010) wrote on who in the nonprofit organization were responsible for strategic planning by writing that this practice was primarily an "executive function" (p. S258). Bryson also addressed approach insofar as citing the practice theory of Shove et al. (2007) in which it was written that strategic planning is a "routinized type of behavior which consists of several elements, interconnected to one another; forms of bodily activities, forms of mental activities, 'things' and their use, and background knowledge" (p. S259). Bryson goes into depth in addressing who conducts strategic planning and why

strategic planning should be conducted. However, there is very little research available that addresses exactly how strategic planning is conducted or as to why there is such a resistance to the implementation of strategic plans within nonprofit organizations.

Bryson (2010) and Olsen (2007) both defined strategic planning as the action of creating a "roadmap" of sorts that allows an organization to clearly understand its purpose, and how it will operate to achieve its purpose. However, the common theme in the literature suggests that since the inception of this new phase of privatization nonprofit organizations that deliver public services have had difficulty in achieving mission clarity. Perhaps this difficulty in achieving mission clarity is a result of a flaw of some sort in the strategic planning process of nonprofit organizations.

Bryson (2010) cites Shove et al. (2007) by writing that strategic planning involves "forms of mental activities, 'things' and their use" (p. S259). One may be compelled to wonder what are those "things" Bryson and Shove et al. are referring to regarding the process of strategic planning. For example are the things referring to traditional SWOT analysis? Or is the act of strategic planning in nonprofit organizations entirely different than the act of strategic planning in for-profit organizations? Are those "things" primarily internal factors, primarily external factors, or a balanced combination of both internal and external factors?

Both King (1998) and Rangan (2004) found that smaller nonprofit organizations are more likely to not conduct strategic planning. Both authors cite lack of resources or an unwillingness to expend limited resources as reasons why these smaller nonprofit organizations do not participate in the practice. This leads to another question, with all

the literature that promotes the benefits of strategic planning why do smaller nonprofit organizations not see the necessity in conducting strategic planning operations? Is the perception of the importance of strategic planning among the nonprofit sector different than the perception of strategic planning in the for-profit sector? If so then should nonprofit organizations reconsider its perception of strategic planning since the new phase of privatization puts nonprofit organizations in direct competition with for-profit organizations when it comes to the delivery of public service?

The primary purpose of this study was to better understand how strategic planning is conducted by nonprofit organizations that compete with for-profit organizations in the public service industry. The goal of this study was to attempt to discover if there is a common flaw or flaws in the strategic planning that contribute to what the literature describes as the difficulty to obtain mission clarity that seems to be common among nonprofit organizations. In short the primary focus of this study was to understand why strategic planning in nonprofit organizations is, for what seems to be many nonprofit organizations, not yielding the results defined by Olsen (2007) and Bryson (2010).

Chapter 3: Research Method

Introduction

This current phase of privatization has presented unique challenges for the nonprofit sector. Policies implemented by the Reagan Administration in the early and middle 1980s and the Clinton Administration in the 1990s created a favorable environment for for-profit organizations to enter the public service industry, thus increasing the level of competition in many public service sectors (Cole & Taeble, 1986; Gronbjerg, 2004). The increased level of competition in the public sector has caused the boards of many nonprofit organizations to require and encourage the executives and primary operations staff of nonprofit organizations to implement more businesslike strategies and operations in order to remain competitive and relevant in the public service market (Gronbjerg, 2001; Guo, 2004; Salamon, 2004; Stull 2009; Tierney, 2006). However, this implementation of businesslike strategies in the nonprofit sector has caused many nonprofits to experience the challenge of lack of mission clarity (Salamon, 2004; Tierney, 2006) and resistance to the implementation of businesslike planning by staff and volunteers (Sharp & Brock, 2010, 2012).

The goal of this study was to determine why nonprofit organizations experience a lack of mission clarity and resistance from staff and volunteers to the implementation of traditional businesslike strategic planning. This chapter includes the research method and data analysis method I used to determine the answers to the research questions presented in Chapter 1. This chapter will also provide the examples of some of the questions

presented to interview participants. Finally, in this chapter I discuss methods employed to ensure the dependability and credibility of the data.

The purpose of this qualitative study was to gain a better understanding of the phenomenon of nonprofit organizations' struggle to adapt to the market climate found in the public service industry. In order to better understand this phenomenon, a qualitative case study was conducted where the strategic planning practices of two nonprofit organizations that deliver services to developmentally disabled individuals residing in the State of Indiana were observed. These nonprofit organizations were located just outside the metropolitan area of the City of Indianapolis. The data collection methods that were used to find the answers to this study's research questions were organizational document analysis, electronic surveys of staff and volunteers of the participating organizations, and in-depth individual interviews.

This study had a sample size of two. However, based on the purpose of this study, it could have been possible to gain a better understanding of the process and challenges of strategic planning in nonprofit organizations in this current era of privatization with a single unit sample. Still, Yin (2009) wrote that a "two-case case study" (p. 58) can yield more "analytic benefits" (p. 58) than a single-case study. With time being another consideration in this study, a sample size of two was chosen in order to remain compliant to university deadlines.

Rationale for Studying Two Sites

To further justify the decision to employ a multiple case study, Yin (2003) wrote that a multiple case study can be used for either a literal replication or for theoretical

replication. Further, Yin (2009) wrote that the sample size may be smaller when the

theory is "straightforward" (p. 56). With this in mind, a strategy was implemented to

employ the multiple case study approach primarily because I was looking for common

themes and characteristics as to why there seems to be an issue prevalent among

nonprofit organizations of resistance to the strategic planning process and a struggle to

obtain and maintain mission clarity. The two nonprofit organizations that were selected

had three common characteristics. First, the organizations accepted customers who

received the Indiana Medicaid waiver. This ensured that the organizations selected for

this study had some type of partnership with the State of Indiana. Second, the

organizations were more than 40 years old. By focusing on nonprofit organizations over

40 years old, the study gained the added perspective of how the organization operated

before this current era of privatization and the challenges the organization had faced

during the transition from the past era to the current era of privatization. The participating

organizations both had annual revenues ranging from $5 to $10 million. The rationale

behind that characteristic was twofold; first, due to the level of revenue being generated

by the organization, there was more than likely a greater demand by the board for the

implementation of business-like practices. However, these organizations were small

enough to where I gained relatively easy access to their primary decision makers.

The reasons behind the previously mentioned requirements are as follows. First,

to address the Indiana requirement, at the time of data collection I resided in Indiana, so

financially and logistically Indiana organizations were the feasible contributors to this

study. I recognized that the delivery of public services and the dynamics of public and

private partnerships vary from state to state; however, the Indiana subjects provided a basis in gaining an understanding of this study's phenomenon in other states.

When it comes to the age of the organization, the research of nonprofit organizations conducted by Salamon (2001) was considered. Salamon wrote that from the end of the second World War up until the beginning of the 1980s the nonprofit sector was the dominant sector when it came to partnering with public organizations to deliver public services. However, nonprofit organizations have lost that dominance due to policies that made it favorable for for-profit organizations to compete actively with nonprofits for partnerships with public organizations. With this in mind, nonprofit organizations over 40 years old were able to give a unique insight into the strategic changes that may have been implemented by their organizations in order to adapt to the current market environment.

The rationale behind selecting organizations with revenues between $5 and $10 million annually was as follows. First, the organizations in and around Indianapolis that had revenues below $5 million did not have boards that pressured the organizations' executive leadership to implement business-like practices. I had discovered through discussions not associated with this study that smaller nonprofit organizations were still free to operate like a traditional nonprofit organization. In addition, smaller nonprofit organizations that deliver services to the developmentally disabled populations in Indiana did not offer a wide range of services. In many cases, these organizations specialized in one or two service deliveries (i.e. respite or meal preparation services). Though access to the leaders of these organizations was much greater, the information gathered from

smaller organizations could not fully achieve this study objective to better understand the strategic planning challenges and practices of nonprofit organizations in this current era of privatization.

The other rationale behind selecting nonprofit organizations that delivered services to the developmentally disabled citizens of Indiana and had revenues in the $5 to $10 million dollar range was that they would be large enough to have board members that would pressure the executive staff to implement business-like practices and policies. However, the organizations would still be a size at which the executive staff and board members would be easily accessible. In the Sharp and Brock 2010 and 2012 studies, the organizations selected for those studies were very large and the executive staff and broad members were very high profile; as a result, the accessibility, though possible, was time consuming. Due to the requirements and time constraints of this study, it was imperative that steps were taken to avoid those types of challenges.

Research Design and Rationale

As stated in Chapter 1 of this study, I intended to answer the following questions:

1. Why are the leaders of nonprofit organizations struggling to obtain mission clarity?

2. What are some of the factors that contribute to the resistance to strategic planning that seems to be common within nonprofit organizations?

3. What do nonprofits organizations do that is successful in the strategic planning process?

These research questions were designed to gain both answers and understanding as to why nonprofit organizations seem to struggle to adapt to the market climate that was created as result of the current era of the privatization of public services.

In order to obtain the answers to the previous questions, a qualitative case study was conducted. Shank (as cited in Ospina, 2004) defined qualitative research as "a form of systematic empirical inquiry into meaning" (p. 2). Ospina (2004) went on to write that the word *empirical* is a "type of inquiry that is grounded in the world of experience" (p. 2). When referring to the case study methodology, Yin (2009) wrote that the case study is a common method of research used in a wide range of disciplines and that the method is used in order to "understand complex social phenomena" (p. 4).

This study focused on the strategic planning processes of two nonprofit organizations that delivered services to the developmentally disabled population in the State of Indiana and directly competed with for-profit organizations that do so. The reason this study focused on organizations that delivered such services was that this type of public service delivery is highly competitive in the State of Indiana and the demand for such services by the citizens of the state has been growing. The previously mentioned demand circumstances have made it attractive for for-profit organizations to enter the market, thus increasing the competition the nonprofit organizations that serve the state's developmentally disabled population.

Researchers suggested that boards of nonprofit organizations that are facing the circumstances that were previously mentioned encourage the executives and primary decision-makers of those organizations to adopt business-like principles in order to

effectively compete with for-profit organizations that have entered the public service market. A major business-like principle is strategic planning, and when it comes to the strategic planning process, there are specific characteristics. It is those specific characteristics that were the prime focus of this study.

Yin (2009) wrote that the case study method is commonly used when a researcher is trying to find the "how" and the "why" (p. 2) of a phenomenon. The goal of this study was to better understand why nonprofit organizations struggle to implement more business-like strategic planning procedures and why, when they are implemented, there is a resistance by the staff and volunteers of these organizations to carry out those plans. Based on the goals of this study, it was deemed that the case study method was best in this particular instance.

Another reason why I determined the case study method as the ideal method of research for this particular study was that past studies regarding this study's topic had already discovered the impact the current era of privatization has had on nonprofit organizations. This study's purpose was to understand why these nonprofit organizations are being impacted in the way that previous studies discovered. Yin (2009) presented two particular examples of when a case study should be used. The first example was in a case of a terrorist attack. When researching the damage done and who was affected, Yin wrote that the case study method should not be used. However, when a study focuses on why terrorism occurs, Yin wrote that the case study approach is a suitable method.

It is clear from the literature regarding the current era of the privatization of public services that nonprofit organizations have been impacted by increased competition

from for-profit organizations and in issues of mission clarity among other challenges.

This study's purpose was to discover why, almost three decades after the inception of this

current era of privatization, nonprofit organizations have continued to struggle to adapt to

this current market environment. Based on the suggestions by Ospina (2004) and Yin

(2009), I determined that the case study research method was the most ideal method to

employ in order to achieve the goals of this study.

There has been a substantial amount of literature to suggest that executives and

primary decision-makers of nonprofit organizations are finding it difficult to obtain and

maintain mission clarity (Salamon, 2004; Tierney, 2006). The inability to obtain mission

clarity can pose as a major obstacle for a nonprofit organization trying to recognize and

maintain its competitive advantage in what is a competitive public service market. The

purpose of executing a case study was to look at the attitudes toward the importance of

strategic planning within the study's participating organizations in order to identify

practices and behaviors that impede nonprofit organizations ability to achieve mission

clarity.

Role of the Researcher

Yin (2009) wrote that any successful case study the "investigator has little control

over events" (p. xix). However, Creswell (2009) states that in qualitative research the

researcher is the instrument. With that in mind the author of this study planned to be

involved in every aspect of data collection. However with the philosophy of Yin (2009),

the researcher of this study will take all necessary steps to remain an observer and not a

participant of this study. All interviews, and observations, and requested and collected all

primary and secondary organizational documents were conducted by the author of this study. "Second hand" observation was not heavily relied upon. Keeping in mind that the author of this study was the primary research instrument, the five suggestions established by Yin (2009) when conducting a quality case study which are: "ask good questions, be a good listener, be adaptive and flexible, have a firm grasp of the issues being studied, and be unbiased by preconceived notions" (p.66) were closely adhered to.

The author of this study studied the strategic planning behaviors of nonprofit organizations that deliver services to the developmentally disabled populations in the State of Indiana and directly compete with for-profit organizations that do the same. He has had experience in this industry both as a consumer and as a former employee of a for-profit organization that operated in the industry which is being studied. With that in mind, he has developed several consumer and professional relationships with people in this industry.

As far as my professional association in this industry, it should be revealed that i worked as an assistant marketing director and community liaison for a for-profit organization that delivered respite, music and equestrian therapies, day services, and residential care services to the aged and disabled population in Central and Southern Indiana. This organization was a member of Indiana Association of Rehabilitation Facilities (INARF), and due to my responsibilities within the organization I was required to attend many of the previously mentioned organization's events. As a result of attending these events, I networked and formed professional relationships with several

executives and prime decision makers of both for-profit and nonprofit organizations that operated in the industry in which I researched for this study.

As far as a personal connection with this study, I should reveal that I have two sons who were diagnosed with autism and a daughter who was born with Down syndrome. With that being said, my wife and I are consumers of several services offered by organizations that operate within the current area of study. In addition, my children are currently on the Indiana Medicaid Waiver wait list for several additional services.

Bogdan and Biklen (1982) as cited by Rajendran (2001) wrote that in qualitative research a researcher is to "objectively study the subjective states of their subjects" (p. 3). Valian (n.d.) wrote that "every one of us brings a lifetime of experience and cultural history that shapes the review process (p.1). With this in mind it was carefully considered that the professional and personal bias that inevitably arises due to past experiences. In order to overcome those professional and personal biases, participants of this study were organizations in the aged and disabled service industry in which no personal and professional relationships were formed with the writer or anyone else directly involved in the study.

Yin (2009) warned of preconceived notions leading to bias. Based on the previous associations with nonprofit organizations that deliver services to the developmentally disabled populations in the State of Indiana as a consumer and competitor described earlier in this chapter, special care was taken to be mindful of any preconceived notions. Yin (2009) wrote that a "good case study investigator" (p.66) is one that ask good questions, is an active listener, is adaptive and flexible, and one that has firm

understanding of the research subject matter. However Yin warns that all of the following characteristics are meaningless if a researcher "seeks only to use a case study to substantiate a preconceived position (p.70). It was recognized that there was a potential of researcher bias and steps were taken to overcome those biases by following the Yin (2009) suggestions that a researcher keeps an open mind and also involve colleagues when interpreting data.

As far as ethical issues related to the researcher, no such issues were seen that would skew the results of the research. Professionally the author of this study had left the industry of the study five years ago and now works in an entirely different field. As far as personal ethics issues, nonprofit organizations outside the author of this study residential service area were intentionally selected as to avoid any conflict with personal service or professional affiliation.

However even with the steps to purposefully avoid any organization in which there was no personal or professional affiliation, there was continue vigilance to be mindful of personal bias. As a parent the author of this study has been dealing with organizations, both for-profit and nonprofit, for almost thirteen years. Over time he has developed personal conclusions and opinions both positive and negative that could have interfered with the potential conclusions of this study. In order to overcome this potential situation, the Yin (2009) reliability strategy of having his study "audited" by another field investigator has a way of detecting errors and bias was employed.

Finally to increase accuracy throughout the study, the Yin (2009) strategy of making necessary corrections during the case study process was implemented. To further

support the implementation of the Yin (2009), the Creswell (2009) suggestions of debriefing with others and cross-referencing as strategies to maintain ethical integrity during data analysis were also implemented. In order for this study to achieve its desired purpose, ethical standards were strictly followed. In which that ethical and accurate data served as the foundation to those strict standards were maintained.

Methodology

This study involved the issue of the strategic planning behaviors of nonprofit organizations that deliver services to the aged and disabled populations of the State of Indiana and complete with for-profit organizations within the State of Indiana that do the same. With that in mind, two nonprofit organizations located in Central Indiana that fall within the previous mentioned criteria were selected. King (1998) wrote that strategic planning is more likely to be conducted by either larger nonprofit organizations or nonprofit organizations that have for-profit representatives on their board. The author of this study was mindful of King's finding when he selected these nonprofit organizations to be the sampled organizations. Also organizations in which organizational board members, executives, and other decision-makers were easily accessible were necessary to select. Based on those criteria, the two organizations that were selected seem to be well suited subjects.

Participant Selection Logic

Baxter and Jack (2008) stated that this could be time consuming and expensive. Baxter and Jack (2008) used an example of a women's health study with multiple subjects from multiple locations. With this in mind boundaries designed to prevent such a

large and involving case study by limiting the study to two subjects for comparison purposes, and by making sure both organizations are located within the same geographical area were established.

The participants of this study were identified by using the organizational and financial information located on Guidestar.org, which is an online source for detailed information (i.e. tax information, organization service location, size and service type) for most nonprofit organizations in the United States. In order to qualify to be a participant in this study, the nonprofit organization had to be located close to the Indianapolis metropolitan area, had to be an organization that delivers residential, respite, or vocational day services to individuals that are considered to be developmentally disabled, and the organization had to have annual revenues over $5 million. At the time of the participant search there were six organizations that met such criteria. A letter was sent (see Appendix A) to both the board and the executive director of all six of these nonprofit organizations explaining the purpose of his study and inviting them to participate in the study. Out of the six organizations that were sent invitation letters, three organizations responded. Out of the three responders the first two responders for the study were selected. The third responding organization was asked to serve as an alternate participant in case one of the original participants decided to back out of the study for any reason.

This study focused on the difficulty that nonprofit boards and executive directors face in obtaining mission clarity. One potential challenge to the strategic planning process in nonprofit organizations could be the organizational attitude and approach to strategic planning may be the reason for this phenomenon. With this in mind due to the

narrow scope of this topic, the sample size of two enabled the gathering of detailed information necessary to be able to gain a deeper understanding of this phenomenon.

Instrumentation

This was a case study that investigated the strategic planning processes of two medium sized nonprofit organizations that deliver services to the developmentally disabled citizens of the State of Indiana. For the purpose of this study, medium sized means a nonprofit organization with more than fifty employees but less than two hundred employees with annual revenues in the $5 million to $25 million range. The reason organizations that fit these criteria were selected is because smaller organizations may not get pressured by board members to implement businesslike procedures as much as the boards of larger organizations. The other reason for this desired selection is due to access to the primary decision makers. The larger the organization, the more difficult it may have been to gain access to the organizational members that would be important to this study.

