

**ACCOUNTABILITY IN SOUTH KOREAN NONPROFIT ORGANIZATIONS:  
STAKEHOLDER EXPECTATIONS AS PERCEIVED BY NONPROFIT LEADERS**

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University of Pittsburgh, 2013

My dissertation attempts to identify the major societal and strategic forces that shape the development of South Korea's nonprofit sector as perceived by Non-profit Organization (NPO) leaders and managers. I began with a reflection on Lester Salamon's (2012) theoretical framework, which specifies four impulses—civic activism, voluntarism, professionalism, and commercialism—that have historically exerted pressure on the U.S. nonprofit sector and, consequently, shaped its present structure and behavior.

My first research question is: what are the impulses shaping the South Korean NPO sector? I seek to discover if Salamon's framework is transferable to the South Korean context. South Korea has a distinct social foundation and history of civil society, which may generate different impulses than those in the U.S. My dissertation delves into the universalities and particularities of the driving forces that South Korean NPOs face. My second research question is: what specific accountability obligations are perceived by NPO leaders to be implied by the various impulses? For the purpose of this study, accountability is defined as the management of diverse stakeholder expectations on nonprofit management (Kearns, 1996; Romzek & Dubnick, 1987). This study focuses on how NPO leaders and managers align the organization with perceived stakeholder expectations.

This study is comprised of two phases: employing mixed methods of the Repertory Grid Method and organizational surveys. The first phase aims to identify what a sample of NPO leaders believe to be the driving forces impacting their accountability environments. In phase II of the study, the survey is designed to determine how NPO leaders perceive the driving forces that are shaping their accountability environment and, further, to identify the ways that they are responding to these forces.

This study found that the reinforcing influence and countervailing interchange between the social movement and strategic management impulses have been significant and tangible in the South Korean context. It also observed that the duality structure, which refers to the split between advocacy-focused NPOs and service-focused NPOs in the nonprofit sector, prevails in the South Korean nonprofit sector in terms of the nonprofit leaders' perceptions of their accountability obligations towards their main stakeholders.

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## PREFACE

My dissertation is, to some extent, analogous to a piece of impressionist art, as it captures all the mosaic moments in my academic life: enjoyment, frustration, excitement, sufferance, satisfaction, and, of course, perseverance and endurance. I am both anxious and thrilled that this academic piece will be read in the offline and virtual library and as a piece of art exhibited at an art museum. Is it ironic if I say that I, as a newly certified social scientist, feel as though I imagine an artist would feel when they hold a public exhibition in a museum?

This dissertation contains more than just magnitudes and p-values in the statistics result table. It also reflects all the questions I have repeatedly asked, all the answers I endlessly corrected, and all the narrations I have continuously conveyed to myself and others.

My dissertation is the harvest of all the support and contribution from all of the people who care about me and my own desire and dedication. I have been a passionate and diligent farmer who relied on his surrounding environment and people. This dissertation fruit never would have been borne without soil, fertilizer, plows, sunshine, and rain. My studies at the Graduate School of Public and International Affairs (GSPIA) at the University of Pittsburgh and at Seoul National University offered me a rich soil for me to sow my academic seeds. The lectures and lessons from these academic institutes served as the sunshine and rain I relied on for my future harvest. Of course, my dissertation would not be complete without support from my family and society equipping me with plows and fertilizer. I feel grateful for all the blessings I have from my family, friends, colleagues, and faculty members at school. I am much indebted for this harvest. I give greater credit to them than to myself. I am so grateful for the fact that I have the opportunity to thank them for this blessed dissertation fruit.

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## 1.0 INTRODUCTION

My dissertation focuses on the basic impulses driving the development of the South Korean NPO sector. Few studies, in the U.S. or South Korea, have exclusively focused on the philosophical tensions created by conflicting interests and expectations of diverse stakeholders toward NPOs. My research commences with reviewing Salamon's work that is based on his observation of American NPOs. Salamon's theoretical is a particularly promising framework for exploring this topic (Salamon, 2012a). Salamon suggests that there are four impulses which have shaped the development of America's nonprofit sector and continue to exert influence on management and governance of these enterprises. Salamon labels these impulses as civic activism, voluntarism, professionalism, and commercialism.

My dissertation raises two research questions: first, what are the impulses shaping the South Korean NPO sector; and second, what accountability obligations do NPO leaders consider toward the stakeholders with respect to the identified impulses?

The first research question involves an exploratory process that elicits tensions and forces which affect managers and employees in South Korean NPOs. Examining the South Korean civil society sector will contribute to comprehending its unique foundation and development path, as well as adding a comparative case. Rather than directly implanting this Western-based theoretical model to research on the South Korean NPO sector—thereby neglecting its unique development history and distinct context—my study will attempt to pull together South Korean perspectives on

the country's NPO sector. I will create a framework that fits the South Korean NPO sector by incorporating the reflections from field practitioners in South Korea, including NPO leaders and managers employing the Repertory Grid Method. In other words, I do not ask Korean NPO leaders to comment on Salamon's framework; rather, I use an interview method designed to elicit their perceptions and assumptions of the impulses shaping the development of the Korean nonprofit sector in a way that does not impose my own (or Salamon's) framework upon them.

My second question examines how accountability practices in individual NPOs respond to the identified impulses. This study focuses on how South Korean NPOs have responded to the identified impulses in an accountability environment, where accountability is defined as the management of the diverse expectations of its stakeholders (Kearns, 1996). As Kearns noted (1996:65), the nonprofit accountability environment consists of "a constellation of forces and stakeholders." In the same line of thought, this study defines the accountability environment of NPOs as the medium through which pressures penetrate and tensions are formulated from both inside and outside stakeholders. The rationale of incorporating the accountability environment is to include diverse stakeholders, such as nonprofit managers, leaders, donors, volunteers, and government agencies and policy makers. These stakeholders are the subjects who sense the pressures from the environment and create and coordinate tensions in the process of organizational management. This second research question will be answered through an organizational survey that incorporates constructs elicited from the grid interviews in Phase I of the study. In this manner, the items included in the survey instrument are grounded within the frame of reference of Korean NPO leaders, and not only the frame of reference of the researcher. This survey will assess how South Korean NPOs' accountability mechanisms and strategies (e.g. to whom they are accountable; and for what they are accountable) correspond to the identified impulses. This

organizational survey will also contribute to validating and generalizing the findings from the Repertory Grid interviews. It will also compare a cross section of NPOs in terms of how they prioritize impulses. In-depth interviews will complement the survey, generating a few illustrative case studies that illuminate both the impulses and the accountability environment in South Korean NPOs as they are manifested in a few particular organizations.

In a theoretical perspective, my dissertation will contribute to literature scanning the South Korean NPO sector by focusing on the main impulses. It will extend Salamon's framework by highlighting both the universalities and particularities in NPO management. Furthermore, this study will provide practical policy implications for nonprofit organizations in terms of their approach to managing the diverse expectations of stakeholders, as well as the educational focus on the ethics and practical managerial skills. Finally, it will contribute to developing a curriculum for Universities that is relevant within the South Korean context.

My dissertation is comprised of the following sections. The first section provides theoretical and empirical background information. This section offers background knowledge of the evolution of the American NPO sector. Then, it gives an overview of the South Korean NPO sector. For a deeper understanding of the South Korean NPO sector, this section touches on the following themes: dual structure of the South Korean NPO sector, issues of sustainability, and issues of accountability in the South Korean NPO sector. The second section introduces the research framework and research questions of this study. The two main components of the research framework are as follows: major impulses for nonprofit operation and the NPO accountability environment. Based on this research framework, this section generates research questions on impulses in the South Korean NPO sector and accountability obligations of South Korean NPOs. The third section covers the first phase focuses: South Korean NPO managers' perceptions on

stakeholder expectations and the accountability environment of South Korean NPOs. This section is based on the ground theory approach utilizing both Repertory Grid interviews and in-depth interviews. This section first introduces the assumptions and process of Repertory Grid Techniques and in-depth interviews. Then, it provides findings from the Repertory Grid interview data analysis. It describes the main constructs generated by South Korean NPO senior managers and introduces some South Korean NPO cases focusing on the evaluation of main elements, evaluation of main constructs, and stakeholder configuration in the perception of South Korean NPO senior managers. The fourth section covers this study's second phase focuses: South Korean NPOs' stakeholder priorities, accountability obligations, and the perception of forcing impulses. This section is based on an organizational survey and analyzes stakeholders' significance, senior NPO managers' perception on their accountability obligations, and the duality of the South Korean NPO sector. The last section summarizes the findings of this study and discusses main implications and limitations of this study.



## **2.0 THEORETICAL AND EMPIRICAL BACKGROUND**

### **2.1 AMERICAN NPO SECTOR**

Salamon (2005) has observed that professionalization and commercialization have been major threads of change in the U.S. nonprofit sector over the past few decades. Nonprofit organizations are, with increasing frequency, being managed by professionals who are highly trained in their respective fields of specialization, complemented by training in management and leadership. Moreover, these organizations are increasingly reliant on various forms of earned income or other resources that are obtained only via active and competitive engagement with the marketplace (Kearns, 2006). Salamon observed that US nonprofits have moved from the initial phase, centered on voluntarism and civic activism, to the transformation phase, focused on professional and entrepreneurial management.