By employing the conceptual framework of strategic planning provided by Bryson (2010), this case study had the purpose of gaining a better understanding of the research questions that have been presented in this study. Finally, this study will be able to serve as a guide for organizations when conducting future strategic planning. By having an understanding into the factors in the strategic planning process that can potentially lead to lack of mission clarity and staff resistance to the planning process, strategic planners can take steps to avoid those factors thus improving their strategic planning process.

Yin (2009) wrote that "case study data collection does follow a formal protocol, but the specific information that may become relevant to a case study is not readily predictable" (p.66). Creswell (2007) wrote that data are generally collected through documents (in which are understood as legal and organizational documents), interviews, observations, and physical artifacts. The data collection methods of interviewing and document collection were employed for this study. The interview method was employed by conducting in-depth individual interviews with the senior board members, and executive leadership of this study's participating organizations. In order to better understand the resistance by staff and volunteers of nonprofit organizations to strategic planning, an electronic survey was distributed to staff members of participating organizations in order to understand the basis of that resistance. Finally data was collected and analyzed from marketing, business, and strategic plans along with other similar documents of the participating organizations. The details of the data collection plans are noted in the following paragraphs.

In-depth individual interviews with the executive staff of the sample nonprofit organizations were conducted. These interviews were one on one interviews with the executive director and other executive leadership that are directly in charge of the strategic planning processes of the participating organizations. A total of nineteen interviews were held with the executive leadership staff of both participating organizations. Eleven leadership members participated in the interview process for Organization A. While eight leadership members participated in the interview process Organization B.

Qureshi (n.d.) wrote that document collection is a "non-intrusive" (p.8) way of obtaining information about a research topic and a participant. This method of data collection was useful in assisting in gaining a deeper understanding of the history and culture of an organization. In addition document collection assisted in gaining a better understanding of particular behaviors and characteristics that are displayed by the sample organizations.

The documents that were collected for this study were primary business documents like the business plans, marketing plans, financial plans, and strategic plans of the participating organizations. Also collected were the secondary documents like interoffice memos, emails, and meeting notes that deal with the planning process. All of these types of documents gave an idea of the steps that are taken and the issues considered by the participating organizations during the planning process.

Yin (2009) wrote of the four tests that are to be used by a researcher to ensure reliability and validity. Those tests presented by Yin are "trustworthiness, confirmability, credibility, and data dependability" (p38). When it comes to document reliability and validity, Yin wrote that though documents are useful, they "are not always accurate" (p. 101), and they may be bias. Yin warned the researcher to be careful when determining the validity of documents.

Hammerley and Atkinson (1983) wrote that one exercise to employ in order to determine validity is to ask the following questions:

1. How are documents written?

2. How are they read?

3. Who writes them?

4. Who reads them?

5. For what purposes?

6. On what occasions?

7. With what outcomes?

8. What is recorded?

9. What is omitted?

10. What is taken for granted?

11. What does the writer seem to take for granted about the reader(s)?

12. What do readers need to know in order to make sense of them? (pp. 142-143)

With these questions in mind, there was a focus on primary organizational documents like strategic plans, business plans, and marketing plans. These documents were analyzed for information that could lead to better understanding of planning behaviors and sources of organizational resistance. In addition these documents were reviewed to determine if the strategic planning practices of nonprofit organizations fall in line with the Frank (2002) concept of the Austrian model of entrepreneurship or the common practices of strategic planning as described by Bryson (2010).

When it came to interviewing the executive leadership of the sample nonprofit organizations, individual in-depth interviews designed to understand why nonprofit organizations have found it challenging to obtain and maintain mission clarity in this current phase of privatization were conducted. In addition these interviews were used to

get the executive leadership perspective as to why there seems to be a resistance to traditional business-like strategic planning practices by those in the nonprofit sector.

There are several types of qualitative interview methods. DiCicco-Bloom and Crabtree (2006) lists those methods as individual in-depth interviews "which are interviews to co-create meaning with interviewees by reconstructing perceptions of events and experiences" (p.316), semi-structured interviews which are interviews that begin with a determined set of open-ended questions with more questions developing in response to interviewee answers, and unstructured interviews which are described as "guided conversions" (p.315). In order to understand the challenges that face the strategic planners of the participating organizations, it was determined that the in-depth individual interview was the most favorable interview method for this study. The option of conducting unstructured interviews with members of this study's participating organizations remained available. However in respect to the time of those members, unstructured interviews were only employed when the right opportunity arose.

DiCicco-Bloom and Crabtree (2006) describe individual in-depth interviews as interviews used "to co-create meaning with interviewees by reconstructing perceptions of events and experiences" (p. 316). Salamon (2004), Stull (2009) and Tierney (2006) all wrote that executive leadership in many nonprofit organizations had issues with implementing business-like principles into their organizations which in turn lead to a difficulty in obtaining mission clarity. This challenge could ultimately lead to executive burn-out. The purpose of the in-depth interview process was to determine if the strategic planning process did indeed create this circumstance.

Individual In-Depth Interview Protocol

Yin (2009) wrote that in in-depth interviews the researcher will ask the interviewee questions in order to gain facts and opinions regarding particular events. Yin went on to write that one goal of the in-depth interview would be to transform the interviewee from a respondent into an informant. Yin wrote that this transformation is "often critical to the success of a case study" (p.104). For this study the best way to cause this transformation was by building a sound and comfortable rapport with his interview subjects.

DiCicco-Bloom and Crabtree (2006) wrote that building sound rapport before an individual in-depth interview is essential to the success of the interview. Building a sound rapport with the interviewee will aid in the interviewer in obtaining valuable information that is necessary to the overall success of the researcher's study. With this in mind an interview protocol was implemented for individual in-depth interviews that focused on building sound rapport and obtaining information that is essential to supporting the purpose of this study.

Zurick (2007) in a study of the decision making and e-business strategies of Fortune 10,000 companies developed an interview protocol that seemed to successfully build rapport and create a satisfactory level of comfort for that study's interviewees. With certain modifications the Zurick (2007) interview protocol would yield similar results for this study. The following is a step by step detail of the modified interview protocol for this study's individual in-depth interview.

First in order to encourage upper level management involvement, Zurick (2007) gathered information through "brief phone" (p.76) conversations with the sample organization's executives and upper level management. This step helped in establishing rapport and in giving the participants of the study a better understanding of the goals and the purpose of the Zurick study. The author of this study implemented this step in his study without any modification.

Zurick's (2007) second step was to schedule a brief meeting with the executive of the participating organization in order to update this executive of the preliminary findings of the study. This step was done as way to give the executive a better understanding of the purpose of the study and to give the executives an opportunity to assist Zurick in finding participants within the organization in which Zurick could interview. The author of this study took this step and modified it slightly in a way that was conducive to his study.

The modifications that were made regarding the second interview preparation step taken by Zurick (2007) was in presenting preliminary findings to the participating interviewee. Yin (2009) cites Becker (1998) in regards to the posing of questions particularly "why" questions. In the Yin (2009) reference to Becker (1998), caution is given to the posing of "why" questions the reason being that "why" questions may cause an interviewee to become defensive. It is with this in mind that modifications were made as to how Zurick's second step in the interview questions was implemented.

To further explain, that like the "why" questions that may cause an interviewee to become defensive, a revelation of preliminary findings may have the same effect

especially if those findings are not deemed favorable by the interviewee. In addition the full disclosure of the preliminary findings may increase the level of bias in the interviewee's response to the questions that were posed. To reduce this from occurring the goal of this study was restated, the participant was thanked for his or her involvement in the study, and finally it was restated how this study and his or her participation could assist in overcoming some of the strategic planning challenges facing their organization and the nonprofit sector as a whole. By taking these steps, the interviewee was transformed into the "informant" (p.104) that is described by Yin (2009).

One of the goals of this study was to establish an interview protocol that was conducive to building a strong rapport between the interviewer and the interviewee. With this in mind, Zurick's plan of keeping the executive informed of the results of the study by initiating a brief thirty minute to one hour meeting that is designed to inform the executive of the study's initial findings was implemented. This study presented findings that were concluded from initial document retrieval and analysis. At the end of these meetings a ten slide PowerPoint presentation was conducted with the executive, and the meeting ended by setting a time and place that will be convenient for an in-depth interview to be conducted with that executive. The interviews were no longer than forty-five minutes in length unless the executive desired to give more time.

Though the in-depth interview was structured in a way in which the interview was allowed to go "off script", there were a set of standard questions that were asked in every in-depth interview with the participating executives. These questions were derived by using the same logic that was used in Zurick's study of e-business planning and decision

making. Zurick created a list of investigative questions that were designed to support the

research questions of the study. These questions were then submitted to the interviewee

in paper form before the true interview. According to Zurick, this was done to make the

interview itself more smooth and free-flowing. Due to the fact that s this study was

researching an organizational planning process, this study incorporated the same process.

However, some modifications were made to the Zurick questions in order to align with

the industry in which he is studying. The following are the standard questions.

1. How long have you held your position?

2. From where was your professional experience gained?

3. How long have you been with the organization?

4. How do you believe the act of strategic planning should be incorporated in nonprofit organizations?

5. How does the board of this organization get involved in the strategic planning process?

6. How does middle management contribute to the strategic planning process of this organization?

7. What is the governance policy of this organization?

8. What is this organization's view on social entrepreneurship and profit?

9. What does the term *businesslike* mean to this organization?

10. How often is strategic planning conducted within the organization?

11. How is strategic planning evaluated here at the company?

12. What is the level of staff and volunteer "buy-in" when it comes to strategic

planning?

This study's interview protocol was designed in a way to both build rapport with the participating executives and gain assistance in finding further participants for interviews throughout the participating organization. By employing the Yin (2009) methods of transforming interviewees into informants, support and understanding regarding the purpose of the study from the executives was able to be gained. In addition, assistance from the participating organizations' executives in finding those individuals that would yield the most useful information during the interview process was solicited by employing this protocol.

By keeping the executive directors of the participating organizations informed and somewhat involved during the document retrieval phase, the pre in-depth interview phase and the post-interview phase of this study, the necessary rapport and support from the executive director that was necessary to get staff and volunteers involved in the electronic survey phase of the study was built. In addition by getting the executive directors' agreement on the importance of this study and how it could directly assist in the future strategic planning process of the organization, the executive leadership from both participating organizations became strong advocates when it came to gaining necessary and important access to the board of the participating organization.

Electronic Survey of Staff and Volunteers

Two of the major challenges facing nonprofit organizations in this current phase of privatization are that executives and primary decision-makers of nonprofit

organizations find it difficult to maintain mission clarity (which could indicate a flaw in the strategic planning process), and the second challenge is the resistance and lack of involvement by the nonprofit organizational staff and volunteers in the act of strategic planning. In order to gain a deeper understanding of the challenge of obtaining mission clarity, in-depth individual interviews with the executive leadership of the participating organizations were conducted. In order to gain a deeper understanding why there seems to be a resistance to the strategic planning process it was deemed necessary to conduct an electronic survey with members of the staff and volunteers of the participating organizations.

The assistance of the executive leadership in order to find willing participants for the staff and volunteer electronic survey phase of the data collection project was necessary in order to get a favorable response rate to the survey. Like in the individual in-depth interview phase of this research, it was extremely important that the participants were adequately informed as to the purpose of the study and to their role in the study. With that being said the first step in this phase of the data collection process was to send a brief email informing the potential participants of the study along with a brief summary of the study's findings at that point of the research and inviting the potential participant to participate in a short survey.

Using the criterion method of sampling as described by Creswell (2007), an invitation to participate in the study was sent to twenty-five staff members of the participating organizations. Thirteen of the twenty-five staff members given an invitation to participate in the study were from Organization A. The other twelve staff members

were employed at Organization B. The staff members were identified by the executive leadership from both organizations. The staff members had organizational positions that range from middle management to direct care staff. Though the staff members were identified by the executive leadership of the participating organizations, only the staff members that accepted the email invitation from this researcher participated in the electronic survey.

The questionnaire was designed and administered by using Adobe Forms Central Electronic Survey. The survey was a nine question, multiple choice, and short answer survey. The survey was conducted electronically online. An example of the online format and survey questions are provided in the Appendix. See Appendix B. Once all surveys were submitted to Adobe Forms Central Electronic Survey, the responses were analyzed with the qualitative coding software Nvivo 10 to look for common themes.

Published Data Collection Instruments

In order to gain a better understanding of why the staff and volunteers of nonprofit organizations seem to resist the strategic planning process, it was requested that the staff and volunteers of the participating organizations participate in an online survey that would focus on their beliefs of organizational purpose and attitudes towards traditional strategic planning. This survey was delivered to the consenting participants through the survey software of Adobe Forms Central Electronic Survey.

Adobe Forms Central Electronic Survey provides survey templates that can be modified to fit the needs of the surveyor (Adobe Systems, 2013). It is software that is widely used by organizations to gather case study and other information in a quick and

effective manner. Though there is other similar software that performs many of the same functions, Adobe Forms Central Electronic Survey is the most cost effective and it is very user friendly both for the surveyor and the individual completing the survey.

The University of Missouri highly recommends it graduate students to use Adobe Forms when incorporating forms, graphs, and photos in their thesis and dissertations. This collection instrument was economical and easy to use. In addition Adobe Forms Central Electronic Survey was sent to several potential participants simultaneously and quickly. Adobe Forms Central Electronic Survey was chosen due to the software design, and due to the fact that the target participants could be reached with little disruption to the participants' day to day routine. This convenience contributed to desired goal to build rapport and trust between the author of this study and the participants of this study.

When it came to recording and transcribing the in-depth interviews, the use of the voice recording and transcribing software of Dragon Naturally Speaking was employed. Dragon Naturally Speaking is voice recognition software designed and published by Nuance. In an online PhD research panel sponsored and held by Walden University, the panel members Hotaling and Cox both recommended this software as a way to ease the strains caused by typing. This suggestion was mentioned again by the Walden University Writing Center by McIndoo. However McIndoo (2012) did caution that there are drawbacks in which Dragon users must be aware. One of the drawbacks included errors in voice recognition.

Though Walden University faculty and staff recommend Dragon software to assist in the typing of dissertations and other doctoral papers, not much is mentioned in

using this software for interview recording and transcribing purposes. As previously mentioned, Dragon software was used to record and transcribe the in-depth interviews that will be conducted for this study. Zurick (2007) did employ Dragon Naturally Speaking when conducting and recording interviews. Those interviews were saved in an .msv voice file and given to a transcription company so those files could be converted into readable word files. A similar strategy to Zurick (2007) was used in transcribing the interviews of this study.

The data collection instrument that was used to collect, analyze, and store research data obtained for this study was the Nvivo 10 software. Nvivo is qualitative and mixed method data collection software that was designed and published by QSR International. At the time of this study, Nvivo 10 was the newest version of the Nvivo software and it was published and released in 2012.

Nvivo is popular qualitative data software. This software is presented to Walden University students in the Qualitative Research course. The author of this study was introduced to Nvivo 8. However since that time introduction, QSR International has upgraded the software twice. Though similar to Nvivo 8, Nvivo 10 offers updated features and benefits the allowed for better utilization and analysis of the data collected for this study.

There are several examples of Nvivo being used in qualitative research studies. Nvivo is used to assist qualitative and mixed methods researchers in coding, theme establishment, and theory building. The most updated version of Nvivo was used for this study. However, earlier versions of Nvivo were used successfully in the qualitative and

mixed methods dissertations of Adedunye (2011) Brumfield (2012), Garrett (2006), and Zurick (2007).

Sufficiency of Data Collection Instruments to Answer Research Questions

This was a qualitative study that had the purpose of understanding why leaders of nonprofit organizations find it difficult to obtain mission clarity and why there is a resistance by the staff and volunteers of nonprofit organizations to traditional strategic planning which is what many scholars call the roadmap to mission clarity. It was determined that a better understanding of this phenomenon could be gained by employing the data collection methods of document analysis, in-depth interviews, and electronic surveys.

Merriman (2002) wrote that the strength in the document collection method of data collection is that documents pertaining to the phenomenon already exist. In addition this method of data collection does not interfere with the phenomenon in the same way that a researcher would interfere (in other words it reduces the chance of the Hawthorn Effect). This method of data collection was appropriate to employ in this study due to the fact that this method gave the opportunity to compare the documents with existing research literature and to find themes that contribute to the gaps in the literature that this study was trying to fill. In addition to analyzing the documents to look for specific themes, documents were collected in order to better understand the strategic planning process and planning culture of nonprofit organization.

As previously mentioned principal organizational documents like the final or current business plans, marketing plans, and strategic plans of the participating nonprofit

organizations of this study were collected and analyzed. In addition, secondary documents like interoffice memos, meeting notes, and email correspondence that pertain to the strategic planning process of the participating organizations were also reviewed. Analyzing these documents assisted in the ability to compare if the businesslike procedures that many nonprofit board members want implemented are being properly practiced. The review and analysis of secondary documents also assisted in the ability to gain a more clear understanding of the strategic and operational planning process of the participating nonprofit organizations of this study. Finally the review and analyzation of organizational documents ultimately led to a more thorough interview process.

Merriman (2002) wrote that the interview method is a major method of data collection in qualitative research. DiCicco-Bloom and Crabtree (2006) went further in writing that interviewing is "among the most familiar strategies for collecting qualitative data" (p. 40). Banner (2010) cites Stroh (2000) by writing that interviews are "useful areas where little is known" (p. 27). In the case of this study, it was appropriate to employ the method of this interviewing due to the fact that through this method a firsthand understanding as to why leaders of nonprofit organizations find it difficult to obtain mission clarity was gained.

In order to answer the question of resistance from staff and volunteers of nonprofit organizations to the traditional strategic planning process, it was decided to employ the use of the electronic survey. Electronic survey use has increased in the area of scholarly research. Electronic surveys are more cost efficient than the standard paper survey. Plus the electronic surveys are more likely to get a quicker participant response

speed (Lin & Ryzin, 2011). Lin and Ryzin (2011) however also stated that paper surveys seem to get a better response rate. In order to overcome that obstacle, the respondent transformation to informant technique suggested by Yin (2009) which incorporated the cooperation of interviewees to advocate survey completion was employed. However the transformation to informant technique was not entirely effective the first go around due to the fact that the response rate to the initial invitation to the electronic survey was low. As a result, there was a need to go back to the executive directors of both participating organizations to ask for their assistance in increasing the number of responses to the electronic survey that addressed the resistance to strategic planning practice by staff and volunteers of nonprofit organizations.

Establishing Content Validity

As far as establishing content validity, Creswell and Miller (2000) wrote that in qualitative research the researchers "use a lens not based on scores, instruments, or research designs but a lens established using the views of people who conduct, participate in or read and review a study" (p.125). Creswell and Miller (2000) went on to present the three qualitative lenses which are the lens of the researcher, the lens of the study participants, and the lens of those outside of the study.

When Creswell and Miller (2000) discussed the lens of the researcher, they wrote that the researcher determines the length of field research time, analyzes and determines sound and established themes, and the conversion of the data into a "persuasive narrative" (p. 125). Creswell and Miller (2000) cite Patton (1980) writing that by employing the lens of the researcher the researcher analyzes the data several times in

order to "see if the constructs, categories, explanations, and interpretations make sense" (p.125). The task of research for this study was approached with this in mind.

In establishing content validity by approaching the data through the lens of the researcher, the method of triangulation was employed. When describing triangulation, Jick (1979) cited the Denzin (1978) definition which read that triangulation is "the combination of methodologies in the study of the same phenomenon" (p. 602). Guion, Diehl, and McDonald (2011) wrote of four different types of triangulation. Those different types of triangulation are data, investigator, theory, methodological, and environmental.