#### **2.1.1 Initial phase: Nonprofits in voluntarism and civic activism**

Voluntarism has been the centerpiece of American nonprofits since their origin. Around the 1820s, Tocqueville observed the tradition of voluntarism in US society. Voluntary associations were mobilized for all social and community life at that time. More formalized forms of voluntarism grew through a series of historical events: the volunteers' involvement in establishing local

governments coming out of the colonial period; the initiation of the abolitionist movement; and the role of volunteer caregivers during the Civil War period. The progressive era and the two world war periods witnessed a substantial increase in voluntarism. Further proliferation came during the civil rights era and the peace movement in the 1960s. Volunteering among young people declined during the 1980s and recovered in the 1990s. Today, volunteering among adults has steadily increased (Hodgkinson, Nelson, & Sivak, 2002).

Civil activism has historically played a role as nonprofit organizations have long been active in efforts to affect public attitudes and public policy toward various issues ranging from caring for the poor to protecting the environment. Nonprofit organizations have successfully engaged in changing public policy including consumer safety, the environment, and child abuse. Nonprofit organizations have placed themselves at the center of policy concerns (Anheier & Salamon, 2006). Nonprofit advocacy groups with foundational support have made substantial efforts to change public opinion on civil rights issues and to push the votes of political leaders (Hall, 2006). For example, the National Association for the Advancement of Colored People (NAACP) is one representative body which has promoted civic activism as a champion of social justice and human rights.

### **2.1.2 Transformational phase: Commercialization and professionalization**

Commercialization has been one of the main impulses that have increased through the evolutionary process of American nonprofits. Commercialization has been prevalent, covering almost all civic sectors, including religious organizations (Chaves, 2002). Earned income is most commonly observed and examined as an indicator of nonprofit commercialization. Between 1977 and 1997, the fee income of arts and culture organizations increased 272 percent; civic organizations 220

percent; and social service organizations 500 percent. Between 1997 and 2007, private fees accounted for 58 percent of the nonprofit sector's revenue growth, which is twice as much as the government source's contribution and five times as much as the philanthropy's contribution (Salamon, 2012a). Salamon also found that, in 2007, private fees took up 52 percent of the nonprofit service and expressive organizations (that is, all of the nonprofit sector except religious congregations, foundations, and other funding intermediaries). The commercial ventures which generate income are not limited to specific sectors or activities. The activities range from fee for service charges, to the provision of program-related products and services, to the development, sale, and lease of capital assets including buildings and land, and to cause-related marketing or licensing of intellectual properties including copyrights, patents, trademarks, and artifacts (Massarsky, 2005).

Recent commercial activities have gone further than just increasing generated income. These activities have instituted a fundamental change in the management style, organizational structure, and the culture of nonprofit organizations. For example, nonprofit managers have been encouraged to be, "entrepreneurial managers," who have to incorporate the role of business managers as well as idealists or social reformers (Kearns, 2000:25). Nonprofit boards are required to pay more attention to the financial viability of their organizations by adopting market-centered strategies. Joint ventures (between nonprofits and for-profits) and commercial ventures have created different organizational forms in terms of the sources of capital, expertise, and the proportion of paid professionals and voluntary workers (Skloot, 1987).

The impulses of professionalism and commercialism have profound implications for America's nonprofit sector. The net effect of both impulses is that nonprofits sometimes look more like professionally managed "businesses" and less like organizations that offer an outlet for

volunteers who want to make the world a better place. Government regulators, the media, donors, board members, and the general public have taken note and now hold nonprofit organizations to new and higher standards of accountability.

## **2.2 SOUTH KOREAN NPO SECTOR**

### **2.2.1 Overview of South Korean NPO sector**

The Korean Civil Society Year Book notes that about 60,000 NPOs (including both registered and unregistered organizations) were operating in South Korea as of 2002. This estimate is based on the broadest definition of NPO which includes incorporated NPOs, public interest corporations, civic organizations, civil society organizations, and civil movement organizations. In other words, this count includes nonprofit hospitals, educational institutions, welfare service organizations, culture & art organizations, civic organizations, religious institutions, professional organizations, and interest groups (Cho, 2000; Kim, 2006).

The narrow definition of NPOs, widely used in practice and South Korean academia, indicates prevalence of more public-interest oriented organizations (i.e. civic organizations). The Directory of Korean NPOs published by Citizen's Newspaper (2000) reports that 6,440 civic organizations (20,000, if local chapters or branches are counted separately) were working in the field in South Korea in 2002. The areas of focus in this organization list cover civil society in general (citizens' rights, women, youth and students, law/administration/politics, human rights,

peace/unification, and consumers' rights) (25.2%), local autonomy and urban poor (5.5%), social services (18.5%), environment (7.1%), culture (15.8%), education and academy (5.8%), religion (2.7%), laborers and farmers (5.4%), economy (12.5%), and international (1.1%), where the percentages represent the proportion of NPOs.<sup>1</sup>

The size of the NPO sector substantially increased during recent decades. Between 1988 and 2003, the total number of South Korean nonprofit corporations increased by about 45% (Yearbook of National Tax Service of South Korea, 2003). As of 2002, the total product of the NPO sector in South Korea amounted to 14 trillion South Korean Won (about 12.2 billion U.S. dollars, using the December 2002 currency exchange rate), which makes up 2.46% of the 2002 gross domestic product of South Korea. The contribution of the NPO sector to the national economy has consistently increased during the last few decades, demonstrating a remarkable growth of more than eleven times the contribution to GDP in 1985 (0.19%). Although the growth was momentous, the increasing trend seems to continue, given the estimates of other developed countries, such as the United States (6.3 %), the United Kingdom (4.8%), and Japan (3.2%). The portion of the total wage in the nonprofit sector of the national economy in South Korea was estimated at 4.6% as of the end of 2003, which marked a 12% increase since 1970. Employment in the nonprofit sector takes up 6.3% of total employment in South Korea; this portion is only slightly smaller than that of the U.S. (6.9%) and substantially larger than that of other developed countries such as Japan (2.5%), the United Kingdom (4.0%), and France (4.2%) (Kim, 2006; Salamon & Anheier, 1996a). Thus, Korea's nonprofit sector is a large and vital force in the civic arena, as well as a growing political and economic force in the nation.

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<sup>1</sup> This directory suggests a classification which fits South Korea's context, modifying the international classification of NPOs developed by Salamon and Anheier (1996b)

In addition to the physical size, the qualitative features of the nonprofit sector (including its role expectations, focus area, and relationship with the state and the market) have undergone a transformation in the last few decades. Historically, advocacy groups and civil society organizations have grounded their legitimacy in their adversarial role to curb government excess. The role of these groups has lessened with the advent of a democratic government in South Korea. Recently, the growing and complementary role of service-providing nonprofit organizations has started to receive more attention. This change transformed the connection between the NPO sector and the government in South Korea into a cooperative relationship, as the government views the nonprofit sector as a partner in the delivery of public goods and services. The substantial increase in the government subsidy demonstrates the intensifying complementarity between the government and NPOs in South Korea (Kim, 2006).

### **2.2.2 Dual structure of the South Korean NPO sector**

The South Korean NPO sector has established a deep-rooted dual structure through its development process, characterized by the engagement or estrangement with market and state. A comparative study by Johns Hopkins Comparative Nonprofit Sector Project points out that “duality” is the main feature of South Korean civil society (Park, Jung, Sokolowski, & Salamon, 2004:213). One side of the duality is comprised of service-oriented organizations in areas of education, health, and social welfare service. This part has been deeply engaged with the government by supplementing the service provision role. Most nonprofit organizations in this category are formally organized and incorporated. The other side of the duality is comprised of civic and advocacy organizations focusing on human rights, the environment, social justice, and

political democracy. These organizations have distanced themselves from government and businesses; most are informally organized and unincorporated. Although the dual structure between the service and advocacy sector is observed globally (Salamon & Sokolowski, 2004), the distinction between the two sectors is even clearer and has an even more critical influence on the South Korean nonprofit sector.

This duality of the South Korean NPO sector demands attention since it is an essential part of the context in which the South Korean NPO sector is nested. As we will see in this research and in the findings presented later, advocacy-centered and service-centered NPOs respectively reveal different attitudes toward tensions and impulses (voluntarism, civic activism, professionalism, and commercialism). These different attitudes, embedded in this structural bifurcation, seem to affect NPOs' choices between social movement and entrepreneurial management orientation. Therefore, the effect of dual structure on the impulses shaping the NPO sector warrants further examination.

### **2.2.3 Issues of sustainability and South Korean NPOs**

Many scholars point out financial distress as one of the most crucial issues facing South Korean NPOs (Jeong, 2008). According to a survey conducted by CIVICUS (Heinrich & CIVICUS, 2007), South Korean NPOs were estimated to have weak financial resources. In the same survey, the civil society of South Korea turned out to have a high social impact on public policy. The Giving Korea Index reported that the donation per capita in South Korea is equivalent to 0.38 percent of the GNP per capita in 2003. This amount was only a fifth of the average of other developed countries reported in the same year (Beautiful Foundation, 2004).

The small size of government funding and the absence of institutional philanthropy, such as private foundations, are aggravating the financial sustainability of the South Korean NPO sector. The revenue structure of South Korean NPOs is characterized as fee-dominant (S. Jeong, 2008; Salamon & Sokolowski, 2004). Fee-dominant fields include: professional/unions (100% of organizational revenue by fees), education (80% of the revenue by fees), civic/advocacy (67% of the revenue by fees), culture/recreation (66% of the revenue by fees), and health (61% of the revenue by fees). In contrast, government-dominant fields include social service sector (16% of the revenue by fees). Government funding as a percentage of nonprofit revenue (26.2%, in Jeong (2008); 24% in Salamon & Sokolowski (2004) in South Korea) is equivalent to only half of that in developed countries.

The South Korean government provides direct support (e.g. providing grant, subsidy, mailing cost discount) as well as indirect support (e.g. institutionalizing tax exemption or conduction benefits for NPOs) for NPOs. In 2010, South Korean central government provided 322.7 billion South Korean Won (equivalent to US\$ 285.3 million, with a currency rate of 1 USD = 1,131.65 KRW) to NPOs.<sup>2</sup> However, these grants are program or project based and therefore, the grants are temporary and unstable.

These financial sustainability issues could raise different challenges in the case of advocacy-focused NPOs and small-scale unregistered social movement NPOs. In the case of civil society and advocacy organizations, the organizational leaders are cautious about receiving government funding. Receiving government funding contains more complicated issues in the case of advocacy NPOs. Advocacy NPOs' socio-political orientation could affect their collaboration

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<sup>2</sup> This amount is 0.13 % of South Korean government budget in 2010 and a minimal portion of government budget compared to the United States and United Kingdom (The South Korean NPO Council & The UNICEF Korean Committee, 2011).



and relationship with government agencies. Therefore, the revenue from the government, including government subsidy for civil society organizations, could be more vulnerable to the political environment than social service-focused NPOs. Advocacy NPOs themselves tend to hold a more cautious attitude toward receiving government funding because it could hurt their autonomy.

This is reflected in the empirical data of revenue sources of social service providing NPOs and civic/advocacy NPOs. Social service providing NPOs are characterized as government-funding dominant (68 percent from government support, 16 percent from philanthropy, and 16 percent from fees). In contrast, civic/advocacy NPOs rely on more on membership dues or fees (67 percent) than government support (17 percent) or philanthropy (17 percent).

In summary, the NPO sector in South Korea must address its sustainability issues. Individual donations are falling short of their expectations. The vulnerability and inconsistency of government and other institutional funding source is another challenge. Furthermore, the emerging call for enhanced accountability of nonprofits and civic organizations makes the situation complex, consequently raising fundamental issues for nonprofit organizations regarding their sustainable presence. How sustainability issues affect the tensions facing South Korean NPOs will be an important observation because the stances of NPOs vis-à-vis driving impulses will be a determinant, as well as a consequence, of NPO sustainability.

#### **2.2.4 Issues of accountability and South Korean NPOs**

Accountability is a fundamental concern for the South Korean NPO sector. The significance of accountability issues in South Korea has increased due to financial challenges facing the NPO

sector (Jeong, 2008). Recent legislative and administrative actions push NPOs to disclose more information for evaluation (Jeong, 2008). In the same way that U.S. nonprofits are forced to demonstrate their performance to their stakeholders (Cutt & Murray, 2000; Murray, 2005), South Korean NPOs are exposed to the same pressure for increased accountability. A recent study reports that both service and advocacy NPOs in South Korea recognize the significance of being accountable to staff members and citizens, as well as to donors and regulators (Kim, 2006). Therefore, discussing NPO accountability as the main management and policy issue is necessary for delving into the South Korean NPO sector.

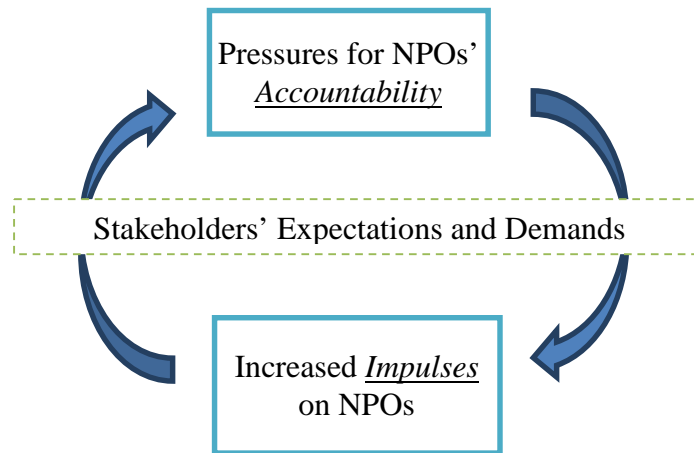
The issues of NPO accountability in South Korea have both commonalities and particularities with those of other countries. As the role of the NPO sector in South Korea grows, the accountability of this sector continues to receive attention from practitioners and academics. Both the narrow aspects of NPO accountability (including increasing legal compliance and financial transparency) and the broad aspects of NPO accountability (including responding to the expectations of stakeholders with adequate performance) have become important.

During the times when civil society organizations (called *Simindanche* in Korean), by necessity, opposed the authoritarian government, South Korean NPOs were granted a substantial amount of credibility and authority without much push for demonstrating accountability. However, as democracy has deepened in South Korea after the 1990s, the South Korean government has attempted to establish its legitimacy by increasing its transparency and performance in public service. Consequently, the NPO sector came to face the challenge of proving its superiority and distinction in its commitment to achieving greater accountability than the government.

Under this environmental context, a series of legal and ethical scandals of renowned NPOs made the general public and stakeholders of the NPO sector realize the importance of holding

NPOs accountable, as well as making NPOs hold others accountable. For example, the secretary-general of Green Korea United, a prominent environment advocacy NPO, was arrested for sexual harassment involvement in 2000; a secretary-general of the Citizens' Coalition for the General Election was involved in a bribery scandal in 2000; and a video tape which was used as evidence of revealing a president's son's involvement in government affairs in 1997 turned out to be obtained by one civil society organization in an unethical way. These scandals challenged the perception that South Korean NPOs are more ethical than government agencies (Hong, 2010).

The increased role and visibility of NPOs in South Korea creates pressure for increased transparency and accountability. Demands for various types of accountability, in turn, have a significant impact on the impulses that Korean NPOs must confront and address. As demonstrated in the diagram below, stakeholders' pressures for NPOs' increased accountability seem to be in a circular relationship with the increased impulses on NPOs. Therefore, examination stakeholder positions of South Korean NPOs is of great significance in understanding the forces shaping South Korean NPOs.



**Figure 1 The Circular Relationship between Accountability and Impulses**

### **2.2.5 Previous Reviews on Impulses in the South Korean Nonprofit Sector**

A plethora of studies on South Korean politics and society have highlighted the role of social movements in the democratization process in the country. This role has been evaluated as the most remarkable achievement of the South Korean NPO sector (D. Cho, 2007; D. Cho & Kim, 2007; Civil Society Forum & Institute for Civil Society Research of Joongang Daily Newspaper, 2002; Jeong, 2003). Scholars have called particular attention to the role of civil activists and volunteers, which is captured as civic activism and voluntarism in Salamon's framework. In other words, the nonprofit sector in Korea has historically been driven most strongly by the dual impulses of voluntarism and civic activism. This makes sense, given the sector's historical role in combating prior political regimes for their lack of democratic values.

However, recent studies on the South Korean civil society have observed the South Korean NPOs' ongoing transformation process, which can be termed as the entrepreneurial management drive. South Korean NPOs have made efforts to become more institutionalized and professionalized (Cho, 2007). As the size of NPOs increases, NPOs cannot exclusively rely on

volunteers and civic leaders. They need staff members who received professional management training and knowledge in public policy issues. Individual NPOs have focused on satisfying specific needs and requests (Cho, 2007; Salamon, 2005). As a result, NPOs have become more oriented toward market-based goals and mechanisms to achieve those goals (Cho, 2007; Kim, 1997; Kim, 2006). South Korean NPOs have attempted to increase sustainable income sources through the sale of goods and services. They started to increase collaborations with corporations for the continuation and expansion of their activities and programs. These organizations have tended to focus more on the market niche and return on investment, rather than the absolute needs of the clients in their selection of service provision.

This bifurcation between social movement and entrepreneurial management usefully demonstrates characteristics of the South Korean NPO sector because it reveals the underlying construct embedded within the structure of South Korean civil society. The South Korean NPO sector can be more clearly captured through the dichotomy of social movement versus entrepreneurial management rather than four separate impulses. In fact, the split between advocacy-focused NPOs and service-focused NPOs in South Korea is extremely prominent and seems to be directly related to the contrast of the social movement and entrepreneurial management drives.