Guion, Diehl, and McDonald (2011) wrote that in methodological triangulation the researcher will analyze data collected from various methods (i.e. observation, interviews, and document collection) in order to determine whether or not all the concluded with a similar result. Yin (2009) when referring to triangulation, wrote that this method analysis presented an "important advantage" (p.222) when conducting case study research. In the case of this study, data were collected by document analysis, in-depth interviews, and electronic survey. With this strategy in mind methodological triangulation was the best method to employ in order to establish content validity.

Procedures for Recruitment Participation and Data Collection

The three questions in which this dissertation was trying to find the answers are the following: The first question was why the leaders and the primary decision makers of nonprofit organizations struggle to find mission clarity in this new era of privatization? The second question was why does there seem to be a resistance by the staff and

volunteers of nonprofit organizations to traditional strategic planning practices? Finally, what can nonprofit organizations do to succeed with strategic plans? What follows are the data collection and recruitment procedures that were implemented in order to find the answers to his research questions.

In order to find the answer to the first question of why leader and primary decision makers of nonprofit organizations struggle to find mission clarity, the author employed the data collection methods of document analysis and in-depth individual interviews. In order to find the answer to why there seems to be a resistance to traditional strategic planning practices by the staff and volunteers of nonprofit organizations, the data collection method of the electronic survey was implemented. Finally in order to answer the question of what can nonprofit organizations do to succeed with strategic plans, data analysis looking for themes and common strategic planning flaws and suggested solutions that may be able to overcome those flaws was enacted. The following is a more detailed description of how these methods were implemented.

Hoepfl (1997) wrote that document collection and analysis can be an invaluable method of data collection. Hoepfl (1997) wrote that "official records, letters, newspaper accounts, diaries, and reports, as well as the published data used in a review of literature" (para. 27). In the case of this study, the documents that proved to be invaluable to his study were strategic, business, and marketing plans of the participating organizations along with emails and interoffice memorandums of the participating organizations strategic planners.

The documents that were analyzed were the business, marketing, and strategic plans of the study's participating nonprofit organizations. In addition, secondary documents like the correspondence between organizational planners were reviewed. Most, (if not all), of these documents were located either on the organization's website or at the organization's physical location. All primary and secondary documents were collected from the participating nonprofit organizations' physical and electronic sites. Due to the nature of the study and time constraints, all document data were collected solely by the author of this study.

When it came to the frequency of data collection, Fossey, Harvey, McDermott, and Davidson (2002) wrote that in qualitative research the quantity of data is not as important as the depth of the data. Devers and Frankel (2000) wrote that data collection must be "purposive" (p. 264) and rich in information. With this in mind when it came to the organizational document collection portion of data collection for this study, was sent to the document gatekeeper (s) of the participating organization asking for copies of the necessary documents (see Appendix C). The documents were continuously referred to for the duration of the study.

The other data collection method that was used to determine and better understand why the leadership of nonprofit organizations has difficulty in obtaining and maintaining mission clarity was the in-depth interview. These in-depth interviews were collected from board members, executive directors, and other primary strategic planners of the participating nonprofit organizations. The in-depth interviews were conducted by the author of this study.

When it came to frequency, the instructions of Devers and Frankel (2000) and Fossey et al. (2002) that instructed researchers to concentrate on the depth of the information collected and not the number of interviews conducted was closely adhered to. However, due to the nature of the study it was clear that several in-depth interviews with the executive staff of the participating organizations were to be conducted. Fossey et al. (2002) wrote that it would be adequate to interview one participant for some studies; however for a study that involves the behaviors or practices of an entire organization or in this case an entire sector, interviews and data collection "continues until themes emerging from the research are fully developed, in the sense that diverse instances have been explored, and further sampling is redundant" (p.726).

As far as the duration of the in-depth interviews was concerned, it was import to adhere to the positive rapport suggestions as presented by DiCicco-Bloom and Crabtree (2006). According to DiCicco-Bloom and Crabtree (2006), building positive rapport is essential to the success of the interview. With this in mind the interviewee's time and schedule was acknowledged and respected. With that being said, the initial duration of all in-depth interviews was no more than thirty minutes per interview. If more time was needed, an invitation was extended to schedule another in-depth interview with the participant in the near future. However, the instance of a second interview was a rare occurrence.

All in-depth interviews were digitally recorded using Dragon Naturally Speaking software. As far as note taking, the decision was made that in order to make the interviewee as comfortable as possible notes were to be taken at a minimum. It was

determined that increased eye contact and a more conversational tone of the interview would yield to more open ended follow-up questions which could also yielded to a more information rich interview. The recorded data was then transcribed by the professional transcription company OnCall Transcription, Inc.

Two nonprofit organizations that deliver day, residential, and vocational services to mentally and physically disabled citizens that reside close to the Indianapolis metropolitan area were researched for this study. Both organizations have revenues of at least $5 million annually and these organizations directly compete with for-profit organizations. Finally these organizations are headquartered in fairly close to the Indianapolis metropolitan area. At the time of this study were six organizations that fit this criterion.

The second question that this study set out to answer was why there seems to be a resistance from staff and volunteers of nonprofit organizations to traditional businesslike strategic planning processes. Sharp and Brock (2010, 2012) referred to the resistance to strategic planning in addition to the lack of participation in the planning process and staff and volunteers of nonprofit organizations. With that in mind, data was collected by way of electronic survey in order to answer this question.

The data to answer the research question of resistance were collected from the staff of the participating organizations. The data were collected by using the Adobe Forms Central Electronic Survey. The survey was completed by staff of the organization. This survey was designed in a way so that it took no more than fifteen minutes for the participants to complete.

When it came to debriefing procedures, Tesch (1977) wrote that researcher should consider ethical, methodological, and educational aspects. Tesch wrote that the ethical purpose of debriefing is to not leave research participants confused or feeling misled as a result of their participation in the study. Tesch wrote that the methodological purpose of debriefing is to ensure accuracy and to identify and clear up any study misinterpretations that exist with the participant. Finally Tesch wrote that educational purpose of debriefing is to ensure that the participant has a clear understanding of the purpose and potential benefits of the study.

When referring to the ethical purpose of debriefing Tesch (1977) cites the 1973 Code of Research which read that the participant should not feel "undesirable aftereffects," and that participants should not "remain confused or misinformed about important aspects of the study" (p.217). In many cases the previously cited statements refer to when the experiment requires some level of participant deception. However in the case of this study, participant confusion or deception can lead to inaccurate information being given to the author by the participant.

Ethically the goal was to ensure participants that there would be no negative consequences as a result of their involvement in the study. For example in the case of staff explaining why there seems to be a resistance to the traditional strategic planning practices implemented by the organizations in which they are involved, there were assurances made to the participants reinforcing the promise that their participation is voluntary and that their responses were confidential. To eliminate any confusion, the purpose of this study was stated and repeated, as well as the necessity of their

participation, and the potential benefits of the study at multiple stages of the participation process.

When referring to the methodological purpose of debriefing Tesch (1977) wrote that this part of debriefing is used to ensure accuracy. This purpose of debriefing is used to gage participant perceptions and interpretations of their participation in the study. In addition the methodological purpose of debriefing is for the researcher to better understand the participant's perceived role in the study. With this in mind, it was asked each and every participant about their perception of the study and their perceived role in the study. Appropriate care and consideration was given to participants to ensure that the perception of the study and their role as a participant was aligned with the true purpose of the study.

When referring to the educational purpose of debriefing Tesch (1977) wrote that participants should leave the study with a clear understanding of the nature of the study. With this in mind there were steps taken to ensure that all participants truly recognized the reason for the study, their role in the study, and the potential benefits of the study. Participants were kept updated and briefed regarding the study throughout the research process.

As far as potential follow up interviews, DiCicco-Bloom and Crabtree (2006) wrote that the stages of rapport are apprehension, exploration, co-operation, and participation. As previously mentioned earlier in this chapter, steps were taken with the goal of developing a strong rapport with all participants throughout the interview and data collection process. The time and information given by the participants were honored.

Every interview concluded by asking participants for future time if that time was

necessary.

Data Analysis Plan

As previously mentioned the three questions that were explored were:

1. Why is the leadership of nonprofit organizations struggling to obtain mission

    clarity in this new era of privatization?

2. Why does there seem to be a resistance to traditional strategic planning

    practices by the volunteers and staff of nonprofit organizations

3. What can NPOs do to succeed with strategic plans?

In order to answer the first question it was decided to collect data by implementing the

methods of document analysis and in-depth individual interviews. In order to answer the

second question an electronic survey was administered in order to collect the necessary

data. The final question was answered by analyzing all collected data, finding items that

are contrary to the conceptual framework of strategic planning that was explained by

Bryson (2010), and offering solutions that address those flaws.

When it came to the connection of data to the research question of why there is a

struggle of nonprofit leaders to maintain and obtain mission clarity, documents and in-

depth individual interviews was deemed the best source of data to find the answer to this

question. Bryson (2004) wrote that strategic planning is the roadmap to organizational

mission achievement. The analysis of primary documents like business, marketing and

strategic plans along with in-depth interviews with the business and strategic planners of

the nonprofit organizations involved with the study was deemed the best methods to

gaining a better understanding of this challenge.

As far as the data connection to the research question as to why there seems to be

a resistance to traditional strategic planning practices by volunteers and staff of nonprofit

organizations, it was determined that the method of electronic survey would be the most

efficient way to understand this phenomenon. This is due to the findings of Sharp and

Brock (2010, 2012) where it was determined that strategic planning in nonprofit

organizations is mainly conducted by the board and executive level members of the

organization. With this being determined, there would be very little in the way of

document data to analyze, and observation situations would be minimal. With this being

considered, surveys would be the best methods of data collection in the case of answering

this research question.

The coding of all data was done electronically using Nvivo 10 coding software.

Maxwell (2005) wrote that qualitative coding is different than quantitative coding.

Qualitative coding consists of assigning pre-established categories to data. Maxwell went

on to write that qualitative coding was a means of fracturing the data. With this being

said the following pre-established coding categories at the beginning of the coding

process were created.

1. Planning processes

2. Mission clarity

3. Mission perception

4. Austrian entrepreneurship

5. Strategic planning importance board

6. Strategic planning importance executives

7. Strategic planning importance staff/volunteers

8. Organizational perception of competition

9. Organizational cultural

10. Perception of business-like behaviors and practices.

When it came to handling discrepant cases, Maxwell (2005) wrote that discrepant data is likely. With this being known, Maxwell (2005) suggested that researchers analyze supporting and discrepant cases with rigor. In addition a researcher should not ignore data that does not fit with the researcher's conclusions. Finally a researcher should seek the consultation of others, and ultimately report the discrepant data and allow the reader to "evaluate this and draw their own conclusions" (p. 112). With this advice in mind, these steps were taken when he dealt with any discrepant data.

Issues of Trustworthiness

In order for this study to serve its purpose, it was imperative that the data were analyzed as accurate as possible. Yin (2009) wrote that for case studies four tests can be used to establish quality. Creswell (2007) wrote that accuracy can be gained by using confirming strategies and triangulation. Those tests are construct validity, internal validity, external validity, and reliability (p. 39). In order to present a quality study with reliable data and viable information, the following internal, external, and ethical strategies were established. These strategies are explained in detail in the immediate upcoming sections.

Internal Validity

In order to establish validity triangulation strategies were initiated. Maxwell (2005) wrote that triangulation is the collection of data from various methods in order to reduce bias that may be caused by collecting data by employing a singular method. As mentioned in this chapter, the data collection methods of in-depth individual interviews, electronic surveys, focus group interviews, and document analysis were enacted. All data were analyzed for similar themes and schemas.

In addition to triangulation the method of peer review was also employed. Yin (2009) wrote that the peer review process reduces the likelihood of data being reported falsely. In addition to peer review, Creswell (2009) lists suggestions such as debriefing with others and cross-referencing as strategies to maintain ethical integrity during data analysis. With this in mind it was determined that all findings and conclusions were to be reviewed by field experts and peers as a way of reducing bias and inaccuracies.

External Validity

Calder, Phillips, and Tybout (1982) define external validity as "whether or not an observed causal relationship should be generalized to and across different measures persons, settings, and times" (p. 240). When it comes to external validity, Merriman (1995) presents four different strategies. The first strategy presented is thick description in which the researcher presents the reader with rich information regarding a phenomenon in order for that reader to determine how the research relates to their circumstance. The second strategy is multi-site design which is a strategy of presenting research on multiple cases in order for the reader to have a larger choice of cases in

which the reader can relate. The third strategy is modal comparison which is a strategy where the researcher compares a case with the majority of a population of a particular culture. The final strategy presented by Merriman is sampling within which is a strategy where the researcher samples numerous components of a culture in order to present a "generalized" (p. 59) conclusion for the reader. Based on the strategies presented by Merriman, it was determined by this researcher that thick description will be the best strategy to ensure external validity for this study.

Ponterotto (2006) wrote that thick description involves five steps which are: 1. describing the social phenomenon and social interactions accurately, 2. capture thoughts and emotions of the participants of the social phenomenon, 3. assign "motivations and intentions for the said social actions" (p. 542), 4. the researcher describes the phenomenon and social interaction in such detail that the action can be felt and experienced by the reader, and 5. the research should be presented in a way that gives the reader a clear understanding of the meaning and interpretation of the phenomenon. The author of this study employed all the previously described strategies in order to establish external validity.

As far as dependability, the method of data triangulation was employed as a way of ensuring that the findings are reliable. Onwuegbuzie and Leech (2006) cite Jick (1979) advantages and benefits of triangulation which are more certainty in findings, data collection enhancement, data contradiction detection, the ability to gather richer data, and greater theory development. It is because of these reasons that the method of triangulation in order to ensure the dependability of the study's findings was employed.

In order to establish confirmability, the confirmability strategy presented by Miles and Huberman (1994) in which the following questions must be answered in order to confirm the reliability of collected data was implemented. The following questions are as follows:

1. Are the study's general methods and procedures described explicitly and in detail?

2. Does the researcher have a complete picture?

3. Are study data retained and available for reanalysis by others? (p278-279)

Ethical Procedures

In order to gain access to the participants of this study, modified agreements that are provided by the Walden University Institutional Review Board (IRB) were utilized. These documents are included as addendums to this study. The agreements that were necessary were the consent form, confidentiality agreement, and letter of cooperation.

Treatment of Human Participants

This study had the designed purpose and intent of better understanding the strategic planning processes of nonprofit organizations that compete with for-profit organizations. The organizations that were studied in this research paper are nonprofit organizations that compete with for-profit organizations in the area of the delivery of public service to Indiana citizens with developmental disabilities. This study focused solely on the organization and not on the recipients of the services that are delivered. However though the focus was on the organization, there was a full awareness of the human element that is associated with this study. With this in mind ethical procedures

were incorporated to ensure that human participants were treated in the highest of ethical standards.

As mentioned earlier in this section, agreements of confidentiality and consent were presented and signed by both the researcher and the study participants. However beyond that this researcher conducted this study in a way that adds assurance to the comfort, and confidentiality of his participants. When referring to how to conduct interviews, McLafferty (2004) presented certain procedures that should be implemented to build rapport and ensure confidentiality. Those procedures are transparency, and confidentially.

McLafferty (2004) wrote that when conducting interviews the researcher should verbally disclose privacy, security, and the confidentiality of the data being collected from the interview event. In addition McLafferty stated that the researcher should disclose who will have access to the data. McLafferty (2004) also presented that the participants should have a clear understanding of the role of the researcher, and that trust between the interviewee and researcher is essential to the success of the interview event. Though McLafferty (2004) discusses these actions and procedures when conducting focus groups, these strategies were employed while conducting his data collection methods previously described in this chapter. By employing the methods presented by McLafferty, trust between the author of this study and the participants was fostered and encouraged. This trust led to participants yielding the necessary and pertinent information that was valuable in finding the answers to the study's research questions.

Institutional Permissions

In order to start the data collection and research for this dissertation, the permission of the Walden University IRB) was sought. Data collection did not commence until IRB approval had been secured. Data collection began on April 13, 201.

Ethical Concerns Related to Recruitment

The major ethical concerns regarding recruitment of participation in this study involved disclosure and compensation. When it came to disclosure, Peled and Leichtentritt (2002) wrote that it is imperative that participants in qualitative studies remain informed of the study's processes throughout their participation period. Peled and Leichtentritt (2002) went on to write that informed consent goes beyond the consent form and that the researcher is obligated to continue to fully disclose information to the participants until the conclusion of the study. In order to address the ethical concern of disclosure, the suggestions presented in the Peled and Leichtentritt (2002) article were implemented to ensure that information was freely exchanged with all study participants. By doing so this study fulfilled an ethical obligation and the participants were able to contribute meaningful and sufficient information to this study.

The other ethical concern was compensation. For this study, it was determined that participants of this study would participate voluntarily. By doing this the issue of compensation did not pose an ethical dilemma in the execution of this study.

In addition, in order to reduce the likelihood of undue participant influence due to researcher compensation, it was decided that the state employee gift policies that are enforced by State of Indiana would be implemented. Article 2 section 40 IAC 2-1-6 of

the Indiana Code declares that state employees can accept food or drink as long as "the meeting has a formal educational program that the employee is attending to assist him or her in performing official duties" (IAC 2-1-6 (c)). In addition gifts can be accepted by state employees as long as it is nominal value (less than $250), and is not intended to influence "an action by an employee in his or her official capacity" (IAC 2-1-6 (5b)). Since in many cases nonprofit organizations partner with the State of Indiana to deliver service to the disabled citizens of Indiana, and these organizations are required to adhere to many state mandates; it was determined that the implementation of the State of Indiana gift policy will greatly assist in reducing undue researcher influence regarding the participants of this study.

Ethical Concerns Related to Data Collection/Intervention Activities

When regarding the ethical treatment of study participants, Peled and Leichtentritt (2002) present the concept of empowerment. According to Peled and Leichtentritt (2002), empowerment means the promoting the overall welfare of participants, ensuring the participants have a voice during the research process, treating the participants with respect, and providing the participant complete information so that the participant is able to fully and efficiently participate in the study. With this in mind the rights of the participants were fully respected. It was emphasized to the participant(s) that the study was fully voluntary and that the participant could have withdrawn from the study at any time. This emphasis was conveyed verbally and it was presented in writing for the participant consent form.

If a participant did want to withdraw from the study, it would have been requested the participant's permission to utilize the data that the participant already furnished. If the request to utilize the withdrawing participant's data was granted, the participant would have been informed of the progress of the study. If the participant declined that request, that participant's data and any and all communication would have been destroyed and participation regarding this study would have been terminated. Modifications would have been made to the data collection procedures of this study if it were deemed necessary. However, as a courtesy to the participant the participant would have continued to be kept informed of the study's progress, and the option would have been kept open for the participant to rejoin the study if that former participant so desired. Although that procedure was incorporated into this study, this procedure was not enacted. All participants that volunteered for this study state on throughout the entire data collection phase.