However, the association between the social movement drive and the entrepreneurial management drive – as well as the allocation of sub-elements within each drive – may be in most cases highly complicated and multi-faceted. For example, some social movement-oriented grassroots groups have undergone a transformation toward specialization, professionalization, and marketization (D. Cho, 2007). This transformation of grassroots organizations and NPOs in South Korea is the result of the changing environment with respect to their stakeholders including donors,

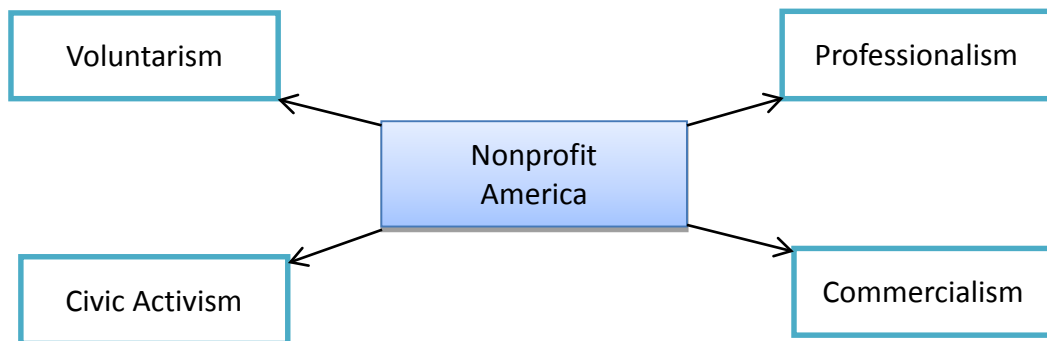
government agencies, volunteers, staff members, and clients. In turn, this transformation has made the accountability issue more significant, since the relatively monotonous relational patterns (whether they are close or far from each other) with donors or government agencies have become more varied and changeable than previous times. South Korean NPOs have thus realized the necessity to satisfy the expectations of diverse stakeholders from the accountability perspective. Therefore, it will be necessary to look into the accountability environment to comprehend and predict the driving impulses for South Korean NPOs.

### 3.0 RESEARCH FRAMEWORK AND RESEARCH QUESTIONS

This study will explore the forces shaping the South Korean NPO sector and examine how South Korean NPOs have been affected by these forces in an accountability environment.

#### 3.1 IMPULSES FOR NONPROFIT OPERATION

Salamon (2012a) suggested four impulses that have molded American nonprofits: civic activism, voluntarism, professionalism, and commercialism. Salamon's theoretical framework focuses on the tensions or impulses that have been driving forces of America's nonprofits.



**Figure 2 Four Impulses Shaping the Future of Nonprofit America**

First, voluntarism is defined as the utilization of voluntary sources and individual philanthropy for the expression of values and transformation of individuals. Voluntarism is predicated on the non-coercive manner in which nonprofit or non-governmental organizations are operated. Additionally, voluntarism depends on whether or not the NPO develops relatively

detached from market-oriented forces, regulatory agencies, or professional training and standards of performance. The voluntarism impulse produces scenarios in which the main stakeholders to whom nonprofits are accountable are value-based communities (such as advocacy groups or religious organizations), volunteers, and individual donors and members who see the nonprofit sector as a vehicle for expressing their values and beliefs. In such scenario, the main performance standards are whether or not the nonprofit has enhanced the expression of these values (such as religious values), whether it has contributed to the transformation of individual lives, and whether it helped reduce the involvement of government in civilian life (Kearns, 2012). Anecdotes and self-reported tales of individual transformations, not empirically sound evidence, are the standards by which nonprofits are judged. Among contemporary U.S. based organizations, self-help groups such as those devoted to recovery from addictions are the best example of voluntarism in action. These groups generally are not professionally managed, they do not actively market their services, they take no position on social or political issues, and their primary measure of performance is the personal tale of recovery told by members at their meetings.

The second of Salamon's impulses, professionalism, focuses on the enhancement of specialized personnel and administrative capabilities as a goal and strategy for nonprofits. Professionalization helps to institutionalize and formalize management of the nonprofit sector. The professionalism impulse leads to scenarios in which the main stakeholders are professional staff, professional associations, professional societies and guilds, accreditation agencies, clients who are knowledgeable about services, industry groups who set the performance standards, government funders, and institutional donors who demand professional standards in nonprofit field. The principal performance expectations depend on whether or not nonprofits achieve their mission through theory-based and logic models, whether nonprofits comprehend causes beyond symptoms



and bring about outcomes which are empirically valid, whether nonprofits meet the qualification standards in the industry (such as accreditation) or the standard of professional guild (such as certification, licensing), and whether nonprofits meet the components of professional management (including good governance, efficiency, ethical management, and financial probity) (Kearns, 2012).

Third, the civic activism impulse highlights the social change brought forth by the organization's participation and advocacy roles. The key in civic activism is the balance between leadership and general citizens' participation as strategies for social movement. The civic activism impulse leads to situations in which the main stakeholders include citizens, volunteers, and supporters who are oriented toward social change and solidarity coalitions for social action. The primary performance expectations are the changes in rules, policies, and the allocation of resources in a society (Kearns, 2012).

Lastly, Salamon notes that commercialism takes an entrepreneurial approach with NPOs utilizing business-like skills with a mind toward increased efficiency. In a narrow sense, commercialism indicates marketization that increases the proportion of fee for service and other commercial income that demands that nonprofits be players in competitive markets, pitting themselves against other nonprofits and occasionally government agencies and even for-profit firms, in seeking valued resources such as money, outstanding talent, good publicity, or other forms of support (Toepler, 2004). However, in its broader sense, commercialism includes social entrepreneurship that involves the pursuit of social missions with greater efficiency and effectiveness in nonprofit organizations (Dees et al., 2001, 2002; Zietlow, 2001). In commercialism, the main stakeholders include those who have an unmet need or willingness to supply the marketplace, those who expect social return on investment (such as investors, venture

philanthropists, and social entrepreneurs), and clients or customers. The key performance expectations of nonprofits related to the commercialism impulse are as follows: to what extent nonprofits are successful in utilizing market centered strategies (such as niche strategy or utilization of comparative advantage), how successfully nonprofits bring social return on investment, to what extent nonprofits achieve in marketing (market share, sales), how successfully nonprofits secure financial sustainability using commercial sources and investment, and to what extent nonprofits are embracing entrepreneurial management methods (Kearns, 2012).

In Salamon's framework, the four impulses each have their own distinct impact on: 1) the dominant role/objective of nonprofits, which points to the core values and missions of each organization; 2) the dominant strategies of nonprofit organizations, which are the means to achieve organizational goals by mobilizing organizational resources; 3) the management style of the organization, that is, the characteristics of administrative process and structure in which NPOs process tasks; 4) the principal reference group of nonprofits, which touches on the main consideration of organizations in terms of stakeholders in and outside organizations; and 5) the resource base, which clarifies the main funding sources affecting distinctive orientation and management style of organizations.

Salmon's framework provides a powerful diagnostic for understanding the competing pressures vying for the attention of individual nonprofit organizations and the sector as a whole. Together, these four forces offer a compelling heuristic device for understanding why nonprofits, over time, must seek to balance, or at least account for, these competing pressures as they craft their missions, prioritize their objectives, and design strategies for mission accomplishment. The framework also helps to explain why various sub-sectors of the nonprofit sector display significant differences in their respective missions, goals, and strategies.

NPOs have varied objectives, strategies, management styles, principal reference groups, and resource bases. These features of the South Korean NPO sector are influenced by the main impulses that drive the management and policy decisions of individual organizations. As for the organizational objects, NPOs intend to transform individuals or bring about social change influenced by voluntarism and civic activism respectively. NPOs may attempt to establish a professionalized management system or utilize market mechanism in its achievement of organizational goals, compelled by professionalism and commercialism respectively.

NPOs will change their management style and strategies in pursuit of their objectives and in consideration of the main impulses. Voluntarism would instigate NPOs to emphasize on self-help, counseling, and personal renewal. Volunteers, as a dominant resource for NPOs, may influence the NPOs' management style. For example, the management style of faith-based organizations tends to be spiritual, and an informal style is common within small grass roots organizations. As a contrast to this, the professionalism impulse stimulates NPOs to turn to specialized professional assistance, instead of voluntary resources, and to lean on bureaucratic, formal, and rule-bound management style. For instance, South Korean NPOs have created professional monitoring agencies and research institutes for the professionalization of their activities as the number of staff members and the size of the annual budget increased (D. Cho, 2007). Civic activism increases the importance of leadership in management and policy decisions and also encourages NPOs to focus on leadership building. For example, many advocacy NPOs in South Korea are led by renowned social activists and their leadership has decisively affected the formation of the NPO sector (Cho, 2007). NPOs have extensively utilized various advocacy measures for promoting citizens' collaborative actions because of this impulse of civic activism. For instance, environmental advocacy groups in South Korea mobilized both institutional

measures (e.g. participation in the government forum, holding hearings for public policy change, and submitting petitions to the court) and un-institutionalized means (e.g. demonstration, assembly, national campaign, announcement of statements, handing out informative materials on the streets etc.) for their advocacy work (Kim, 2006). One of the most distinctive and influential impulses is commercialism. This impulse has forced many NPOs to devote themselves to enhancing social entrepreneurship and developing self-sustaining income sources. In this case, the managers in NPOs will take a bottom line approach with an emphasis on efficiency and profit-making. Thus, their management style may sometimes resort to focus on efficiency and profit rather than organization's fundamental mission and vision.