Treatment of Data

Yin (2009) wrote that study of social phenomenon "obligates you to important ethical practices a kin to those followed in medical research" (p.71). Yin (2009) goes on to write that when conducting a case study the researcher must proceed with "care and sensitivity" (p.71). With this in mind, the data collected for this study was treated in a way that protected the privacy and confidentiality of all parties involved. Creswell (2007) wrote that there are several ethical issues that must be considered during the data collection process. Creswell (2007) cited Lipson (1994) when presented those issues

which include informed consent, issues of deception, confidentiality, and benefits and risks. With this in mind the following data treatment strategies were implemented.

When it came to confidentiality, Creswell (2007) wrote that the researcher "protects the anonymity of the informants" (p.141). In the case of this study, organizations and certain members of those organizations provided necessary information and insight that was used to answer the research questions this study set out to answer. The organizations that participated in this study disclosed sensitive organizational information that under normal circumstances would not have been disclosed. With this in mind the organizations are addressed anonymously as a service organization that delivers service to the developmentally disabled. In addition executive directors, board members, and staff and volunteers that participate in this study are identified in generic professional terms (i.e. executive director of disabled service Organization A) and not by proper name.

When it came to data protection, Creswell (2007) wrote that researchers should take five steps to ensure data protection. Those steps are: maintaining backup files, use high quality recording equipment, develop master data lists, protect anonymity, and develop a data collection matrix. All of these steps were implemented in order to protect the collected data.

Summary

The purpose of this study was to gain a better understanding of the strategic planning processes of nonprofit organizations that operate in this current era of privatization. What is known regarding this topic is that the privatization of social and public services has been a policy of the United States since its founding. Also what is

known is that the concept of privatization has evolved through time. In addition it is known that the policies implemented by both the Reagan and Clinton Administrations created a version of privatization that made the social and human industries attractive for more private for-profit organizations to enter the marketplace thus increasing the level of competition that challenged nonprofit organizations that already operated in these markets.

The literature showed that due to this current phase of privatization has caused board members of nonprofit organizations to encourage the leadership of nonprofit organizations to implement more businesslike strategies in order to stay relevant in their respective industries (Gronbjerg, 2001; Guo, 2004; Salamon, 2004; Stull, 2009; Tierney, 2006). What is known about the implementation of businesslike strategies within the nonprofit sector is that in many cases the leadership of nonprofit organizations has found it challenging to achieve and maintain mission clarity which has resulted in burn-out and high leadership turnover in the nonprofit sector (Salamon, 2004; Tierney, 2006). In addition the implementation of businesslike strategies has led to resistance by staff and volunteers of nonprofit organizations to get involved in or even effectively execute the more traditional businesslike strategic plans (Sharp and Brock, 2010, 2012).

Bryson (2010) wrote that there are several benefits to strategic planning. One of those benefits is that strategic planning offers a road map to mission accomplishment. However the existing literature seems to suggest that may not be the case and that by the implementation of traditional strategic planning procedures nonprofit organizations now struggle with mission clarity in addition to an organizational resistance.

The purpose of this study was to examine the strategic planning and other businesslike behaviors of nonprofit organizations. The intent of this study was to better understand why the leadership of nonprofit organizations struggle to achieve mission clarity and why there is a resistance to traditional strategic planning methods by the staff and volunteers of nonprofit organizations. In order to gain that understanding, conducted a qualitative case study was conducted. Due to the implementation of the research methods presented in this chapter, Chapter 4 of this study was able to reveal some of the possible factors that could lead to instances of lack of mission clarity and resistance by staff and volunteers to the traditional methods of strategic planning.

Chapter 4: Results

Introduction

The extant literature suggested that the current phase of privatization has caused the boards of nonprofit organizations to strongly encourage the executive leadership of the organizations for which they are stewards to implement more traditional business-like practices in order to remain competitive. However, the literature also noted that nonprofit organizations have found the implementation of traditional business-like practices quite challenging. The purpose of this study was to better understand why nonprofit organizations that compete with for-profit organizations in delivering public services in this current phase of privatization have struggled to obtain mission clarity.

In order to understand better why nonprofit organizations struggle to obtain mission clarity and why nonprofit organizations find the implementation of business-like practices such as strategic planning so challenging, this study was designed to find the answers to three research questions. Those questions were as follows:

1. Why does the practice of business-like behaviors in the nonprofit sector lead to an organizational struggle to obtain mission clarity in this current era of privatization?

2. What are key factors that contribute to the resistance to strategic planning that seems to be common within nonprofit organizations?

3. What do nonprofit organizations do that is successful in the strategic planning process?

In order to answer those questions effectively, I conducted a multiple case study. The participants of this study came from nonprofit organizations with annual revenues of at least $5 to $10 million. These organizations have partnered with public organizations with the purpose of delivering services to citizens of the State of Indiana that have developmental disabilities.

This chapter describes the setting in which the study was conducted. It presents the demographics of the participants of the study. This chapter also describes the data that were collected and the way those data were analyzed. This chapter also discusses the credibility, transferability, dependability, and confirmability of the data. This chapter also goes into detail regarding the results of the analyzed data.

Setting

At the time of data collection, one of the study's participating organizations was conducting strategic planning operations for their 2015-2018 fiscal years while the other participating organization was performing an annual review of its strategic plan. Many of the interviews that were completed during this study were conducted and scheduled at a time when all executive staff members were present and largely held either right before or directly after a strategic planning meeting.

For the most part, the staff of both organizations worked outside the central office, meaning that they were mostly in the field, and many worked in the homes of individuals with disabilities throughout the various counties that these organizations served. The organizations that participated in the study both claimed to follow the Carver

model of policy governance (Carver & Carver, 1996). This is a governance model that

has 10 distinct principles:

- The trust in trusteeship.

- The board speaks with one voice or not at all.

- Board decisions should predominantly be policy decisions.

- Board should formulate policy by determining the broadest values progressing
  to more narrow ones.

- The board should define and delegate rather than react and ratify.

- Ends determination is the pivotal duty of governance.

- The board's best control over staff means is to limit; not prescribe.

- The board must explicitly design its own products and process.

- A board must forge a linkage with management that is both empowering and
  safe.

- Performance of the chief executive officer must be monitored rigorously but
  only against policy criteria. (Carver & Carver, 1996)

Demographics

The participants in this study came from one of the two organizations that agreed

to be a part of this study. The organizations were nonprofit organizations that delivered

residential, vocational, and community services to individuals with developmental

disabilities. These organizations were located in south central Indiana just outside the

Indianapolis metropolitan area. One of the organizations that participated in this study

had an annual revenue of just over $5 million; the other organization that participated in

this study had an annual revenue of just under $19 million according to their 2012 IRS

990 forms found on guidestar.org. In this study, I refer to the organization with $5 million

of annual revenues as Organization A and to the organization with $19 million of annual

revenue as Organization B.

The executive leadership of the organizations participating in this study consisted

of individuals with degrees, either bachelor's or master's, in social work. Though there

was a wealth of experience when it came to serving the needs of their constituents and

developing processes to deliver services to their constituents, many of the executive

leadership gained their business experience or business-like experience through on-the-

job training. The staff members of these participating organizations were mainly hourly

staff, mainly part-time, and had very little to no direct responsibility when it came to the

strategic planning of the organization.

Data Collection

The data collected for this study came from the following sources. First, to answer

Research Question 1, data were collected from 19 in-depth interviews with the executive

leadership of the participating organizations (11 in-depth interviews conducted with the

leadership of Organization A, and eight in-depth interviews conducted with the

leadership Organization B). Business documents such as business plans, board policy

documents, marketing plans, human resource plans, and any other similar planning

documents were also reviewed. In order to answer Research Question 2, primarily data

collected in an electronic survey distributed to 25 staff members and volunteers of the

participating organizations were relied upon. Finally, in order to answer Research

Question 3, a combination from all of the previously mentioned forms of data was analyzed.

All data collected for this study were derived from two nonprofit organizations that delivered services to individuals with developmental disabilities in central Indiana. From Organization A, there were a total of 12 individual participants. There were 10 individuals from the leadership team (nine team members and the executive director)who participated in the in-depth interview collection process. Two staff members volunteered to participate in the electronic survey. From Organization B, there were a total of 16 participants. There were eight members from the leadership team (seven team members and the executive director) who participated in the in-depth interview data collection process. Seventeen staff members agreed to participate in the electronic survey.

All in-depth interviews were conducted at the main offices of the participating organizations. All in-depth interviews were face-to-face and held either in a conference room provided by the participating organization or in the private office of the executive leadership member. These in-depth interviews were between 11 to 35 minutes in length. Each leadership member was interviewed only one time.

Business planning documents were provided by each participating organization. Those documents were delivered either by U.S. mail, electronic mail, or in some cases they were hand delivered to me. Documents were reviewed in my personal office.

The electronic surveys were delivered to staff and volunteers of the participating organizations by e-mail to the personal addresses of the consenting staff and volunteers. The electronic survey consisted of five sections with each section having a short series of

questions for the staff member or volunteer member to answer. These electronic surveys took between 15 to 20 minutes to complete. These electronic surveys were administered to the staff members of the participating organizations one time only.

All in-depth interviews were recorded on an Olympus digital recorder. This recorder was small and nonintrusive. I intended to make the interview setting as casual and comfortable as possible. These interviews were recorded during regular business hours of the participating organization. All digitally recorded interviews are stored on the Olympus digital recorder in a password-protected file for data protection purposes.

All business documents were delivered to me in either a Word orPDF format. These documents were then downloaded into the Nvivo10 qualitative data analysis software that was used to assist in data analysis. These documents were not the originals and in some cases the participating organizations provided draft documents that were not yet approved by the boards of the participating organizations.

Electronic surveys were delivered to participating staff members via their own personal e-mail accounts. These electronic surveys were then completed by the participating members, and upon completion they were then submitted through and collected by Adobe Formscentral. Adobe Formscentral website then me notified via e-mail that there was a completed survey to review. That notification was sent to my personal e-mail address. All completed surveys were stored electronically in an Adobe Formscentral password-protected account. A PDF version of the survey was then stored in the Nvivo10 software for qualitative data analysis.

All data collection procedures remained in line with what I had proposed in Chapter 3 of this study. There were no variations in the way that data were collected. In addition, there were no unusual circumstances that were encountered during the data collection process.

Data Analysis

The QSR International Party Ltd. software known as Nvivo 10 was used to assist in the data analysis process. The student version of the previously mentioned software was used. This software assisted in storing transcripts of interviews, PDF versions of business-like documents, audio recordings of one-on-one interviews, along with the PDF versions of the electronic survey replies. Nvivo 10 was also used in the coding process.

The process used to move coded units into larger representations and categories and themes was a process previously used in the Walden University dissertation titled *Too Big to Fail and the Effect of the Exclusion Policy: A Case Study on the Pharmaceutical Industry* (Allen, 2013). In Allen's (2013) study, 43 master codes were created along with three categories. This code structure was designed to answer the primary study question along with the three subquestions. Each subquestion received a set of codes. Allen then created a report using the software Nvivo10 in order to assist in the analysis of that study's data.

In the case of this study, a set of codes for each research question was created. In order to further increase organization and increase the level of research clarity that would be necessary during the analysis process, a category for each research question was established. This category and coding process was found to be the best guide in assisting

in the early analyzing data for themes and patterns found in the data. Table 1 displays how the categories and codes were organized.

Table 1

Coding Category

Research Question	Category	Codes
RQ1: Why does the practice of business-like behaviors in the nonprofit sector lead to an organizational struggle to obtain mission clarity in this current era of privatization?	Mission clarity	Planning approach, planning participants, understanding of businesslike concepts, internal analysis, external analysis, planning communication, board involvement, business experience, perception of business behaviors, perception entrepreneurship
RQ2: What are key factors that contribute to the resistance to strategic planning that seems to be common within nonprofit organizations?	Staff resistance	Planning involvement, planning understanding, organizational knowledge, communication, planning perception
RQ3: What do nonprofit organizations do that is successful in the strategic planning process?	Best practices	Stakeholder involvement, organizational policy, inner departmental cooperation, employee satisfaction

In the case of discrepant cases, Maxwell (as cited in Lewis, 2009) stated that "discrepant data need to be rigorously examined to determine if themes or categories supported" (p. 11). Lewis (2009) also cited both Maxwell and the authors Creswell and Miller that regardless of whether the discrepant data are reported or not, or if the discrepant data are modified, the researcher is obligated to inform the audience that discrepant data do exist within the study. Kaplan and Maxwell (2005) wrote that though there may be "strong pressure" (p. 46) to ignore discrepant data, it is imperative for the

researcher to "rigorously examine both supporting and discrepant data" (p. 46). However, in some cases it is the best option to report the discrepant data and allow the audience to "draw their own conclusions" (p. 46).

Virtually no instances of discrepant cases were experienced. However if those instances would have arisen, the research strategies given by Kaplan and Maxwell (2005) when providing the Maxwell and Duchon computer software study as an example would have been employed. In this example, Maxwell and Duchon gathered data using several different methodologies and tried to reconcile discrepancies that may have developed during the course of interviews with participants. They also considered and compared both quantitative and qualitative data to reconcile those discrepancies.

Methods of multiple data collection strategies were employed in this study in an attempt to recognize discrepancies. Also there was a consideration of the background and the source from where the discrepant data were coming. For example, in the case of a discrepant answer to a standard interview question by a member of one of the participating organizations leadership team members, instances of the background of that team member in addition to the time that that team member had been involved with both the team and the organization would be considered. The reason factors like time with the organization and background would be considered would be because time and background (be it educational or cultural) could play a major role in influencing a response to a particular question. Those factors would then be considered in that discrepant case. In some cases there would have had to be follow up with organizational leaders of the participating organizations and attempt to ask for further clarification on

data in which discrepancies were found. That clarification may have been in the form of the follow-up interview question, clarification and further explanation of data found in a business document, and anything of that nature.

Evidence of Trustworthiness

Credibility

In Chapter 3 of this study it was written that the methods of triangulation and peer review would be employed in an effort to establish validity and credibility of the data that was analyzed. There were no modifications to the first proposed method of triangulation. Triangulation through the data collection methods of business document analysis and retrieval, face-to-face interviews with the participating organizations leadership teams, and electronic surveys completed by staff members of those participating organizations was indeed employed. As far as employing the method of peer review, the results of the data were reviewed by a recent Doctorate of Business Administration graduate of Walden University and an Instructor of Business at Butler University in Indianapolis, Indiana in order to check for accuracy.

Transferability

In order to establish external validity, the strategies of thick description as presented by Ponterotto (2006) with no modifications to what was proposed in Chapter 3 of this study were employed. As presented in Chapter 3 of this study Ponterotto (2006) wrote of five steps to thick description. The first step is to describe the social phenomenon and social interactions accurately. In the case of this study, the goal was set out to observe the strategic planning behaviors of nonprofit organizations that compete

with for-profit organizations to deliver services to the developmentally disabled citizens of the State of Indiana. In this study the social phenomenon was the strategic planning process. The strategic planning process was based on the conceptual framework of Bryson (2010). Social interactions within the participating organizations were described using the same conceptual framework

The second step of thick description as presented by Ponterotto (2006) is to capture thoughts and emotions of the participants of the social phenomenon. In this case the author of this study had to rely on the interview responses of those individuals of the leadership teams that participated in the face-to-face interview portion of the data collection process. Also the responses that were given by the staff of the participating organizations on the electronic survey were greatly relied upon. In both the face-to-face interviews and on the electronic surveys there were questions that were designed to collect and measure the emotions in regards to strategic planning and its place and purpose in the nonprofit sector.

The third step of thick description as presented by Ponterotto (2006) is to assign motivations and intentions for the said social actions. The literature collected for this study suggests that due to increased competition the boards of nonprofit organizations now strongly encouraged their organization's executive leadership to adopt and enact businesslike practices in order to remain competitive. The encouragement by the board of nonprofit organizations to implement businesslike practices in their organizations in order to remain competitive was the motivation that was assigned when referring to the act of strategic planning in nonprofit organizations.

The fourth step of thick description as presented by Ponterotto (2006) is to describe the phenomenon and social interaction in such detail that the action can be felt and experienced by the reader. Again through using the conceptual framework of Bryson (2010), this study set out to describe the phenomenon of strategic planning and the social interaction of those who design the strategic plans and those who are hired to execute such plans. In order to ensure that the reader of this study has a clear and concise understanding of strategic planning, the study was written in a way that went into great detail to describe the standard strategic planning process that is practiced by many organizations in the public, nonprofit, and for-profit sectors.

Finally the fifth step of thick description as described by Ponterotto (2006) is to present the research in a way that gives the reader a clear understanding of the meaning and interpretation of the phenomenon. Again, great lengths were taken to carefully and concisely describe strategic planning in accordance to the conceptual framework of Bryson (2010). In addition the interpretation of the findings were described as clearly and concisely as possible in order for the reader of this study to come away with a comfortable understanding of the results of this study.

Dependability

In order to establish dependability of the data, the method of triangulation as described in Chapter 3 of this study was employed. The decision to utilize the method of triangulation was based on the benefits presented by Onwuegbuzie and Leech (2006) which as previously stated in Chapter 3 are more certainty in findings, data collection enhancement, data contradiction detection, the ability to gather richer data, and greater

theory development. In addition, Yin (2009) wrote that it is imperative in case studies to "use multiple sources of evidence" (p. 112) in case studies. This method of triangulation was employed in the study with no modifications to what was proposed in Chapter 3 of this study.

Confirmability

The confirmability strategy that was used in this study was the Miles and Huberman (1994) that was proposed in Chapter 3 of this study. In order to establish confirmability, the confirmability questions were answered in the ways that were established by Miles and Huberman (1994). The following are the answers to those questions.

The first question presented by Miles and Huberman (1994) is, are the study's general methods and procedures described explicitly and in detail? This study was a multiple case study that studied the strategic planning behaviors of nonprofit organizations that compete with for-profit organizations in order to deliver services to developmentally disabled citizens of the State of Indiana. All data collection and study methods were described and presented to the assigned dissertation committee and the Walden University IRB. All proposed methods and procedures were reviewed and approved by the dissertation committee and the Walden University IRB in April 2014.

The second question presented by Miles and Huberman (1994) is, does the researcher have a complete picture? A complete picture of this research phenomenon was developed by first conducting a multiple case study of two nonprofit organizations that deliver services to developmentally disabled citizens of the state of Indiana and compete

with for-profit organizations that do the same. In addition the internal and external validity method of triangulation was instituted to ensure that all data collected could be verified and deemed credible. Finally, all data collected in the study was reconciled with the conceptual framework of strategic planning as presented by Bryson (2010).

The third and final question in the confirmability strategy presented by Miles and Huberman (1994) is, are study data retained and available for reanalysis by others? The answer to this question is yes all field notes, audio recordings, paper copies of the responses to the electronic survey, and planning documents provided by the participating organizations are retained by the author of this study and are available for reanalysis by others. The retention and availability of the data are subject to the retention and availability policies of the Walden University IRB.

Results

This study was conducted in order to answer three questions regarding strategic planning behaviors of nonprofit organizations that compete with for-profit organizations to deliver human services. Existing literature suggested that nonprofit organizations that compete against for-profit organizations to deliver human services struggle to successfully complete the task of strategic planning. According to the literature, some of the struggles that nonprofit organizations face when conducting strategic planning are lack of mission clarity and executive burnout (Salamon 2004, Tierney 2006), and resistance by staff and volunteers of the nonprofit organization when implementing the businesslike practice of strategic planning (Sharp and Brock 2010, 2012).

However according to Bryson (2010), the practice of strategic planning is the roadmap for organizations to use in order to achieve their missions. With this in mind, the very act of strategic planning should not lead to the problems that nonprofit organizations face when conducting this practice. The purpose of this study was to study the strategic planning processes of nonprofit organizations to find out why these struggles of lack of mission clarity, executive burnout, and staff resistance exist.

Research Question 1

The first question that this study set out to answer was: Why does the practice of business-like behaviors in the nonprofit sector lead to an organizational struggle to obtain mission clarity in this current era of privatization? In order to answer the question, the business planning documents of each participating nonprofit organization of this study were analyzed. Those documents included the strategic plan, the strategic action plan, the marketing plan, and the board charters of both organizations. In addition to document analysis, face-to-face interviews with the leadership teams of both participating organizations and conducted more intense interviews with the executive directors of both participating organizations were also conducted.

The first finding was that neither one of the participating organizations that were selected to participate in this study experienced a lack of mission clarity as a result of conducting businesslike procedures and practices. As a matter of fact, both organizations were extremely mission focused. When conducting the face-to-face interviews, it was found that both participating organizations had a sound understanding of their organization's mission. However with that being discovered, there were some struggles

and even conflict in the process of conducting businesslike practices found in the organizations participating in the study. Based on face-to-face interviews with the leadership of the participating organizations, these struggles seem to do with the level of importance that certain departments place on businesslike practices. To clarify there were those leaders that were interviewed that felt that their departments missions could be achieved without conducting strategic planning activities. Though these organizations did not struggle in maintaining mission clarity, improper process implementation could very well lead to future struggles in mission obtainment.

To further elaborate on the possibility of improper process implementation leading to future struggles in mission obtainment, face-to-face interviews with members of the leadership of both organizations did yield signs of different levels of importance of strategic planning and other businesslike activities. For example, there were some leaders that felt that strategic planning was important. However, these leaders felt that their colleagues did not place the same importance on the strategic planning process and as a result the plan was not executed in any way that would yield optimum results. This feeling held by these leaders lead to those leaders feeling discouraged regarding their organizations strategic planning process.

Bryson (2010) wrote that there were key steps in the strategic planning process. These steps are: agreeing on the planning process (p. 47), identifying organizational mandates (p. 49), clarifying organizational missions and values (p. 50), assessing the organizations external and internal environments (p. 51), identifying the strategic issues facing an organization (p. 55), formulating strategies and plans to manage the issues (p.

60), reviewing and adopting the strategies and plan (p. 62), establishing an effective

organizational mission (p. 63), developing an effective implementation process (p. 64),

and reassessing strategies and the strategic planning process (p. 66). Table 2 provides a

chart depicting how both organizations aligned with the Bryson (2010) strategic planning

model.

Table 2

Organizations' Alignment With the Bryson (2010) Strategic Planning Model

Strategic planning steps as proposed by Bryson	Organization A	Organization B
Initiating and agreeing on a strategic planning process	Step is taken	Step is taken
Identifying organizational mandates	Step is taken	Step is taken
Clarifying organizational mission and values	Step is taken	Step is taken
Assessing the organizations external and internal environments	Step is taken.	Step is taken. However not considered important.
Identifying strategic issues facing an organization	Step is taken	Step is taken
Formulating strategies and plans to manage the issues	Step is taken	Step is taken
Reviewing in adopting the strategies and plan	Step is taken	Step is taken
Establishing an effective organizational vision	Step not taken	Step not taken
Developing an effective implementation process	Step is taken	Step is taken
Reassessing strategies and the planning process	Step not taken	Step not taken

Though one can see from the previous chart that most of the strategic planning

steps presented by Bryson (2010) are taken by the organizations participating in this

study, a deeper examination revealed that most of these steps were not conducted to its

full efficiency. The following will be a more detailed description of how participating

organizations executed these steps. First the strategic planning step will be presented and then the actions by both participating organizations will follow.

The first step of strategic planning according to Bryson (2010) is "initiating and agreeing on a strategic planning process" (p. 47). According to Bryson (2010), this is when decision-makers and stakeholders get together to decide what will be addressed both internally and externally during the strategic planning process. Bryson (2010) wrote that an initial agreement should be drafted that describes the process of topics being discussed, deadlines, roles that strategic planners play, and most importantly this agreement presents a definition for success.

In the case of Organization A, it was found that this step is followed almost identically to the process described by Bryson (2010). Before the strategic planning process is started, Organization A does indeed hold a stakeholder meeting. According to the executive director of Organization A, the stakeholders and decision-makers invited to this meeting are the Organization A's board members, the organization's leadership team, consumers of the organization, and a third party facilitator. It is during this meeting that the agenda is drafted and agreed upon. This meeting is conducted every three years which is this organization's strategic planning cycle.

Though Table 2 indicates that the "Initiating and agreeing on a strategic planning process" step is taken by Organization B, it was found that this organization deviates greatly from the step presented by Bryson (2010). As mentioned previously, in this step Bryson (2010) wrote that stakeholders and decision-makers get together and agree on the strategic planning process. However in the case of Organization "B", not all the decision-

makers get together to decide on the process. Organization B implements this first step of the Bryson strategic planning process in three distinct actions.

Organization B operates under the Carver Model of Governance. The Carver model of policy governance consists of a process where the board establishes policies and the ends that the organization must achieve. The board also separates policies and responsibilities that clearly define the roles of both the board and the staff of the organization. Finally the board is responsible for maintaining ownership, establishing written policy, and monitoring operational leadership of the organization.

Due to the implementation of the Carver Model of Governance, Organization B does execute the first step of strategic planning as presented by Carver much differently. First the board of Organization B presents the "ends" to the executive director. Second these "ends" are presented to the rest of the leadership team by the executive director. At this point the leadership team holds a retreat. It is important to note that the executive director and the chief operations officer of Organization B are not present at this leadership team retreat. According to the executive director of Organization B, his presence would defeat the purpose of the retreat because the leadership team may be compelled to implement what the leadership team believes the executive director desires to implement and not propose new ideas that are unique to the leadership team.

The members of leadership team are the only decision-makers that actually meet in person in this phase of the strategic planning process. In this retreat the leadership team takes with them the "ends" that are proposed by the board, employee surveys, and customer surveys that have been devised by the organization with the intent of improving

the service delivered by the organization. The changes proposed by the board and customer and employee surveys are then used by the leadership team to assist the team and formulating a draft of the strategic plan. Once that draft is completed it is then given to the executive director and the chief operating officer of Organization B for review and possible modification. According to the executive director of Organization B, rarely arm major modifications made to the proposed strategic plan crafted by the organization's leadership team.

The next step of the strategic planning process presented by Bryson (2010) is "identifying organizational mandates" (p. 49). Bryson (2010) describes these mandates as both formal and informal. Formal mandates are "relevant legislation, policies, ordinances, charters, articles, and contracts" (p. 50) while informal mandates are characteristics that are expected of them by a community or industry, and behaviors that an organization is expected to express. Due to Indiana state law, both Organizations A and B are compelled to identify organizational mandates. These mandates are identified in both of the participating organizations strategic plans.

Step three as presented by Bryson (2010) is "clarifying organizational mission and values" (p. 50). When it comes to clarifying mission and values, Bryson (2010) wrote that in the case of nonprofit organizations "there must be identifiable social or political demands or needs that the organization seeks to fill" (p. 50). In the case of both participating organizations the organizational mission is to improve the lives of developmentally disabled citizens in the state of Indiana that will ultimately increase their inclusion in the community and ultimately improve their quality of life. The research

found that both participating organizations are very mission minded, and all of their activities and decisions evolve around the achievement of their mission.

Step four in the strategic planning process according to Bryson (2010) is "assessing the organizations external and internal environments" (p. 51). In this step Bryson (2010) wrote that organizations should "explore the environment outside the organization to identify challenges" (p. 51), and they should also "explore the environment inside the organization to identify strengths and weaknesses" (p. 51). Though this step is taken by both organizations involved in the study, the impact this step has with both organizations differ from the expected impact that is presented by Bryson.

When it comes to identifying external factors, Bryson (2010) states that nonprofit organizations should monitor stakeholder groups, funders, customers, and any regulating body that may have regulating authority over their organization. Bryson (2010) also states that nonprofit organizations should monitor a "variety of forces and trends" (p. 52) that have a direct impact on the organization. These forces and trends according to Bryson (2010) include "political, economic, social, educational, and technological" (p. 52). Bryson (2010) also states when conducting an external analysis that nonprofit organizations should also monitor competitors and search for competitive advantage. This step in strategic planning is a step that is always conducted in the for-profit sector. However, this step has become a necessity in the nonprofit sector only recently due to the emergence of this current era of privatization.

When it came to the process of external analysis, it was found that both organizations did not utilize the data they collected to their full advantage. Although the

both organizations recognize their political, economic, social, and physical environment; neither organization truly analyzed their external environment and their potential competitive advantage. This is evident in the marketing plans of both organizations and even the final draft of their current strategic plan and action plans.

For example, Organization Bs current marketing plan which was created in 2011 does recognize that the organization faces competition from both for-profit and nonprofit organizations that deliver similar services. However the marketing plan only states that it must be mindful of their competitors and it does not go into any detail as to what steps they would take to remain competitive and what their competitive advantage may be. Bryson (2010) wrote that an incomplete external analysis may lead to a "very unwelcome surprise" (p. 53). Based on the information given in the marketing plan Organization B may have not conducted a thorough external analysis of their competition. With this in mind, Organization B may not be aware of all the strategic advantages and disadvantages they face when dealing with competition.

Also when it comes to external analysis the executive director of Organization B acknowledged that although his organization does conduct a SWOT analysis, strategic planning decisions are not heavily based on the results of that analysis. The decision to not rely on the SWOT analysis the way other organizations may rely on that data is due to the fact that they practice a type of strategic planning that relies on other data. Primarily this data comes from customer surveys and other consumer driven data. Over the past five years, Organization B has implemented a form of strategic planning called Niche. Niche strategy is when an organization is serving a specialized or a market

subgroup (BusinessDictionary.com n.d.). Organization B does indeed deal with a relatively small and specialized market due to the fact that this organization solely focuses on delivering services to the developmentally disabled population in South Central Indiana. With this in mind, the evidence shows that Organization B approaches competitive analysis using the method of strategic intent (Hamel and Prahalad, 1989).

According to Hamel and Prahalad (1989), strategic intent is in one way much like Bryson's (2010) model of strategic planning where an organization as a vision and a certain set of goals and establishes a path to achieve those goals. However, strategic intent differs from strategic planning based on the definition given by Hamel and Prahalad (1989) where is presented that this strategic planning model "encompasses an active management process that includes: focusing on the organization's attention on the essence of winning; motivating people by communicating the value of the target; leaving room for individual and team contributions; sustaining enthusiasm by providing new operational definitions as circumstances change, and using intent consistently to guide resource allocations" (p. 64). So with this definition in mind, strategic intent focuses more on an organization's internal situation and less on its external environment.

This emphasis on the internal environment is evident in both Organization A and Organization B's strategic plans, marketing plans, and strategic action plans. It was found that both strategic plans from the participating organizations focused on items such as controlling overtime costs, improving employee safety, and upgrading internal systems in order to deliver their specialized services more efficiently. It must be noted that both Organization A and Organization B belong to a consortium of other nonprofit

organizations that deliver services to the developmentally disabled and Indiana and according to the executive director of Organization B, the strategic plan template used by both Organizations A and B is used by other organizations associated with the consortium.

Step five in the strategic planning process as presented by Bryson (2010) is "identifying the strategic issues facing an organization" (p. 55). According to Bryson (2010) strategic issues are "fundamental policy questions or critical challenges affecting the organizations mandates, mission and values, product or service level and mix, clients, users or payers, cost, financing, organization, or management" (p. 55). Bryson (2010) wrote that these issues are usually determined and discovered during the first four steps of the strategic planning process. Strategic issues are both internal and external. Though both participating organizations show evidence of conducting the first four steps of the strategic planning process presented by Bryson (2010), based on some modifications made by both organizations it is quite possible that this is where some negative issues of mission clarity as stated by Salamon (2004) and Tierney (2006) may exist.

According to Bryson (2010), strategic planning "focuses on achieving the best fit between an organization and its environment" (p. 56). When referring to the environment, Bryson (2010) refers to both the internal and external environment of a particular organization. Although there is evidence of internal and external analysis being conducted, due to the heavy emphasis on internal factors affecting these participating organizations it is quite possible that there are some external strategic issues that may be missed. Although the executive directors and other leaders are fully aware of external

state regulations, consumer needs, and existing for-profit and nonprofit competitors in their environment; this lack of emphasis on the external environment may open the door to unexpected external stressors that could have been avoided by using a more balanced approach to their external and internal analysis process.

Step six in the strategic planning process as presented by Bryson (2010) is "formulating strategies and plan to manage the issues" (p. 60). The data collected for this study show that both participating organizations do indeed implement this step in the strategic planning process. As previously mentioned, both of these organizations share many strategic planning templates. Two of the strategic planning templates they share are the balanced scorecard and the strategic action plan template.

The action plan template used by both organizations is an Excel formatted template that separates strategies, those responsible for implementing the strategies, desired completion dates for the strategies, and side notes and updates that inform readers of this action plan of the progress towards the completion of the strategies. In the case of both Organizations A and B, the strategic action plan is the primary strategic planning document that is referred to after the strategic planning process is complete. In other words, whereas many organizations use the strategic planning template that would include an executive summary mission statement, vision statement, and SWOT analysis among other sections; both participating organizations format there final strategic plan in Excel form with action steps only.

Again based on the heavy emphasis on internal analysis conducted by both organizations, the strategies formulated by both organizations are mainly to address

internal issues and not to address external issues. For example, there are five objectives that Organization A listed in their action plan that they plan to achieve. These objectives are: review three-year strategic plan at least annually and revise/change as necessary, second improve fiscal information by replacing computer software, third refine the HR department structure fourth develop and implement technology replacement plan, and finally increase donations by 10% a year. Although these action steps could indeed improve the efficiency of service delivery to be consumers of Organization A, it is very apparent that external strategies were not completely considered in the formulation of their three-year action plan. This lack of strategy formulation in the ways of external issues could lead to an "unwelcome surprise" (p.53) that was warned by Bryson (2010).

The same emphasis on internal goals is also found in the long-range planning document for Organization B. In this document, Organization B's goals were separated into the five following categories these categories: finance, safety, compliance/quality, relationship, and growth. And within these categories there were several subcategories. For example, under the finance category there were objectives like "achieve financial stability" and "development/funding raising projects". An example of a subcategory found in the "safety" category would be "reduce client safety related reportable incidents". When it came to the relationship category, surprisingly this organizational objective also consisted of intrinsic organizational goals. When thinking about that term "relationships" when referring to organizational goals, it was assumed that those relationships may involve the external stakeholders of Organization B. However, the objectives that Organization B presented in this category were mainly human resource

focused dealing with payroll and recruitment goals. There was one external goal in the "relationships" category and that was to increase customer and consumer satisfaction to above 95%.

Again this emphasis on internal strategies may be due to the fact that both of these organizations share some strategic planning processes. The strategic planning model that is employed by both organizations is the model of strategic intent. However when looking at the heavy emphasis on intrinsic goals, it was contemplated that there may be other philosophical and theoretical factors that may be influencing both of these organizations strategic planning behaviors. These factors will be explained in further detail in this chapter.

Step seven as presented by Bryson (2010) is "reviewing in adopting the strategies and plan" (p. 62). According to Bryson (2010), this is where an organization will develop, obtain final approval to execute, and implement the plans that were designed in step six. It was found that while both of this study's participating organizations implement this plan the implementation by both organizations were strikingly different. In addition it was found that though literature bound for this study suggested that resistance to strategic planning is mainly found by staff and volunteers, there was resistance, (at least with one of the organizations), evident within the planning team.

First of all it should be noted that these organizations have two entirely different governance models. Organization A operates under traditional models of nonprofit governance where the board is the final authority for the approval of policies and procedures and the organization's executive director is assigned by the board to execute

and implement the policies approved and established by the board. Whereas Organization B operates under the Carver Model of Governance in which the board establishes the goals or, the "ends" as described by Carver and the executive director is given an agreed amount of freedom to create and execute the policies and procedures in order to achieve the desired goals of the organization's board.

This is where a major difference was found in the strategic planning behaviors of the participating organizations. For example when it came to obtaining the official approval of the design strategic plan, the final authority for that approval when it came to Organization A was its organization's board. According to the executive director of Organization A, after the strategic plan was designed and developed by the leadership team it was the responsibility of the executive director to present it to the board. The board then was responsible for giving final approval.

According to the executive director, members of the board are involved in the mandate process in the initial planning process of the strategic plan. However they are not involved in the strategy formulation process. That function is the primary responsibility of the executive director and the rest of the leadership team. In addition the executive director is responsible for keeping the organization's board informed of the progress of strategy formulation process. However when talking to members of Organization A's leadership team many of those members believe that their organization's board has minimal to no involvement in the strategic planning process. This seems to lead to challenges when it comes to implementation of the strategic plan once it is approved.

In interviewing members of Organization A's leadership team it was found that many of the leadership team members don't fully understand the role of the organization's board. This leads to the feeling that their strategic plan is basically "rubberstamped" by the organizational board. This feeling of disingenuous formality seems to lead to a lack of commitment when it comes to inner departmental implementation of the created strategic plan.

For example more than one member of the leadership team of Organization A stated that they helped in designing the plan. However once that plan is complete, that plan is only loosely presented to that leadership team member's department. Many times the strategic plan is put in a desk and only taken out by the leadership team member when the executive director and the leadership team meet to review the progress of the plan.

In addition to disingenuous formality, there is also the challenge of interdepartmental strife that poses a challenge to plan implementation. When interviewing members of the leadership team of Organization A, a theme of "us versus them" mentality developed. During the face-to-face interview session with the leadership team of Organization A, some leadership members were only concerned about their particular departments. As a matter fact, once the final version of the strategic plan was approved, those leadership team members will only go over the sections of the strategic plan that involved their departments directly with the subordinates in their department. In one instance one leadership member stated that most of the strategic plan did not involve that leader's department. As a result many times this leader would participate in the strategic planning process. However once the plan was complete this leader would simply

put the plan away and only review it when it was time for a leadership review of the progress of the strategic plan.

Partly due to its governance model, Organization B conducted the formulation and approval of their strategic plan much differently. As noted previously, the executive director and the COO of Organization B were not a part of the initial planning process. However, the executive director and the COO were the final approval authority of the plan. The Carver governance model made it so the board of Organization B was not involved in the initial planning process as well. As a result the leadership team of Organization B had much more control and understanding over the planning process than the leadership team of Organization A.

For example, where the leadership team of Organization A, as a whole, did not fully understand the role of their board, the leadership team of Organization B has a complete understanding of the role of their board. This understanding of the role of both the board and the executive director gave the leadership team Organization B a confidence of their strategic planning process that was not found in the leadership team of Organization A. In addition separating the roles between board, executive director/COO, and the organization's leadership team seem to eliminate the interdepartmental strife found in Organization A.

During the face-to-face interview process with Organization B's leadership team, it was found that based on their answers the members of the leadership team seemed to be of one accord. For example whereas the leadership team of Organization A felt that only parts of the strategic plan pertained to their departments; the leadership team of

Organization B viewed the strategic plan as a document in which all the parts of the plan involves all departments of their organization. This in the very least reduced the instance of interdepartmental strife. As a result of this cohesion and roll understanding the challenges to plan implementation seemed to be greatly reduced.