Principal reference groups will vary depending on the main impulses NPO managers address. The extent to which NPOs accommodate the expectations and requests of each reference group, including individual members or donors, volunteers, professional or staff members, citizens or community groups, and entrepreneurs or corporate donors, will determine the accountability environment for that particular organization.

The resource base is one of the main issues in regard to the financial sustainability of the South Korean NPO sector. South Korean NPO funding sources reflect the subjects whose expectations the NPOs must respond to and manage. Therefore, South Korean NPO stances on the competing impulses affect their resource selection among individual philanthropy, institutional philanthropy, government, venture philanthropy, sales and vouchers. The interpretation of the resource base in terms of the link between the four main impulses provides an interesting research topic. For example, in South Korea, as in other countries, fee income is generally considered as representing commercialism. In South Korea, fee income has been one of main sources of health, education, and human service providing NPOs. An increase in the membership fee and

sponsorship is interpreted as “market-based mobilization,” since advertising and promotions are the key basis of these two revenue sources (Cho, 2007:216).

Another intriguing point is NPOs’ attitudes about receiving government funding and grants. How one interprets the idea of government funding will offer another distinctive feature in the South Korean sector. In South Korea, where the development history of the NPO sector observed the ingrained distrust and confrontation between the advocacy NPOs and government agencies, government funding has been traditionally considered as conflicting with civic activism (Park, 2001). However, the rapidly changing environment in South Korean politics and society has modified this confrontation-centered perception of government funding. As the confrontation between the government and the civil society sector diminished with the dethronement of the authoritarian government in South Korean politics and the necessity of collaboration between government and civil society sector increased because of the limited capacity of government agencies in addressing rapidly increasing social needs and the financial pressure to the NPO side, the interpretation of government funding has changed to acceptable and even desirable (Park, 2001).

These observations demonstrate both similarity and dissimilarity between the American nonprofit sector and the South Korean NPO sector. Therefore, Salamon’s framework is a promising tool for comparatively looking into the South Korean civil society.

**Table 1 Salamon's Implications of Four Impulses for Nonprofit Operations**

Key Features	Voluntarism	Professionalism	Civic activism	Commercialism
1) Role/ Objectives	<ul style="list-style-type: none"> <li>• Overcome value deficits</li> <li>• Transform individuals</li> <li>• Relieve suffering</li> </ul>	<ul style="list-style-type: none"> <li>• Overcome physical, educational, or psychological deficits</li> <li>• Offer treatments</li> </ul>	<ul style="list-style-type: none"> <li>• Change structures of power</li> <li>• Change basic policies</li> </ul>	<ul style="list-style-type: none"> <li>• Use market means for social ends</li> <li>• Efficiently address social needs</li> </ul>
2) Strategy	<ul style="list-style-type: none"> <li>• Inculcate values</li> <li>• Counseling, personal renewal</li> <li>• Self-help</li> <li>• Temporary material assistance</li> </ul>	<ul style="list-style-type: none"> <li>• Medical model</li> <li>• Deliver services</li> <li>• Establish services as rights</li> <li>• Specialized professional assistance</li> </ul>	<ul style="list-style-type: none"> <li>• Asset model</li> <li>• Advocacy strategy</li> <li>• Organize citizens/build leadership</li> <li>• Access media/elites</li> </ul>	<ul style="list-style-type: none"> <li>• Promote social entrepreneurs</li> <li>• Locate market niches</li> <li>• Pursue self-sustaining income</li> <li>• Measure results</li> </ul>
3) Style	<ul style="list-style-type: none"> <li>• Pastoral</li> <li>• Normative</li> <li>• Paternalistic</li> <li>• Particularistic</li> <li>• Holistic</li> </ul>	<ul style="list-style-type: none"> <li>• Programmatic</li> <li>• Technocratic</li> <li>• Therapeutic</li> <li>• Universalistic</li> <li>• Secular</li> </ul>	<ul style="list-style-type: none"> <li>• Participatory</li> <li>• Confrontational</li> <li>• Critical</li> </ul>	<ul style="list-style-type: none"> <li>• Entrepreneurial</li> <li>• Efficiency oriented</li> <li>• Profit focused</li> <li>• Measurement driven</li> </ul>
4) Principal Reference Group(s)	<ul style="list-style-type: none"> <li>• Donors/volunteers</li> <li>• Members</li> </ul>	<ul style="list-style-type: none"> <li>• Staff</li> <li>• Profession</li> <li>• Clients</li> </ul>	<ul style="list-style-type: none"> <li>• Citizens</li> <li>• Community assets</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate donors</li> <li>• Customers</li> <li>• Entrepreneurs</li> </ul>
5) Organizational structure	<ul style="list-style-type: none"> <li>• Fluid</li> <li>• Ad hoc</li> </ul>	<ul style="list-style-type: none"> <li>• Hierarchic</li> <li>• Segmented</li> </ul>	<ul style="list-style-type: none"> <li>• Modular</li> <li>• Federated</li> <li>• Alliances</li> </ul>	<ul style="list-style-type: none"> <li>• Product focused</li> <li>• Networked</li> <li>• Flexible</li> </ul>
6) Management Style	<ul style="list-style-type: none"> <li>• Informal</li> <li>• Volunteer dominant</li> <li>• Spiritual</li> </ul>	<ul style="list-style-type: none"> <li>• Bureaucratic</li> <li>• Formal</li> <li>• Rule-bound</li> </ul>	<ul style="list-style-type: none"> <li>• Consensual</li> <li>• Collaborative</li> <li>• Participatory</li> </ul>	<ul style="list-style-type: none"> <li>• Responsive</li> <li>• Bottom-line focused</li> <li>• Disciplined</li> </ul>
7) Principal Reference Group(s)	<ul style="list-style-type: none"> <li>• Donors/volunteers</li> <li>• Members</li> </ul>	<ul style="list-style-type: none"> <li>• Staff</li> <li>• Profession</li> <li>• Clients</li> </ul>	<ul style="list-style-type: none"> <li>• Citizens</li> <li>• Community assets</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate donors</li> <li>• Customers</li> <li>• Entrepreneurs</li> </ul>
8) Resource Base	<ul style="list-style-type: none"> <li>• Voluntarism</li> <li>• Individual philanthropy</li> </ul>	<ul style="list-style-type: none"> <li>• Government</li> <li>• Fees</li> <li>• Institutional philanthropy</li> </ul>	<ul style="list-style-type: none"> <li>• Philanthropy</li> <li>• Voluntarism</li> <li>• Government</li> </ul>	<ul style="list-style-type: none"> <li>• Venture philanthropy</li> <li>• Sales</li> <li>• Vouchers</li> </ul>

Source: Salamon (2012b, p. 15)

### 3.2 NPO ACCOUNTABILITY ENVIRONMENT

In order to assess how leaders of Korean NPOs construe the impulses driving the nonprofit sector, I asked them to focus on the accountability demands placed on them by various stakeholders. In this manner, the NPO leaders reflected upon the external pressures and expectations imposed on them by various stakeholders, thereby providing a clear picture of the impulses affecting their organization's evolution. We might have asked the subjects directly about Salamon's hypothesized impulses, but such an approach might reveal too much of the researcher's own beliefs and values. Instead, I searched for a way to elicit from NPO leaders their own values and assumptions without imposing my own. Accountability is the organization's response to diverse expectations from inside and outside stakeholders (Kearns, 1996; Romzek & Dubnick, 1987). In other words, the accountability environment framework epitomizes the forces affecting the South Korean NPO sector. Therefore, this strategic management approach to accountability can function as a theoretical tool to interpret the choices of NPOs' leaders and managers and forecast the direction of NPOs' movement and management choices.

The concept of accountability is elusive and controversial in both academia and practice within the nonprofit management field. Edwards and Hulme (2002) defined accountability as "the means by which individuals and organizations report to a recognized authority, or authorities, and are held responsible for their actions." Such a narrow definition of accountability emphasizes the reporting mechanism and the function for control (Gruber, 1987; Smith, 1971; White, 1926). This narrow approach highlights compliance to higher authority and the performance criteria, and reporting as the main mandate bestowed to the organizations (Kearns, 1996). However, a broad perspective of accountability inculcates the notions of public trust and public interest within the

accountability framework, by including scrutiny by the public and implicit standards of assessment (Kearns, 1996).

Regardless of these elusive discussions on the definition of NPO accountability, all NPO accountability literature starts from identifying the two core questions: accountable to whom and accountable for what. Traditional and narrow approaches have given more weight to the upward accountability (mainly to donors and government) than to the downward or “outward” accountability, including consumers, community actors, and peer organizations. (Jordan, 2005). However, most NPO accountability literature agrees that downward accountability should be the ultimate concern (Jordan & Tuijl, 2006; Levy, 1996). The standards of accountability assessment also vary. They could be explicit—as we see in the moral, legal, bureaucratic, or regulatory constraints— or implicit—as seen in social mission, norms, and public trust (Kearns, 1996).

The two key questions (to whom and for what) underlying the accountability argument are embedded in both the expectations of diverse stakeholders and the responses of NPOs to these expectations. Therefore, the broad definition of NPO accountability is stronger than a narrower one as a comprehensive perspective for linking NPO’s accountability environment with the tasks and expectations of diverse stakeholders in management and policy decisions.

Romzek and Dubnick (1987) broadly define accountability as “manage[ing] the diverse expectations generated within and outside the organization.” Romzeck and Dubnick’s approach to accountability is adopted and refined by Kearns (1996) as a strategic definition featuring the expansion of the scope of public authority and criteria for assessment.

The broad strategic definition of NPO accountability functions as an outside force to influence the management of NPOs. The strategic definition of NPO accountability has strength in the sense that it incorporates expectations of diverse stakeholders. Given that these expectations



from stakeholders affect the decision of NPO management and policy choices, the scanning of the NPO accountability environment will help understand the tensions facing South Korean NPOs.

Kearns (1996) provided a useful conceptual framework demonstrating the opportunities and challenges facing NPOs when they scan the accountability environment. Kearns's accountability environment framework is composed of the expectations of stakeholders and respective NPOs' responses to these expectations. Kearns's accountability framework is built on two axes: performance standards and organizational responses (1996:66-68). Kearns' model suggests two types of performance standards: explicit standards and implicit standards. Explicit standards point out legal, bureaucratic, and regulatory constraints to which public and nonprofit organizations are held accountable. Implicit standards indicate standards rooted in professional norms and social values, beliefs, and assumptions about the public interest and the public trust. Kearns's (1996: 68) accountability framework provides two types of organizational responses: tactical approaches and strategic approaches. Tactical approaches spotlight simple, timely, and reflexive responses, driven by intense accountability environment pressure to take action, whereas strategic approaches imply a long-term approach that anticipates and positions the organization within a changing accountability environment. Performance standards and NPOs' responses have changed over time and this change has characterized the direction of the South Korean NPOs transformation.

The aforementioned two dimensions produce NPOs' four types of accountability: legal accountability (compliance), negotiated accountability (responsiveness), anticipated accountability (advocacy), and discretionary accountability (judgment) (Kearns, 1996). More specifically, the relative significance among types of accountability of NPOs might suggest some implication for the movement and management impulses of NPOs. Four types of accountability

are as follows: 1) legal accountability, the compliance of nonprofits to laws and regulations by government or oversight agencies, 2) negotiated accountability, the responsiveness of nonprofits to the performance standards from various stakeholders, 3) discretionary accountability, the professional judgment that the executive or board members exercise based on their knowledge and expertise, and 4) anticipatory accountability, the advocacy role of nonprofits aimed at changing explicit standards and public policy (Kearns, 1996). Understanding the situation of NPOs through stakeholder approach contributes to comprehending the NPO accountability environment (Kearns, 1996). The figure below illustrates the dimensions and types of NPO accountability within the accountability environment.



Source: Kearns (1996: 67)

**Figure 3 Dimensions of Accountability Environment**

This classification of NPO accountability based on the standards of assessment and organizational responses to stakeholder expectations provides a valuable tool for looking into the forces shaping the NPO sector.

In summary, this dissertation will delve into perceived stakeholder expectations in the accountability environment and assess their effect on the management of NPOs in South Korea. In this way, we hope to illuminate the impulses driving the evolution of Korea’s nonprofit sector

to ascertain if these impulses coincide with those identified by Salamon. This research framework is predicated on the assumption that the tensions that the managers and employees in South Korean NPOs address are intertwined with tasks of managing conflicting expectations from diverse stakeholders. This accountability environment framework will help link the impulses driving the South Korean NPO sector with the accountability tasks individual NPOs have perceived and addressed.

### **3.3 RESEARCH QUESTIONS**

South Korean NPOs have developed by addressing various tensions and managing diverse expectations. The tensions might be rooted in these diverse expectations for their roles from the society. In other words, the main features in the management of South Korean NPOs change depending on the main impulses the South Korean NPOs address. For instance, Salamon's (2012a) four impulses, namely civic activism, voluntarism, professionalism, and commercialism, may have effects on the main aspects of the management and policy decisions of the leaders and managers in South Korean NPOs. Their relative importance will be different and other types of impulses might be added based on different role expectations in the society.

The topic of impulses in the South Korean NPO sector requires that the investigation be grounded in the field, since South Korea has a distinct social foundation and history of civil society, which may generate different tensions and forces than in the U.S. Through its first research question, my dissertation will delve into the universalities and particularities of these driving forces that South Korean NPOs face.

My dissertation raises two research questions: first, what are the impulses shaping the South Korean NPO sector; and second, what accountability obligations do NPO leaders consider toward the stakeholders with respect to the identified impulses?

My first research question examines the impulses that have driven the development of nongovernmental organizations (NGOs) or nonprofit organizations (NPOs) in South Korea. This study explores the philosophical tensions that nonprofit organizations address within their work. Looking into the South Korean civil society sector will contribute to comprehending its unique foundation and development path, as well as adding a comparative case.

My second research question developed from an inquiry into the cause of the identified tensions. Based on the theoretical framework on nonprofit accountability emphasizing stakeholder expectations on nonprofit management (Kearns, 1996; Romzek & Dubnick, 1987), I raise the following research question: what accountability obligations do NPO leaders consider with respect to the identified impulses?

For the purpose of this study, accountability is defined as the management of diverse expectations of NPO stakeholders. Therefore, using a framework of nonprofit accountability that emphasizes the management perspective, this study will focus on the effects of the accountability environment on individual South Korean NPOs' stances on main tensions and forces.

The expectations and pressures from diverse stakeholders will affect the management decisions of NPOs. Standards of performance measurement are associated with the request and demands from donors who provide financial support, government agencies who set up the institutional arrangement (e.g. tax regulations and administrative procedure), clients who express their demands and consume NPOs' services and products, and citizens or volunteers who constitute the human resource pool as the leaders, staff members, and supporting community assets.

Therefore, how NPO managers respond to requests from diverse stakeholders by weighting the significance of tasks and orchestrating the conflicting demands with limited resources will give an idea of the forces shaping the South Korean NPO sector. In other words, the accountability obligations NPO leaders associate with each stakeholder reflect how the NPO leaders have addressed impulses.

Based on the two general questions described above, this dissertation focuses on the following sub-research questions in each section:

- 1) In chapter IV based on the Repertory Grid interviews, this study touches on the following research questions: what forces are shaping the evolution of South Korea's nonprofit sector today?; can these forces be elicited from NPO leaders by exploring their perceptions of the accountability environment in which they work?; and do these impulses resemble those that have shaped the evolution of the US nonprofit sector as hypothesized by Salamon?
- 2) In chapter V, based on an organization survey among a large population of South Korean NPOs, this study focuses on the following research questions: which stakeholders are considered most significant in the South Korean NPO sector?; to what extent South Korean NPOs exert their efforts on major impulses of volunteerism, professionalism, commercialism, and civic activism?; and to what extent South Korean NPOs respond to these major impulses in terms of accountability obligations and practices?
- 3) In chapter VI based on the organizational survey data and a theoretical review on the bifurcation in the South Korean NPO sector, this study examines the following research questions: to what extent does the difference in the main focus of NPOs' activities

affect NPOs' main priorities in their stakeholders, emphasis on different types of accountability, and their main attitudes toward different types of impulses?

## **4.0 SOUTH KOREAN NPO MANAGERS' PERCEPTIONS ON STAKEHOLDER EXPECTATIONS AND ACCOUNTABILITY ENVIRONMENT: GROUND THEORY APPROACH**

As mentioned in the introduction, this study will use mixed methods by employing multiple techniques to investigate the impulses and the accountability environment of the South Korean NPO sector: Repertory Grid interviews, in-depth interviews, and organizational surveys. This section covers this study's first phase and focuses on the ground theory approach. More specifically, this part introduces findings from Repertory Grid interviews and in-depth interviews.

### **4.1 RESEARCH METHOD: REPERTORY GRID METHOD**

This study employed the Repertory Grid Method for the elicitation of constructs used by NPO leaders to interpret the expectations influencing their work. Kelly (1955) developed a method to help respondents generate constructs reflecting their own understanding of the world and social phenomena. The respondents build up constructs while they are comparing the presented elements by embodying the underlying commonalities that make some subgroups distinguishable from other(s). This method contributes to bringing ideas from the ground using their own words.