Step eight of the strategic planning process as presented by Bryson (2010) is "establishing an effective organizational vision" (p. 63). Bryson (2010) wrote that in this step organizations should develop "a description what it should look like once it has successfully implemented its strategies" (p. 63). As indicated in *Figure 4.2*, the data collected for this study does not offer substantial evidence that this step is taken by either of the participating organizations of this study.

According to Bryson (2010) the step of establishing an effective organizational vision is not a common practice done by most organizations in the public and nonprofit sector. However, Bryson (2010) wrote that this practice is a common practice in many "well- managed companies" (p. 63). Bryson (2010) did go on to write that organizations can indeed be successful strategic planners without necessarily taking this step. With this in mind it was concluded that though there are many benefits to conducting the step of establishing an effective organizational vision, the fact that neither of the participating organizations involved in the study did not conduct step eight has little effect on the overall strategic planning behaviors or success of either of these organizations.

Step nine as presented by Bryson (2010) is "developing an effective implementation process" (p. 64). Though it is indicated in *Figure 4.2* that both organizations do indeed practice this step in strategic planning, it must be noted that the

findings presented for step seven does influence how both organizations complete this step. As it was found for the results of step seven, these organizations implement their strategic plans quite differently.

Before the differences are presented in regards to strategy implementation by both Organization A and Organization B, it should be stated that both organizations utilize a template that tracks goals that were created during the strategic planning process. Both organizations have created sensible and achievable deadlines when it comes to plan accomplishment. In addition both organizations assign individuals and departments to be accountable and responsible for particular goals to be met. However this is where the similarities and striking differences begin.

It was mentioned when describing how Organization A implements step seven that there were several challenges and misunderstandings that could interfere with the complete execution of their strategic plan. One in particular was the "us versus them" mentality between various departments. This led to particular responses during the face-to-face interviews with the leadership team of Organization A like "I put the plan on the shelf and only review it before leadership meetings" and responses like "I only review sections of the plan with my staff that truly affect our Department".

Bryson (2010) wrote that strategic planning is more than just developing a plan. According to Bryson (2010), proper implementation of the agreed plan must be done in order for any strategic plan to be successful. Though a well detailed action plan is created and executed by Organization A, the evidence of interdepartmental strife may seriously interfere with the overall success of Organization A's strategic plan.

Organization B, based on their planning procedures, seem to have more buy-in by the organization as a whole when it comes to their planning process. As a result Organization B seems to have a more effective implementation strategy in place. During the face-to-face interviews conducted with the leadership team of Organization B, it was found that the individuals of this team had a clear understanding of what needed to be done in order to achieve their desired goals. Unlike the leadership team of Organization A, there was no indication of an "us versus them" mentality. In addition it seemed as though the team members fully understood that a concerted effort between all departments was necessary in order for the strategic plan of Organization B to be successful.

The last step in the strategic planning process as presented by Bryson (2010) is "reassessing strategies and the strategic planning process" (p. 66). Bryson (2010) wrote that this step is extremely important and it is an ongoing process once a strategic plan is in place. Based on the data collected by both Organizations A and Organization B, there is strong evidence that both organizations are indeed in a constant state of reassessing their strategies. At the very least both organizations are diligent in tracking their progress on the goals they plan to achieve that are in their current strategic plan.

Research Question 2

The second question that this study set out to answer was: What are key factors that contribute to the resistance to strategic planning that seems to be common within nonprofit organizations? In order to find the answer to this question data was collected from business planning documents of both participating organizations. In addition, in

order to answer this question an electronic survey was conducted. That survey was delivered to staff members of both organizations. Finally, some of the responses by the leadership teams of both participating organizations during the face-to-face interview process did assist in providing additional information to answer this question.

When dealing with the issue of resistance, the focus was almost solely on the attitudes towards strategic and business planning that are held by the staff members and volunteers of nonprofit organizations. The literature suggests that the leadership of nonprofit organizations are compelled to plan. This compulsion to plan is in many cases a standard function which is required to execute by all leaders and executive staff members of nonprofit organizations. Thus, the level of resistance to strategic planning within the leadership levels of nonprofit organizations should be relatively low. However, the primary function of staff members of nonprofit organizations that operate in the social service industry is to deliver services to people in need. In many cases the staff members view their jobs as ones that address social needs, and not a positions that serve a business function. With this in mind the likelihood of resistance to businesslike practices may be much higher at the staff level than at the leadership level of a nonprofit organization.

When addressing resistance to strategic planning Sharp and Brock (2010) cite researchers Feinstein (1985), Wolch and Rocha (1993), Salipante and Golden-Biddle (1995), and Stone et al. (1999) when writing that resistance to strategic planning in the nonprofit sector is partially due to the fact that one of the steps in strategic planning is reviewing, modifying, or possibly entirely re-creating an organization's mission. In addition Sharp and Brock (2010) wrote that resistance to the act of strategic planning in

the nonprofit sector is also partially due to staff and volunteers feeling excluded from the strategic planning process. However due to the nature and steps involved in teaching planning, it is almost impossible to have every member of an organization involved in the strategic planning process. In the for-profit, public, and nonprofit sectors it is extremely common for the act of strategic planning to be done by a select number of an organization's members. With this in mind, the goal was to set out to see if there could be other factors that contribute to resistance to strategic planning in the nonprofit sector.

The literature shows that resistance to strategic planning and other businesslike practices by organization members leads to a lack of mission clarity (Salamon 2004; Tierney 2006). This resistance also leads to high executive turnover in nonprofit organizations due to the fact that executives are compelled to carry out the desires of a nonprofit organization's board while attempting to obtain buy-in from staff and volunteer members of the organization (Salamon 2004; Tierney 2006). With the factors of limited staff involvement and high executive turnover in mind, the author of this study set out to see if there were other factors that contributed to the resistance to strategic planning.

The data used to answer the question of resistance to strategic planning by staff and volunteers were primarily collected through an electronic survey. This electronic survey was delivered to staff and volunteers of the two participating organizations. This electronic survey was created by using the survey software *Adobe Formscentral* and it was delivered to staff and volunteers who voluntarily submitted their personal email addresses for the purpose of participating in the survey. This electronic survey was sent

out to 25 willing participants. The response rate for this survey was 17, or 68%. The

following Figures 1 through 7 illustrate the results of staff responses.
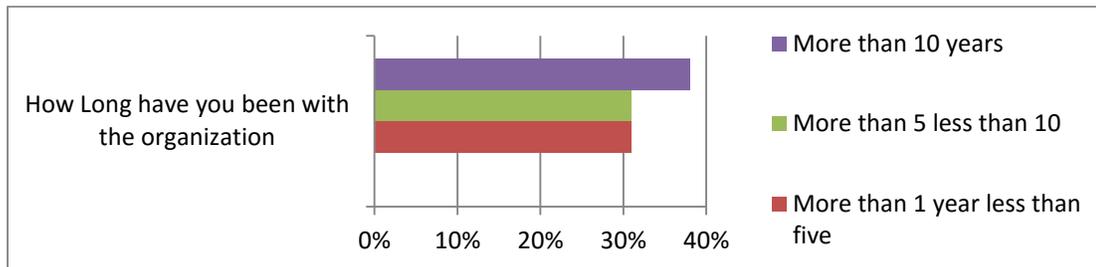

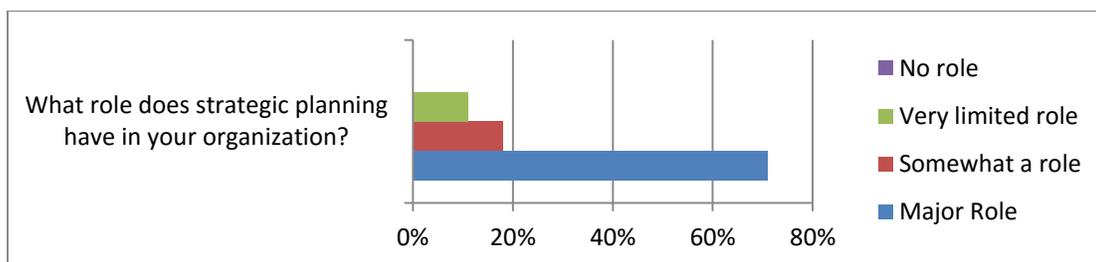*Figure 1*. How long have you been with the organization?

Figure 2. What role does strategic planning have in your organization?
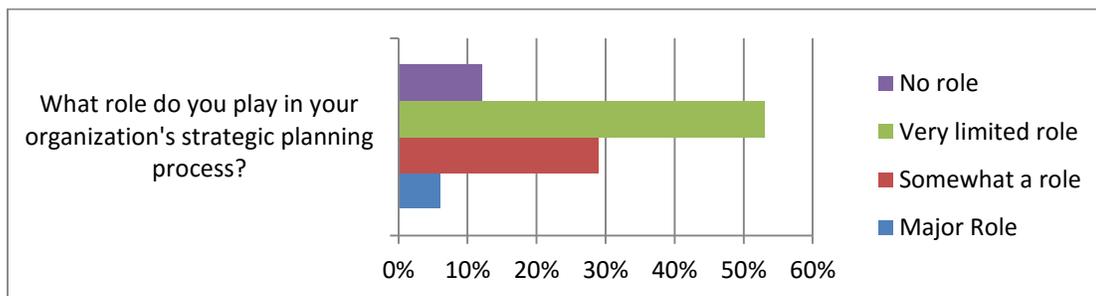
Figure 3. What role do you play in your organizations strategic planning process?
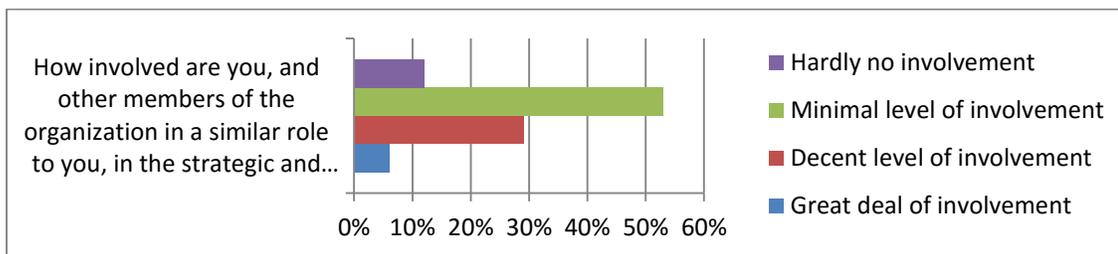
Figure 4. How involved are you in the strategic and operational planning of your organization?
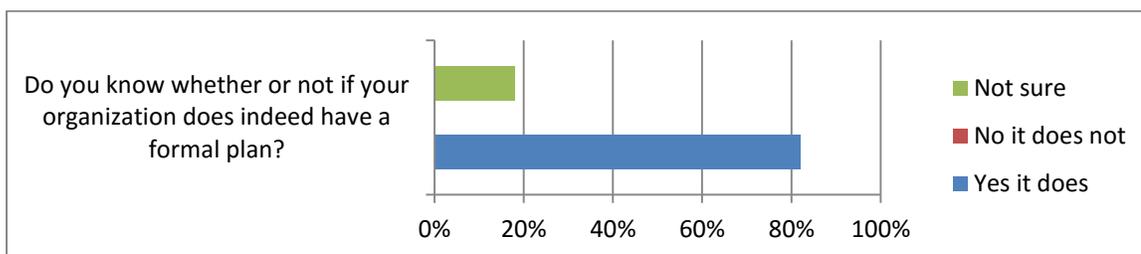
Figure 5. Do you know if your organization has a formal strategic plan?
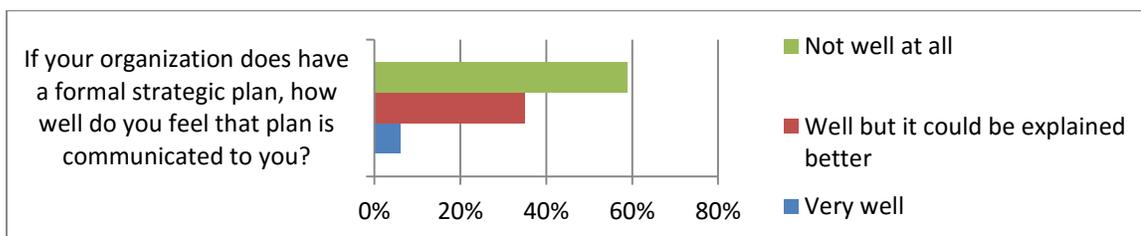
Figure 6. If your organization does have a formal plan, how well is it communicated to you?
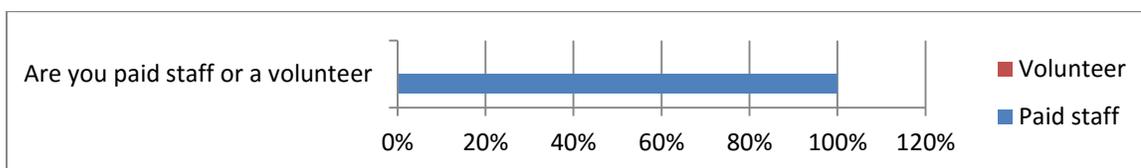
Figure 7. Are you paid staff or a volunteer?

There were five questions in this electronic survey that were short answer form.

Those questions were: *What do you believe is the primary purpose of your organization?*

This question was answered by all the respondents. All of the answers were consistent

when describing the primary purpose of their organization which was to provide various

services to individuals with developmental disabilities in order to improve that

individual's quality of life. Figures 8 through 12 contain some direct quotes that were

found in each of the answers to these questions.

Response 1 "To improve the organization, to stay current, provide needed services."
Response 2 "Researching needed programs, evaluation of programs and restructuring as needed."
Response 3 "A plan in place to keep the business thriving in a competitive field of non profit DD agencies."
Response 4 "To have goals and a way to reach them."
**Response 5** "Planning ahead to ensure our agency continues to thrive and grow"
Response 6 "to serve individuals with a broad spectrum of disabilities to achieve greater independence"

Figure 8. What do you believe is the primary purpose of your organization?

Response 1 "To improve the lives of people with developmental disabilities."
Response 2 "Our purpose is to provide appropriate programs and assitance to persons with barriers to attain their personal goals and life fullfillment."
Response 3 "To provide a variety of services to people of all ages who have developmental disabilities, a way to make their life successful."
Response 4 "To help give people with disabilities the tools to succeed. This is done thru programs, staffing and education."
Response 5 "To provide quality services to individuals with disabilities to ensure they are integrated into our community and have skills they need to be successful in doing so"

Figure 9. In your own words, what is the concept of strategic planning?

Response 1 "By communication top down and in reverse. To include staff at all levels in planning. To include input from families and those we serve. To stay current with trends and be forward thinking."
Response 2 did not respond
Response 3 "first researching opportunities for growth, keeping ahead of the game, being flexible and willing to take opportunities to change and grow. Keeping educated on policies and procedures as they apply to the programs we have."
Response 4 "I think that the goals of the organization should better be communicate to all of the employees of the organization. As I see it some departments take too much ownership in their department and therefore the organization as a team suffers."
Response 5 "I believe ### is a great organization but I do believe in order to remain competitive with other providers, we need to rethink how we will do so and not remain status quo"

Figure 10. In what way (if any) do you believe strategic planning should be implemented within your organization? If you do not believe strategic planning in its traditional form, should strategic planning be implemented in a modified fashion?

Response 1 "To be prepared for all state/governemnt changes before they start, to inform staff and families/clients, and to be able to grow and adapt as needed to stay current and in business."
Response 2 "I believe strategic planning is structuring programs needed to accomplish our mission. The planning includes research of needed programs, continuous evaluation of the success of programs in place, and restructuring of programs as needed."
Response 3 "Foreseeing changes in policies and procedures, planning for those changes and looking for addition opportunities to grow the organization."
Response 4 "I am not sure because I have heard the words strategic plan used in a meeting or conversation."
Response 5 "Have a legitimate plan to move forward in our organization to ensure services remain fresh and effective for our consumers"

Figure 11. What is your understanding of strategic planning as it relates to your organization?

Response 1 "Yes, if we want to stay competitive and in business we have to."
Response 2 "Yes. I believe effective strategic planning is necessary."
Response 3 "Most definitely, if we do not have an effective strategic plan we will not grow as an organization and be able to effectively implement the constant changes the government puts on Developmental Disability Organizations."
Response 4 "I think it can be helpful to reach the organization goals."
Response 5 "Yes--we are working with our fellow human beings and we owe them a plan if we are to provide good quality services"

Figure 12. Do you believe effective strategic planning is necessary in order to achieve your organization's mission?

The results from the electronic survey solid support the belief that strategic planning is indeed important in the nonprofit sector. However when it comes to resistance, the responses to the electronic survey is inconsistent with the Sharp and Brock (2010) establish factors to resistance. First Sharp and Brock (2010) wrote that resistance to strategic planning is due to a concern held by staff and volunteers of nonprofit organizations that strategic planning will alter the mission of their organization. The results from the electronic survey do not necessarily support that conclusion. In the case of the survey, the respondents overwhelmingly believe that effective strategic planning is essential to the overall accomplishment to their mission. However even though the respondents to this survey believe that strategic planning is essential to successful mission accomplishment, the results from the survey show that those same respondents believe they have only somewhat to no role in the strategic planning process.

Sharp and Brock (2010) wrote that the feeling of lack of involvement in the overall strategic planning process does contribute to the act of resistance by staff and volunteers of the organization that conducts strategic planning. The results of this survey

show that there is evidence that staff members do not feel fully involved in the process. However during the face-to-face interviews with the leadership teams of both Organization A and Organization B, the common theme was that the staff and volunteers of both organizations play a significant role in the strategic planning process of the organizations. This contradiction in the understanding of their role in the strategic planning process may be due to a breakdown in communication between leadership and staff in these organizations.

For example in Organization A, five out of the 12 members of the leadership team stated that they only go over with their subordinates the parts of the strategic plan that directly affects their departments. Also, in Organization A, three out of the 12 members of the leadership team complete the strategic planning document; however when they get back to their departments they put the document "on the shelf" until they have to review the document with the leadership team. These leadership team members rarely if ever discuss the strategic plan with their subordinates.

When interviewing a leadership team of Organization B, it was revealed that Organization B administered customer satisfaction surveys. These surveys are completed by both the consumers and the direct care staff of the organization. The results from these customer satisfaction surveys are then factored in to the strategic decisions made by the organization. The importance and the organization or use of this customer satisfaction survey is evidence that direct care staff plays a major role in the strategic planning process. However the results from the electronic survey conducted show that lower level staff members feel that their role in the strategic planning process is limited.

Research Question 3

The final research question of this study was: What do nonprofit organizations do that is successful in the strategic planning process? In order to answer this question the author of this study analyzed the data collected from both organizations business planning documents, the responses to the interview questions given during the face-to-face interviews with the leadership teams of both organizations, and the responses of the staff given in the electronic survey. The following are the results which were gathered from this analysis.