The Repertory Grid is a method for eliciting from subjects their perceptions, values, beliefs, and assumptions about a given topic, without imposing the researcher's own frame of reference or implied hypotheses. Grid methods have been used in many social science contexts including

market research, human resource management, innovation adoption, and many other professional situations (Adams-Webber, 1979; Blowers & O'Connor, 1996; Button, 1985; Epting, 1984; Pope & Keen, 1981). Although a substantial amount of research has been conducted using Repertory Grid interviews in the business sector, research has not employed this method in the nonprofit sector research; however, a recent study focused on evaluating funding sources of NPOs using this technique (Kearns, Bell, Deem, & McShane, 2012).

In this study, I am interested in the perceptions of Korean NPO leaders about various impulses that are shaping the development of the nonprofit sector. We attack this problem using Grid methodology to elicit assumptions about accountability expectations imposed by various stakeholders and asking managers to rank these expectations in terms of their importance or power.

Kelly's Grid methodology has taken different forms depending on the purpose of the study. In this study the repertory grid requires four interrelated steps: element selection, element comparison (construct generation), element evaluation, and grid analysis (Dunn & Ginsberg, 1986; Kearns, 1992). "Elements" mean the contents that will be presented to the respondents for them to compare and contrast. Kelly (1955) defined elements as things or events which are abstracted by the construct. Constructs demonstrate how individuals construe the world in their perception. In the Repertory Grid Method, they are main criteria or traits that the respondents use for their comparison and contrast between elements. A rating system should be arranged on a bipolar scoring range for the respondents' evaluation of the elements using constructs. Below is the procedure that was used throughout my dissertation.

Data was collected through Repertory Grid interviews from February 2011 until June 2011 in Seoul and 6 other major cities in South Korea. A total of 42 respondent organizations were selected based on a combination of quota and judgmental sampling. Initially, the first 20



respondent NPOs were selected based the quota and judgmental sampling. Each section that took up five percent in the proportion of NPOs in the list of the Directory of South Korean NPOs got one count in the interviewee sample group. The quota in each section is as follows (the numbers in parentheses indicate the number of respondents selected for the interview in each sector): social welfare (4), environment (2), politics/economy (2), youth/children (2), volunteering (2), human rights (1), women (1), peace/unification (1), education/research (1), culture/sports (1), urban/family (1), labor/poverty (1), and foreign aid (1). Then, an additional 22 respondents were selected using judgmental sampling and snow-bowling sampling methods, with the following considerations: whether the sector has more significance in terms of its impact on South Korean society than other sectors; and whether the organization demonstrates the uniqueness and particularities of South Korean NPOs.

The list of respondent NPOs follows.

**Table 2 List of interviewee NPOs**

Korean Women Link (한국여성민우회), Citizen's Action (함께하는시민행동), Citizen's Movement for Environmental Justice (환경정의), People's Solidarity for Participatory Democracy (참여연대), Citizens' Coalition for Economic Justice(경실련), Green Transport (녹색교통), Citizens' Alliance for North Korean Human Rights (북한인권시민연합), COPION(코피온), The Beautiful Foundation(아름다운재단), Korea NGO Council for Overseas Cooperation(한국해외원조단체협의회), End Poverty (지구촌빈곤퇴치네트워크), Korea Saemaul Undong Center (새마을운동중앙회), PSKA21(관악주민연대), Amnesty International (엠네스티인터내셔널), KASW21(관악사회복지), Holt (홀트아동복지), CAU Social Welfare Center (중앙사회복지관),
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Good Friends (좋은벗들),  
 Miral Welfare Foundation (밀알복지재단),  
 Peace Museum (평화박물관),  
 KHIS (국제민주연대),  
 Sungmisan School (성미산학교),  
 Okedongmu (남북어린이어깨동무),  
 Kayang 5 Welfare Center (가양 5 복지관),  
 Kangseo Banghwa Jahwal Center (강서방화자활센터),  
 Korean Sharing Movement (우리민족서로돕기운동),  
 Saram Maul (사람과마을),  
 Medcoop (민들레생협),  
 Green Daejeon (대전충남녹색연합),  
 Senior Welfare Center – Pusan Dong-gu (부산동구노인종합복지관),  
 Pusan Kijang Siver Home (부산기장실버홈),  
 GUHAK (학장천살리기주민모임),  
 People to Green Energy (기후변화에너지대안센터),  
 Taegu Woori Social Welfare Center (대구우리복지시민연합),  
 Citizens' Alliance for Pusan Economy (부산경제살리기시민연대),  
 Pusan Development Citizen Foundation (부산발전시민재단),  
 Taegu Homeless Center (대구노숙인상담지원센터),  
 Taegu YMCA (대구 YMCA),  
 Citizens' Life & Eco Conference (시민생활환경회의),  
 5/18 Foundation (5/18 기념재단),  
 Gwangju Munhwa (광주문화연대),  
 PSPD Jeonbuk (참여자치전북시민연대),  
 KFEM Jeonbuk (전북환경운동연합),  
 Green Jeonbuk (전북녹색연합),  
 Green Start (그린스타트)

#### 4.1.1 Element Selection


The elements in this research are stakeholders who place various expectations and accountability demands on NPOs. When it comes to identifying stakeholders, my focus was to ask respondents to identify stakeholders of their own individual organization rather than for the South Korean NPO sector as a whole. I asked respondents to identify general stakeholder categories (e.g. government agencies, donors, staff and board members, clients and other NPOs) and not specific

stakeholder names (e.g. A Company, B Company, C Ministry, D Nonprofit, Steve, Michael, Jane, etc).

The main stakeholders were identified and determined through 10 preliminary repertory grid interviews. In the beginning of the repertory grid interview, the researcher asked respondents to draw the sociogram of stakeholders surrounding the respondent's NPO. After the interviewee drew the sociogram of respondent NPO's stakeholders, the interviewer requested the respondent to account which categories of groups are main stakeholders, what the main interactions between the respondent NPO and stakeholder groups are like, and how strong and frequent the interactions are. This semi-structured in-depth interview protocol was designed to make the interviewee visualize his/her perceived stakeholder sociogram. The researcher provided the blank sheet with only a circle at the center of the paper so that the respondent can draw what he or she thinks the stakeholder diagram looks like.

Date of the interview: *MM/DD/YEAR*

Please draw stakeholder groups surrounding your organization.

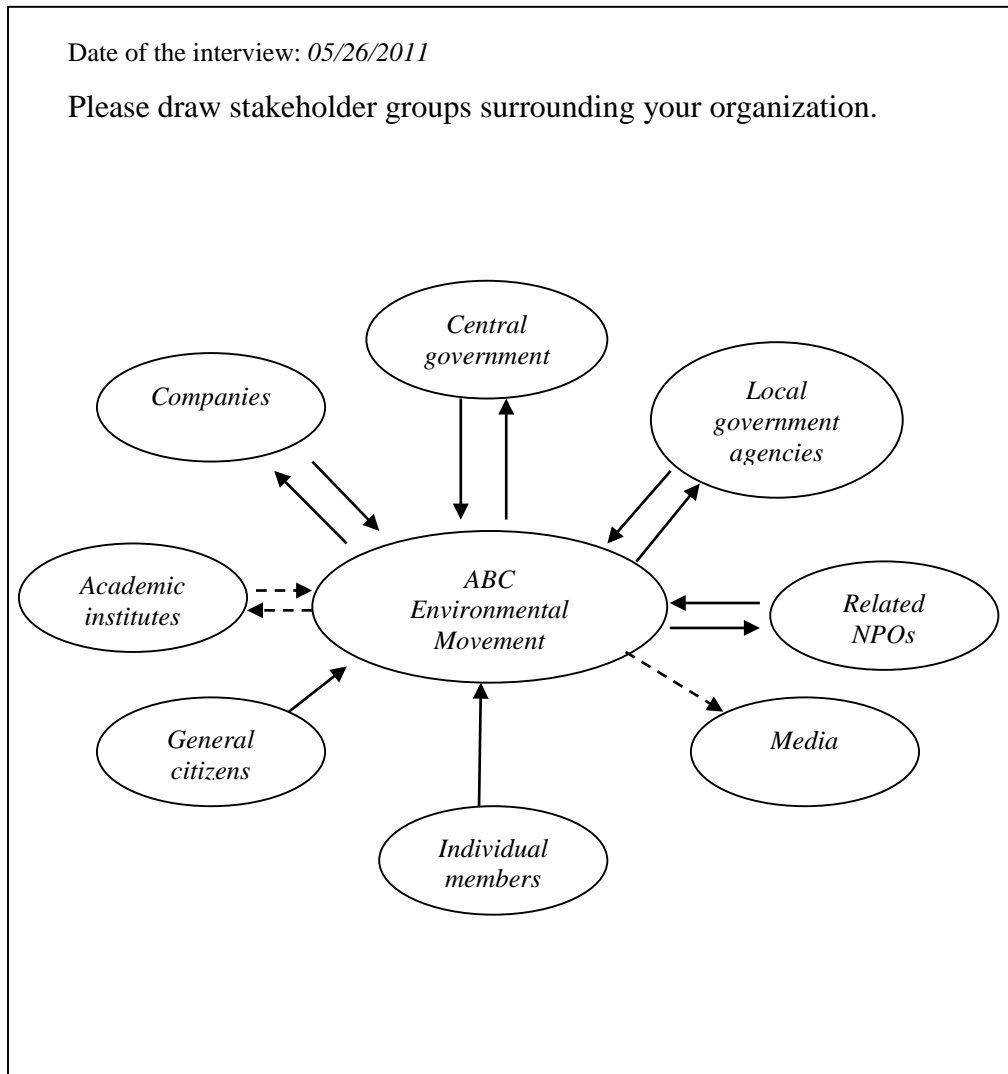


The diagram consists of a large rectangular frame. At the top left of the frame, there is a line of text: "Date of the interview: *MM/DD/YEAR*". Below this, there is another line of text: "Please draw stakeholder groups surrounding your organization." In the center of the frame, there is a smaller oval. Inside this oval, the text "*Name of respondent organization*" is written in three lines.