The literature shows that the act of strategic planning in the nonprofit sector many times leads to a lack of mission clarity and executive burnout (Salamon 2004, Tierney 2006). The literature also shows that the act of strategic planning in the nonprofit sector leads to a high level of resistance from the staff and volunteers of those nonprofit organizations that are committed to the practice (Sharp and Brock 2010, 2012). Bryson (2010) stated that strategic planning provides a roadmap for organizations to achieve their mission and remain viable in their environment. It is the philosphy Bryson (2010) that the boards of nonprofit organizations need to be compelled to compete with for-profit organizations to deliver services to require their organization's executive leadership to implement strategic planning procedures. Regardless of the challenges of strategic planning in the nonprofit sector, the act of strategic planning in the sector will be a permanent fixture in the sector for the foreseeable future. With this in mind it was necessary to analyze both of the organizations participating in this study to see what they do right.

First the issue of executive burnout within both participating organizations was observed. Organization A did not have a high executive and leadership turnover ratio. As a matter of fact the executive director of Organization A had been with the organization for over thirty years and has been its executive director for over twenty of those years. The members of leadership team of the organization have been with the organization for an average of seventeen years. The average time of employment for its direct staff members currently stands at four years. The longevity regarding the leadership of the organization has led to a high level of organizational stability and trust between not only the community it serves, but also the organization's staff and board members.

In order to minimize the instance of turnover within the organization, the executive director of Organization A stated that there are policies and procedures in place that assist in making this organization an enjoyable place to work. These policies include competitive compensation, flexible time off benefits, and an open door policy where leadership members and department heads are encouraged to communicate with other members of the leadership team. These policies and procedures extend beyond the leadership team and are offered to direct care staff members as well. In addition to what the executive director of Organization A stated, also found was evidence of leadership and staff appreciation in its strategic plan.

When answering research question one of this study, it was stated that Organization A's strategic plan was internally focused. Though this internal focus does pose some challenges when regarding to external forces and challenges that face this organization, the internal focus does assist in improving leadership and staff morale and

reducing the organizations turnover ratio. Some of the goals in the current strategic plan of Organization A that may assist in addressing the issues of burnout and morale are "enhance staff compensation" through raises retirement and bonuses, "refine the HR Department structure", "develop a PTO [paid time off] system", "determine cross training required once job descriptions and titles for DSP are uniform". In addition to better compensation for their employees, Organization A also has goals in their strategic plan to enhance employee wellness and fitness, and improve employee security.

When it comes to longevity and employee satisfaction, Organization B seems to enjoy the same situation as Organization A. In the case of Organization B, the executive director has been with the company for over thirty years as well and has been the executive director of the organization for over twenty years. The average tenure of Organization B's leadership team is slightly under fifteen years. The average tenure of Organization B's direct care and other staff is slightly over eight years. Like Organization A, this longevity has led to a great deal of organizational stability and a reputation of integrity and trust within the community Organization B serves.

Organization B also has policies and procedures that are designed to improve employee satisfaction. In addition like Organization A, Organization B's strategic plan is very internally focused. Their strategic plan has goals such as improve employee safety and salary enhancements in place which are designed to even further increase the tenure of those who serve the organization.

When addressing the issue of resistance to strategic planning by staff and volunteers, all sources of data collected for this study suggest that both organizations

have taken steps to implement policies that developed a culture to where the businesslike act of strategic planning is widely accepted. Some of these steps include inviting staff members to many retreats where they can participate in some of the strategic planning activities, and encouraging staff members to participate in corporate surveys that directly lead to the suggestion and implementation of policies that will ultimately affect their organization. The evidence that strategic planning is an accepted behavior could be found in the face-to-face interviews with leadership, in the electronic survey results, and also found in the written action plans of both of the participating organizations. The following are a few examples of such evidence.

When asked about the importance of strategic planning in the nonprofit sector, members of both leadership teams submitted the following responses:

Leadership team member, Organization A: "Definitely even though we are not out to make money or be for-profit, we still have a business to run and without any planning were not going to accomplish what we need to accomplish"

Leadership team member, Organization B: "Strategic planning is a very integral part. I think all nonprofits need a blueprint. In this organization primarily it comes from senior management with input from management as well as our clients. Results from surveys and advocacy meetings are incorporated into our strategic planning process."

Based on these responses, it is clear that both organizations worked hard in promoting an organizational culture in which the act of strategic planning is a widely accepted process.

168

When the same question regarding the importance of strategic planning being implemented in the nonprofit sector was asked to staff and volunteers in the electronic survey, the response to the question was remarkably similar. The following are two examples that provide further evidence that both organizations have developed a culture in which strategic planning is an acceptable practice. Because the electronic survey was sent out to staff members of the participating organizations to private email addresses and submitted back anonymously, there really was no way of telling if the respondents providing these responses are from Organization A or Organization B.

> Electronic Survey Response 1: "Yes, if we want to stay competitive and in business we have to."
>
> Electronic Survey Response 2: "Most definitely, if we do not have an effective strategic plan we will not grow as an organization and be able to effectively implement the constant changes the government puts on Developmental Disability Organizations."

With all evidence considered, it is clear that the policies that encourage employee appreciation and the development and further encouragement of that organizational culture that promotes the acceptance of businesslike behaviors have indeed benefited both organizations when it comes to reducing the level of resistance to the act of strategic planning.

Summary

The purpose of this study was to find out why the act of strategic planning continued to pose nonprofit organizations unique challenges in this current era of

privatization. These challenges regarding strategic planning has led to among other things, the lack of mission clarity and staff resistance. This lack of mission clarity and staff resistance could ultimately lead to a nonprofit organization losing its competitive advantage plus no longer becoming a viable option to the constituents the organization was designed to serve. The primary objective of this study was to answer three pertinent questions regarding strategic planning.

The first question this study wanted to answer was: Why does the practice of business-like behaviors in the nonprofit sector lead to an organizational struggle to obtain mission clarity in this current era of privatization? The results show that though nonprofit organizations do indeed engage in the act of strategic planning, there are certain minor actions taken during the strategic planning process that may lead nonprofit organizations to not consider all of the possible internal and external factors that affect their organizational mission. The inability to not make decisions with a complete environmental picture may be one of the factors that lead to a complete lack of mission clarity.

The second question that was desired to be answered was: What are key factors that contribute to the resistance to strategic planning that seems to be common within nonprofit organizations? The data collected to answer this question showed that the fear held by staff and volunteer members that mission modification or the creation is imminent in their nonprofit organization as presented by Sharp and Brock (2010) may not always be the case. However the data collected for this study do suggest that there is a casual relationship between the level of the feeling of involvement in the strategic

planning process and the level of resistance by staff and volunteers to the strategic planning process.

Finally the last question this study was designed to answer in this study was: What do nonprofit organizations do that is successful in the strategic planning process? The data collected to answer this question suggests that both of the participating organizations recognized that there had to be an acceptable level of buy-in to the strategic planning process. As a result, the leadership of both organizations implemented policies and procedures that focus on employee satisfaction and a development and nurturing of an organizational culture that finds the act of strategic planning and other businesslike procedures acceptable and important to the overall success of their organizations.

The data collected for this study's research questions provide very interesting insights to the complicated workings of strategic planning and other businesslike procedures in the nonprofit sector. However what are the possible implications of these answers? Furthermore, how can new information regarding strategic planning in the nonprofit sector assist organizations to improve their strategic planning in the future? Chapter five of the study will present how this new information regarding strategic planning procedures, communication of the strategic plan and its process, and leadership commitment to strategic planning processes can help in improving the strategic planning processes within nonprofit organizations thus improving the efficiency of nonprofit organizations.

Chapter 5: Discussion, Conclusions, and Recommendations

Introduction

The purpose of the study was to find out why in this current era of privatization nonprofit organizations that compete with for-profit organizations to deliver public services continue to have challenges when it comes to mission clarity and why there is still a resistance to the businesslike practice of strategic planning by staff members and volunteers of nonprofit organizations. It is this lack of mission clarity and resistance to strategic planning that has caused nonprofit organizations to lose their dominance when it comes to partnering with public organizations to deliver public services. It was found that although strategic planning is an accepted practice within the nonprofit sector, issues such as communication of the planning process to the entire organization and incomplete execution of strategic planning processes may hinder the overall success to strategic planning.

During the course of this study, two major reasons as to why there may be a hindrance to the overall success of the strategic planning process of nonprofit organizations were discovered. The first finding that may hinder the overall strategic planning success of nonprofit organizations is the fact that the communication of the entire strategic planning process may not be done properly. This lack of communication could be the cause of a lack of buy-in to the strategic plan. In addition to the lack of buy-in, it also could lead to a lack of understanding by a good portion of the organization to the overall mission of the organization.

The second finding that may hinder the overall success of the strategic planning process in nonprofit organizations is the incomplete execution of the strategic planning process. During the course of the study, it was found that both participating organizations neglected to consider all of the important steps that are required to achieve the goal of a viable and comprehensive strategic plan. For example, both organizations focused on internal issues more so than external issues affecting the organizations. As a result of this unbalanced focus, it is possible that the strategic plans of both organizations could be deemed incomplete in nature.

Interpretation of the Findings

The literature reviewed for this study indicated that nonprofit organizations struggle to compete with for-profit organizations when it comes to partnering with public organizations to deliver public services. Researchers stateed that this struggle to compete with for-profit organizations that partner with public organizations to deliver public services has caused the boards of nonprofit organizations to compel the executive leadership of those organizations to implement more businesslike practices in order to remain competitive in the public service industry (Gronbjerg, 2001; Guo, 2004; Salamon, 2004; Stull 2009; Tierney 2006). The literature went on to state that the implementation of more businesslike practices has led to a lack of mission clarity (Salamon, 2004; Tierney, 2006). Due to this lack of mission clarity, there has also been an increase in executive burnout (Salamon, 2004; Tierney, 2006). Finally, the implementation of businesslike practices in the nonprofit sector has led to a resistance by staff and

volunteers when it comes to the execution of such practices (Sharp & Brock, 2010, 2012).

The current era of the privatization of public services has caused the boards of nonprofit organizations to compel the executive leadership of those organizations to implement more traditional businesslike strategies in order to remain competitive with for-profit organizations that have entered the public service arena (Gronbjerg, 2001; Guo, 2004; Salamon, 2004; Stull 2009; Tierney 2006). Consequently, scholars stated that the implementation of traditional businesslike practices has led to nonprofit organizations struggling to obtain mission clarity (Salamon, 2004; Tierney, 2006). When researching this phenomenon, it was found that the organizations participating in this study did not struggle with the understanding of their mission.

There has been research to suggest that nonprofit organizations struggle to obtain mission clarity when implementing the businesslike procedures. For example, as presented in Chapter 2, Stater (2009) argued that, when it comes to marketing, nonprofit organizations struggle to balance the traditional businesslike marketing principles of price, place, promotion, and product with their organization's mission. In addition, Hall and Kennedy (2008) wrote that nonprofit organizations struggle to implement and adhere to performance matrices that are established by public organizations and are a requirement to follow in order to partner with those public organizations with the purpose of delivering public services.

Though there are numerous examples that support the findings of Stater (2009) and Hall and Kennedy (2008), these findings were not apparent in the case of the

organizations participating in this study. When it came to the understanding and the clarity of mission, the members of both organizations clearly understood what their organizations had set out to do. This clear understanding of the mission was evident during the face-to-face interviews with the leadership teams of both organizations and even in the electronic surveys given to staff members of these organizations. This understanding of mission could be due to the way both organizations conduct their strategic planning.

It was mentioned in Chapter 4 of this dissertation that both organizations had an extremely heavy internal focus when it came to strategic planning. Evidence of this internal focus could be found in the goals that both organizations set out to achieve in their strategic plans. This could also be found in the lack of external focus when it came to focusing on their competition in their market areas. Bryson (2010) was cited when stating that this heavy focus on internal issues when it came to the strategic planning process could lead to both organizations missing external opportunities and threats to their organization. However, it was found that there is indeed a positive aspect to both organizations' heavy internal focus, and that is the fact that, from the top of the organization to the very bottom of the organization, all of its members have a clear understanding of their organization's mission.

In addition to the implementation of businesslike practices interfering with nonprofit organizations to obtain mission clarity, the literature also suggested that the implementation of businesslike practices led to high turnover and executive burnout throughout the nonprofit sector (Salamon, 2004; Tierney, 2006). Both Salamon (2004)

and Tierney (2006) wrote that the challenge of balancing traditional businesslike principles and traditional missions of nonprofit organizations has led to a high instance of executive burnout in the nonprofit sector. Though Salamon (2004) and Tierney (2006) present examples of the instance of executive burnout, this phenomenon of executive burnout was not evident in the results of this study.

As presented in Chapter 4 of this study, the executive directors of both participating organizations have been with their respective organization for over 30 years. In the case of both executive directors, a vast majority of their years with their organizations have been in an executive leadership role. As far as the leadership of both organizations, the average time that a member of leadership has been with his or her respective organization has been 16 years. The literature suggested that struggle to obtain mission clarity was a major cause of executive burnout. However, the findings of this study supported that both organizations from leadership down to its direct staff seemed to have a complete and comprehensive understanding of their organizations' mission. This clear understanding of mission removes a major component that leads to executive burnout.

In addition to an acceptable level of mission clarity reducing the instance of executive burnout, both of the participating organizations also had in place policies and incentives that encourage their employees to remain at their organizations. These policies of departmental ownership and the standard compensation and benefit packages along with flexible working schedules create an environment where the executive directors and their leadership teams want to stay. These employee benefits even extend to the middle-

management and direct staff of the participating organizations; and as a result the average time of employment for middle-management and direct care staff for both organizations was well over 5 years.

The other major phenomenon that was presented in the literature reviewed for this study was the instance of staff and volunteer resistance to traditional businesslike practices. Studies conducted by Sharp and Brock (2010, 2012) found that there was a high level of resistance when it came to the strategic planning process that came from the staff and volunteers of nonprofit organizations. There was a level of resistance found when it came to the strategic planning processes implemented by both participating organizations. However, the findings in this study showed that the resistance was evident not only at the staff level but at the leadership level as well.

In the Sharp and Brock (2010) study, the writers found that strategic planning was mainly done at highest levels of a nonprofit organization with very little input from middle managers and lower level staff. This lack of contribution to the strategic plan led to low levels of buy-in by the middle and lower tiers of an organization. In the case of this study, both participating organizations strongly encouraged input from middle managers, direct care staff, and even consumers of the organization to contribute ideas to be incorporated in the organizations strategic plans. However, there was still evidence of resistance when it came to implementing the strategic plan. This resistance did not come necessarily at the planning stage but at the implementation stage.

In the case of Organization A, the resistance to implement the strategic plan could be found when departmental leaders presented the strategic plan to their departments.

Evidence of this resistance was found during the face-to-face interview process with individuals of the leadership team of Organization A. It was during this time when some members of the leadership team expressed that, though they put a lot of work in formulating the strategic plan and were fully committed to the goals presented in the strategic plan, often when presenting the strategic plan to their subordinates those leaders would only present the parts of the plan that pertained to their respective departments. This helped in the festering of a slight interdepartmental strife that was found in this organization.

An example of this resistance was when it came to tasks such as fundraising events. One item in the strategic plan dealt with fundraising. During the face-to-face interview process, the departmental leader stated that she experienced resistance from staff members of that department because those staff members believed that when they raised funds for the organization none of the funds raised would benefit their department and only other departments would benefit from their fundraising efforts. This thought process may have been fostered by the way some departmental leaders present the strategic plan to their subordinates in their departments.

Another example of resistance to strategic planning in Organization A was found when some members of the leadership team determined that the strategic plan for the organization as a whole did not necessarily pertain to their individual department. There were a couple of departments that felt that their departmental duties were outside the scope of the organization's overall mission; as a result, the goals presented in the plan did not fall within the scope and responsibilities of their departments. Though these

departmental leaders who helped ease feelings actively participated in the strategic

planning process, those leaders would rarely present the strategic plans to their

departments. Often, these departmental leaders would only review the strategic plan

during the organization's scheduled annual review process.

An electronic survey was used to measure the level of resistance staff and

volunteers of the study's participating organizations had towards the strategic planning

process. By the way that the electronic survey was conducted, there was no way to

determine with which organization the respondents of the survey were associated.

However, with that being said, the results of the electronic survey showed that 100% of

staff members that responded to the survey believed that effective strategic planning is

indeed essential to the success of their organization. The results also showed that 80% of

those responding to this survey stated that they had minimal to no input when it came to

their organization's strategic plans. The results of the survey do not necessarily fall in

line with the Sharp and Brock (2010) findings nor do they fall in line with responses

given in the face-to-face interviews by members of the leadership team of Organization

A.

When it comes to the Sharp and Brock (2010) findings that staff and volunteers of

nonprofit organizations resist the strategic planning process in their nonprofit

organizations due to the fact that they had very little input, the data collected from

Organization B did not produce evidence to support the findings presented in the Sharp

and Brock (2010) study. As a matter of fact it, was apparent that the importance of

strategic planning was a standard organizational principle, and was firmly embedded in

the culture of Organization B. In contrast to Organization A, the face-to-face interview responses of the members of the Organization B leadership team indicated that the importance of the strategic plan was constantly communicated to the staff and volunteers of that organization.

In a Sharp and Brock (2012) single case study of a nonprofit organization that provided services to aged and disabled individuals in Israel, there was another type of staff and volunteer resistance to strategic planning. Sharp and Brock (2012) found in their single case study that in some cases staff and volunteers of nonprofit organizations resist the traditional businesslike practice of strategic planning due to the fact that they believe the strategic planning process causes their organization to deviate from their original mission. When studying the resistance phenomenon for this study, the findings in the data did not provide evidence that the resistance described in the Sharp and Brock (2012) study existed within the two organizations that participated for this study.

When it comes to the resistance described in the Sharp and Brock (2012) study, evidence was found that supports the direct opposite of their findings. When conducting face-to-face interviews with the executive directors of both organizations, it was found that both executive directors made it a primary objective to ensure that the importance of strategic planning was woven into their respective organizations. In addition when speaking to the leadership team of both organizations it was apparent that the members of each leadership team understood the importance of strategic planning. Most surprisingly the responses given by the staff members of this study's participating organizations on the electronic survey provided further evidence that organization members beyond the

executive leadership truly understand the importance of strategic planning and its purpose in their organizations achieving both their short and long-term goals and the organization's primary mission.

Limitations of the Study

In Chapter 1 of this study, the following limitations of trustworthiness that could impact this study were considered. Those limitations were author and participant bias, data collection processes, and the common challenges associated with the case study approach. The following will describe how these limitations of trustworthiness were originally proposed to be handled and how these limitations to trustworthiness were actually handled during the actual study process.

In the case of author bias, the Creswell (2009) declaration that in qualitative research the primary data collecting instrument is the researcher came to mind. In other words, the researcher brings to the research his or her past experiences, culture, perspective, and bias when both collecting and analyzing data. In Chapter 1 it was proposed to increase accuracy and reduce the level of author bias by presenting findings to experts in the strategic planning field and his dissertation committee members. By presenting these findings to those groups, the data analyzed could be reviewed by others that were not involved in the collection process. In addition the others reviewing the data could offer additional viewpoints or they could verify the data collected for this study thus increasing the level of accuracy and decreasing the level of bias found in the data collected for this study. When it came to this step originally proposed in Chapter 1, there

were no modifications implemented. The steps proposed in Chapter 1 were indeed the steps taken during the course of this study.

The other limitation presented in Chapter 1 of the study was that of the data collection process. In Chapter 1 of this study it was proposed that in order to avoid the dilemma presented by Hodkinson and Hodkinson (2001) of collecting too much data during the case study process, the Creswell (2007) data collection matrix method would be used. Creswell (2007) wrote that a data collection matrix should be created by the researcher and should be used to place limits and rules determining what data should and should not be used during the research process. In the case of this study, the data collection matrix was employed. Data sets were limited to include business documents, and those documents were limited to strategic plans, marketing plans, and business plans of the participating organizations. In addition to business documents, electronic surveys completed by staff members of the participating organizations and data collected from face-to-face interviews of the executive directors and the executive leadership of both participating organizations were also included. However, there was one limitation in the data collection process when it came to the area of the electronic survey.

In the case of the electronic survey, it was projected for 25 staff members to willingly participate in the electronic survey. An invitation email was sent to 40 staff members, (20 staff members from each participating organization), asking those individuals to provide a personal email in order to participate in the electronic survey that was connected with this study. Out of those 40 invitations 25 staff members, (9 from Organization A and 16 from Organization B), agreed to participate in the study and

provided a personal email in which to send the link to the electronic survey. However

when the email that contained the link to the *Adobe Formscentral* survey was sent to all

potential participants, only 18 staff members actually responded to that link and

completed the survey.

Although the data collected provided valuable information used to gain a better

understanding of the strategic planning behaviors of nonprofit organizations, even more

accurate information could have been provided if more staff members had responded.

The limitations to the low response to the electronic survey could indeed yield inaccurate

results. For example the respondents to this survey could have responded due to the fact

that they are in a position where they may have a greater opportunity for strategic

planning input than other potential respondents. As a result those who do not have

influence in the strategic planning process may not have had their responses recorded and

analyzed to get a true sense of the feelings and attitudes towards strategic planning in the

nonprofit sector. This inaccuracy could lead to the research question dealing with the

resistance of staff members and volunteers of nonprofit organizations to strategic

planning only partially answered.

In order to mitigate the limitation described directly above, the responses all the

electronic survey were then compared with the processes that the organizations talk in the

strategic planning process as described by organizational leadership. For example,

leadership stated that they used customer and staff surveys to influence their strategic

planning processes and decisions. This action of customer and staff surveys is an action

that shows that customers and staff input is important to the strategic planning process. As a result, were analyzed with that in mind.

The final limitation that was considered in Chapter 1 of this study was the common challenges to the case study method in general. When it comes to the case study method in qualitative research, Creswell (2007) wrote that one common challenge is choosing the right case to study. In order to avoid this challenge, two organizations were selected that did conduct traditional business-like strategic planning on a regular basis that competed against for-profit organizations in the public service industry, and that partner with public organizations with the purpose of delivering public services. By selecting two organizations that fell within the scope of this study, the challenge presented by Creswell (2007) of selecting case participants in which no issue is present was successfully avoided.

<div align="center">**Recommendations**</div>

Based on the results of the study and the literature reviewed in order to conduct this study, the following recommendations for further research regarding the subject of the strategic planning behaviors of nonprofit organizations that compete with for-profit organizations for the purpose of delivering public services are presented as follows.

Recommendation 1

Further research should be conducted regarding the communication and delivery methods of formal strategic plans to all members of an organization in the nonprofit sector. This study focused on certain aspects of the strategic planning behaviors of nonprofit organizations. This study mainly dealt with difficulties to obtain mission

clarity, and staff and volunteer resistance to the businesslike practice of the act of strategic planning. During the course of this study it was evident that both the strategic planning process and strategic plan itself in some cases were not communicated within the organization clearly. Further research should be conducted in order to determine the challenges to the communication process in the nonprofit sector when it comes to strategic planning, and possibly better ways to communicate business and operational policies and procedures were clear in nonprofit organizations.

Recommendation 2

Further research should be conducted regarding the effective organizational execution of the formal strategic plan. Although the literature suggests that there is a level of resistance in the nonprofit sector when it comes to implementing businesslike practices, the findings of this study support the fact that there is a consensus in the nonprofit sector that the act of strategic planning is important to the success of nonprofit organizations. However though the process is carried out there is a lack of commitment to the execution of strategic plan. A lack of commitment when it comes to execution is indeed different to resistance to the planning process. With this being said, it is recommended that further research should be conducted in order to find the challenges, obstacles, and attitudes that lead to the lack of commitment to the execution of a formal strategic plan.

Recommendation 3

Further research needs to be conducted into how nonprofit organizations analyze their internal and external environments during the strategic planning process. It was

found in this study that the strategic plans of nonprofit organizations seem to have an intrinsic focus and a lack of extrinsic focus. By definition, however, strategic plans should focus on and address both internal and external issues facing an organization. It is recommended that further research be conducted on the internal and external analysis processes during strategic planning by nonprofit organizations, and why is there a tendency for nonprofit organizations to focus on what their competitors are doing during the strategic planning process.

Recommendation 4

In addition to the recommendations of further research, one practical recommendation is for the leadership of nonprofit organizations to establish clear communication lines with staff and volunteers when it comes to the development and the execution of strategic plans. By establishing clear communication, the leadership and staff and volunteers of nonprofit organizations will have a clear understanding of the importance of strategic planning. Also increase communication could lead to greater participation in the strategic planning process which could ultimately lead to less resistance by staff members; and importantly, a better chance at achieving mission clarity.

<div align="center">

Implications

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Background

Nonprofit organizations compete with for-profit organizations to deliver services in areas of education, health, social welfare, and in several other industries designed to meet the social needs of the public. For this study, nonprofit organizations that competed

with for-profit organizations to deliver services to individuals with disabilities were due to a familiarity to this industry were selected. As mentioned in Chapter 1 the author of this study has children with disabilities. Both of these children are on the Indiana Medicaid waiver waiting list. The purpose of the study was to find out why nonprofit organizations struggle to conduct effective strategic planning. By finding the obstacles and challenges common in the nonprofit sector when it comes to strategic planning, this study could help in nonprofit organizations that deliver services to individuals with disabilities make necessary modifications to improve their strategic planning process. Improving the strategic planning process could ultimately lead to the improvement of services delivered to individuals with disabilities on the Indiana Medicaid waiver. This improvement of service could ultimately lead to the reduction of the current Medicaid waiver waiting list thus leading to positive social change in the way of an improved quality of life for the citizens of Indiana dealing with mental and physical disabilities.

Positive Social Change

According to the website medicaidwaiver.org (2015), there are 13,000 individuals currently on the Indiana Medicaid waiver waiting list. The average time on the Indiana Medicaid waiver waiting lists is at least five years. The author of this study has a son with autism that has been on the waiting list for fourteen years, and he has a daughter with Down syndrome that has been on the waiting list for seven years. Though these wait times are quite lengthy, there are other citizens in the state of Indiana that have been on this wait list much longer.

Bryson (2010) wrote that effective strategic planning provides a roadmap to organizational mission achievement. This study focused on the behaviors of strategic planning in nonprofit organizations to find what behavior patterns led to executive burnout and lack of mission clarity in addition to what behavior traits led to resistance to strategic planning by staff and volunteers of nonprofit organizations. By identifying the behavioral characteristics that have a negative impact on strategic planning in a nonprofit organization, the study can be used by strategic planners in the nonprofit sector as a guide when modifying their strategic processes in order to avoid these negative behaviors impacting future strategic planning exercises.

By reducing the instances of negative behaviors that occur during the strategic planning process, nonprofit organizations can conduct more effective strategic planning. Based on the theory provided by Bryson (2010), more comprehensive and effective strategic plans lead to better mission clarity. In the case of delivering services to individuals in the state of Indiana with mental and physical disabilities, mission clarity leads to more effective and efficient service delivery. Effective and efficient mission delivery would ultimately lead to a reduction in the number of people on the Indiana Medicaid waiver waiting list and the amount of time those people would have to wait on that list. This reduction in time on the Indiana Medicaid waiver waiting list would allow citizens of the state of Indiana with physical and mental disabilities to receive Medicaid waiver services earlier. By delivering earlier service to citizens with physical and mental disabilities, it is quite possible that those individuals with disabilities could see an

improvement of their quality of life. This improvement of quality of life for people with

physical and mental disabilities would ultimately lead to positive social change.

Methodological, Theoretical, and Empirical Implications

This study was a qualitative multiple case study. This methodology was used

because it facilitated a comparison of two organizations in their struggle to obtain

mission clarity in this current era of privatization of public services. Yin (2009) wrote

that case studies are often used in research when the purpose of the study is to find out

the "why" or the "how" of a particular phenomenon. It is Yin's suggestion of when to use

the case study methodology that compelled the author of this study to employ this

research methodology for this study.

When it comes to the theoretical framework used in this study it was decided that

the theory of strategic planning as presented by Bryson (2010) was the most appropriate.

The reason why it was decided to use the framework of the previously mentioned author

is due to the following reasons. First, Bryson is a renowned researcher and scholar when

it comes to strategic planning for public and nonprofit organizations. His work is widely

accepted by Walden University and the University of Minnesota.

As far as the empirical implications of this study, data were collected through the

face-to-face interviews with the executive leadership of the participating organizations,

and electronic surveys given to staff members of the participating organizations, and by

analyzing the business planning documents provided by the participating organizations.

What was observed is that nonprofit organizations that compete with for-profit

organizations have raised the idea that strategic planning is indeed necessary in order to

remain competitive with their for-profit counterparts. However it was also observed that a full and complete understanding of the businesslike practice of strategic planning has yet to be fully understood based on the concepts of strategic planning presented by Bryson (2010).

As far as policy implications of this study, it was mentioned throughout this study that in order for nonprofit organizations to deliver services to the developmentally disabled citizens of the state of Indiana they must abide by a certain set of Indiana government regulation. Authors like Hall and Kennedy (2008) and Thompson (2011) wrote that nonprofit organizations at times find it difficult to fully adhere to government regulations due to an adequate organizational planning. The findings of this study may provide some groundwork for future modifications in nonprofit planning in order for nonprofit organizations to become more compliant with the strict governmental regulations that organizations must abide by, in order to deliver such important services to citizens of Indiana with developmental disabilities.

Conclusion

The privatization of public service has been practiced in the United States since this country's inception. The literature shows that over the period of the 239 years that this country has been in existence, the privatization of public service has evolved in various phases. With every phase, the nonprofit sector has had to make changes to its business model in order to remain a viable vehicle with which to deliver those public services. The modern era of privatization is no exception.

In the 21st century effectiveness and efficiency have become desired terms. Regardless of whether an organization resides within the for-profit, public, or nonprofit sector, it is imperative for that organization to devise policies, procedures, and practices that allow that organization to deliver products and services to its constituents and consumers in a way that is both efficient and effective. This study was designed to find out what obstacles nonprofit organizations face when trying to achieve the goals of delivering public services in an effective and efficient way.

Bryson (2010) wrote that strategic planning provides a roadmap for an organization to achieve mission clarity and accomplishment. When it came to the implementation of strategic planning and other businesslike practices in the nonprofit sector, the literature suggested that nonprofit organizations struggle to gain mission clarity and also resisted the implementation of strategic planning and businesslike practices. Based on the theory and concepts presented by Bryson (2010), the very rejection of the implementation of businesslike practices could very well lead to nonprofit organizations becoming irrelevant when it came to partnering with the public sector to deliver public services.

This study was designed with the purpose of finding what factors impede nonprofit organizations from implementing effective strategic planning. Surprisingly it was found that nonprofit organizations do not necessarily reject the idea of the implementation of strategic planning and other businesslike practices. Instead, it was found that nonprofit organizations are making great strides in having businesslike practices become part of their organizational culture. However with that being said, there

are still major steps the nonprofit sector must take in order to become effective teaching planners.

The first step nonprofit organizations should take to become effective at strategic planning is to improve the communication of both the strategic plan and the strategic planning process within the organization itself. The results of the study found that the communication of the strategic planning process and the strategic plan itself was incomplete in nature. For example, results from the face-to-face interviews with individuals of the executive leadership of Organization A showed that some leaders of that organization only communicated parts of the plan that directly involved the departments in which those individuals were directly responsible. By doing this staff members had an incomplete knowledge of the totality of their organizations strategic plan. This incomplete knowledge could ultimately lead to a lack of purpose and resistance to some of the functions required by those staff members in order to achieve the goals set in the strategic plan.

Another example of how communication should be improved when conveying both the process and the presentation of the strategic plan was found in the electronic survey. When measuring the instance of resistance to strategic planning by staff members of nonprofit organizations, it was found that staff members overwhelmingly believe that effective strategic planning was an important part to the overall success of their organizations' mission. However when asked if their organizations had a strategic plan, or if they were involved in the strategic planning process, the results indicated that staff members were for one unsure that their organizations had a formal strategic plan. Second,

though staff members felt that they had little to no involvement in the strategic planning process. However based on the results of the face-to-face interview with the leadership of both organizations, it was clear that staff members' inputs were indeed an essential tool used by the leadership when setting goals and objectives in their formal strategic plan.

Improved communication between the executive decision-makers and the staff members of nonprofit organizations could improve two issues. The first issue improved communication could resolve is resistance. Although the results of this study showed that staff members of the participating organizations were not necessarily resistant to the idea of formal strategic planning, previous studies do indeed show that resistance to strategic planning in the nonprofit sector does indeed exist. By improving communication between organizational decision-makers and the staff of those organizations resistance to strategic planning can be minimized. A primary example would be for the principal decision-makers to clearly convey to the staff members of that organization that their input, (either through surveys or suggestions), are indeed vital to the overall planning process executed by the organization's senior leadership. By conveying a message similar to that, staff members would then have increased ownership in the policies goals and objectives set forth in the strategic plan. This increased ownership would ultimately lead to an increased commitment by staff members to ensure that the strategic plan of their organization is successful.

Though similar to the step of improved communication, the second step that should be taken by nonprofit organizations in improving strategic planning would be to develop an organizational culture in which strategic planning is an accepted common

principle and characteristic of their organization. During this study, it was found evidence (at least at the leadership level), that strategic planning is an accepted practice in the culture of Organization B. By making strategic planning an accepted practice and principal of their organization, Organization B seemed to have a more cohesive process when it came to the practice of strategic planning. By having a more cohesive process the instances of "us against them" mentality that was evident in Organization A seemed to be virtually nonexistent. This seemingly increased attitude of teamwork created a greater sense of buy-in to the strategic plan in Organization B compared to the level of buy-in found in Organization A.

The previous recommended steps offered will by no means solve all of the challenges that are prevalent, when it comes to strategic planning in the nonprofit sector. It is acknowledged that more research is necessary in order to further improve the strategic planning process beyond the suggestions offered in the study. However the findings produced by this study, as well as the suggestions presented could indeed improve the strategic planning process in the nonprofit sector thus giving the constituents that rely on the services provided by organizations an opportunity for better quality service thus leading to positive social change.

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Appendix A: Letter of Cooperation

Trunnis Goggins, II MBA
XXXXX
XXXXX
Date

Potential Participating Executive
Executive Director
Participating nonprofit organization
Contact Information

Dear Executive Director:

By way of introduction, my name is Trunnis Goggins, II. The purpose of this correspondence is to invite you and your organization to participate in a study of the strategic planning behaviors of nonprofit organizations that compete with for-profit organization in delivering public services. This study's goal is to answer these three research questions:

1.   *Why does the practice of business-like behaviors in the nonprofit sector lead to an organizational struggle to obtain mission clarity in this current era of privatization?*

2.   *What are key factors that contribute to the resistance to strategic planning that seems to be common within nonprofit organizations?*

3.   *What can nonprofit organizations do to succeed with strategic plans?*

In order to answer these questions, I would like to conduct a thirty (30) minute interview with you. I would also like to conduct an electronic survey and an hour long focus group interview with volunteers and staff members of your organization. In addition, I would also like to review primary documents like your strategic, business, and marketing plans in order to analyze these documents with the findings of strategic planning scholars. Finally, I would like to review any available secondary documents like interoffice memorandums, planning notes, etc. in order to gain a better understanding of your organization's planning process.

In consideration of convenience, one-on-one interviews with executive staff will be conducted at the offices of the organization. Focus group interviews of the volunteers and staff members will be held off site at a nearby restaurant during the organization's lunch hour. An electronic survey will be delivered to the organization's staff and volunteer via the organization's email and the survey will more than likely be completed by the staff

and volunteers on the organization's time. Primary and Secondary documents that are requested for analysis will be photocopied at the offices of the organization and analyzed off site.

Supervision of this research project will be provided Walden University faculty members Dr. Patricia Ripoll Committee Chair, Dr. Lori Demeter Committee member, and Dr. Dale Swoboda University Research Reviewer.

Your cooperation will be greatly appreciated. The information collected during this study will contribute to improving the strategic planning process of nonprofit organizations. This improvement will ultimately lead to nonprofit organizations being better equipped to meet the needs of the individuals and communities they serve.

Sincerely,

Trunnis Goggins, II MBA
PhD Candidate

Appendix B: Sample of Electronic Survey

Nonprofit Strategic Planning

How long have you been with the organization?

◯ Less than 1 year
◯ More than 1yr less than 5yrs
◯ More than 5yrs less than 10yrs
◯ More than 10yrs

How would you rate the following?

	Major Role	Somewhat a Role	Very limited Role	No Role
What role does strategic planning have in the organization?	◯	◯	◯	◯
What role do you play in your organization's strategic planning process?	◯	◯	◯	◯

Are you paid staff or a volunteer??

◯ Paid staff
◯ Volunteer

What is your position?

[   ]

What do you believe is the primary purpose of your organization?

[   ]

In what way (if any) do you believe strategic planning should be implemented within your organization? If you do not believe strategic planning in its traditional form should not be implemented in your organization, please briefly explain why.

What is your understanding of strategic planning as it relates to your organization?

Do you believe effective strategic planning is necessary in order for your organization's mission?

Please provide any additional feedback.

Appendix C: Letter Requesting Documents

Trunnis Goggins, II MBA
XXXXX
XXXXX
DatePotential Participating Record Holder

Record Holder
Participating nonprofit organization

Contact InformationDear Record Holder:

By way of introduction, my name is Trunnis Goggins, II. The purpose of this correspondence is to request official organizational documents (i.e. your organization's strategic plan, business plan and other related documents). These documents will be analyzed for a study of the strategic planning behaviors of nonprofit organizations that compete with for-profit organization in delivering public services. This study's goal is to answer these three research questions:

1.   *Why does the practice of business-like behaviors in the nonprofit sector lead to an organizational struggle to obtain mission clarity in this current era of privatization?*

2.   *What are key factors that contribute to the resistance to strategic planning that seems to be common within nonprofit organizations?*

3.   *What can nonprofit organizations do to succeed with strategic plans?*

If this request is granted, I assure you that these documents will be care for and handled confidentially. Any information shared in the study will be strictly anonymous and your organization's name will not be associated with these documents in any way.

Supervision of this research project will be provided Walden University faculty members Dr. Patricia Ripoll Committee Chair, Dr. Lori Demeter Committee member, and Dr. Dale Swoboda University Research Reviewer.

Your cooperation will be greatly appreciated. The information collected during this study will contribute to improving the strategic planning process of nonprofit organizations. This improvement will ultimately lead to nonprofit organizations being better equipped to meet the needs of the individuals and communities they serve.

Sincerely, Trunnis Goggins, II MBA