**Figure 4 Template for the stakeholder sociogram inquiry**

The answers from respondent NPOs reflect the uniqueness of each respondent NPO's relationship with surrounding stakeholders. After interviewees portrayed the respondent NPO's stakeholder relationship, the researcher asked follow-up questions on who are included under each category of stakeholders, what the characteristics are between the respondent NPO and each stakeholder (collaborative, confrontational, monitoring, sponsoring, etc), how strong the relationship is in terms of the frequency of interactions, and how substantive the mutual interaction is in terms of their mutual benefits. By asking the managers to account more of their relationship

with its stakeholders, the researcher intended to complement the limitations of charting links among general stakeholder categories instead of actual individual stakeholders.



**Figure 5 Example of respondent NPO's sketch of its stakeholder sociogram (Hypothetical)**

After conducting the first five interviews, the researcher selected the most commonly identified stakeholder categories and made a list of them. For the next five interviews, the researcher repeated the same process of requesting respondent NPOs to sketch their stakeholders and having them add supplementary explanations on each stakeholder category. Additionally, the

researcher asked the respondents to compare the listed stakeholder categories with their organization's stakeholders. While comparing the suggested list of stakeholder groups with those they identified, the respondents provided their opinions about which stakeholders can be regarded essential, how the stakeholder categorization or grouping differs by organizational types and focus, and how the suggested list of stakeholder groups are revised.

The finalized list of stakeholders through 10 pretest repertory grid interviews included the following: staff, board members, individual members, volunteers, clients/service users, citizens/local residents, government agencies, corporate donors, academia, media, other domestic NPOs, and international NGOs.

#### **4.1.2 Construct generation (Construct elicitation)**

After identifying stakeholders through the exercise in section 4.1.1, I conducted interviews to elicit constructs that NPO managers use while they compare stakeholders, in terms of the link with NPO accountability. The researcher prepared 12 index cards, each of which contained one category of stakeholders. The respondent was presented with three randomly selected cards containing the names of one of the stakeholder groups.

Each iteration of the interview was conducted in the following way. The researcher showed respondents the three cards, each of which contained the name of a stakeholder. The researcher asked the following prompting question.

“Here are three groups of stakeholders you have identified as important to your organization. With respect to the obligations you feel toward them, how are two alike and different from the third?”

The researcher pre-tested this question with the first five interviews and then refined this question based on the answering patterns and their feedback.

In this dissertation, constructs are certain criteria or traits that NPO managers and leaders perceive when they compare diverse stakeholders as related to their accountability tasks and concerns. Each stakeholder may or may not share some commonality in terms of its position or association with nonprofit accountability issues. These commonalities that some types of stakeholders share and that can be used as criteria for comparison of stakeholders were considered to be a construct.

The rationale behind this decision is founded upon the strategic definition of accountability. According to Kearns (1996) and Romzek and Dubnick (1987), accountability is understood as the task of managing and meeting diverse expectations from varied stakeholders. Therefore, the criteria that NPO managers consider in terms of perceiving main stakeholders' expectations may reflect key constructs in NPO managers' understanding of accountability obligations and major impulses for NPO management.

For example, if one senior manager of an NPO stated that government agencies and companies require strict financial transparency, whereas other partner NPOs did not have this request, then securing a financial transparency may be counted as a construct. As another example, if a representative of one environmental advocacy NPO perceives that government agencies and business companies are confrontational towards his NPO but perceives academia as willing to collaborate to pursue his organization's goal, then the characteristics of NPO's relationship (whether confrontational or collaborative) will be identified as another construct.

Since these constructs show which tasks South Korean nonprofit managers are focused on (from their accountability standpoint), they serve as clues that can predict the direction where the

South Korean nonprofit sector will head. There is a clear link between an individual NPO's accountability standpoint and its impulses because both are determined by the interpretation of and response to such NPOs' expectations and demands.

These constructs were collected and regrouped to capture the whole picture of the leading impulses in the South Korean NPO sector. The frequency of these constructs was also counted to compare the dominance among existing impulses.

#### 4.1.3 Element evaluation (Rating)

Element evaluation or rating can be done during or after the interviews. It can use either ranking or the Likert style scale (7 point scale). The researcher used the Likert style scale to assess to what extent each element reflects the construct.

For example, the researcher asked interviewees to fill out a synthesis table developed to compare all stakeholders on each generated construct. The researcher requested that respondents evaluate to what extent each stakeholder gives weight or places emphasis on the given constructs. Below is an exemplary table of the construct evaluation form.

**Table 3 Construct evaluation form**

	Stakeholder 1	Stakeholder 2	Stakeholder 3	...	Stakeholder 11	Stakeholder 12
Construct 1						
Construct 2						
Construct 3						
Construct 4						



#### **4.1.4 Grid Analysis**

Frequency distribution, descriptive statistics of the rating score of constructs, bivariate correlations of constructs, and bivariate correlations of stakeholders were calculated for the quantitative analysis of these constructs.

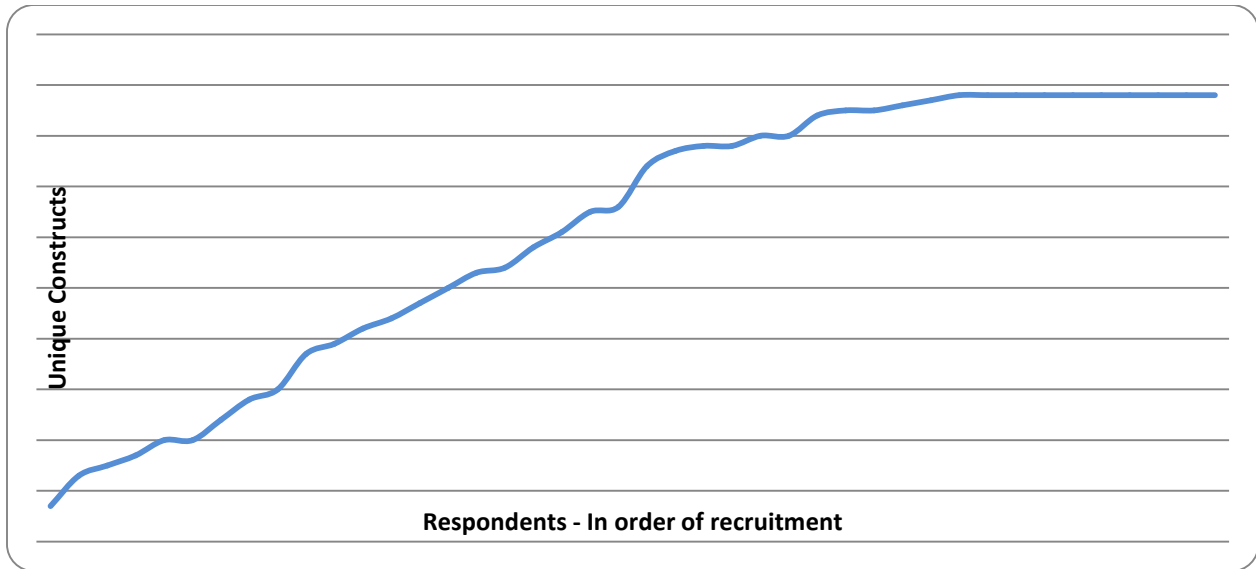
## **4.2 DATA ANALYSIS AND FINDINGS: REPERTORY GRID INTERVIEWS**

### **4.2.1 Population of constructs and context validity**

This study generated constructs regarding stakeholder expectations via application of the repertory grid method. Dunn (2002) and Kearns (1984) suggest that while there is theoretically no limit on the number of unique constructs that could be generated by successive grid interviews, there is a likely a practical limit. They suggest that researchers should continue conducting grid interviews with new respondents until the cumulative frequency distribution of new and unique constructs becomes flat. This test starts with drawing a cumulative frequency distribution of non-duplicate constructs. The cumulative frequency line should be plotted until it reaches the approximate limit of constructs in use in the sampled communities. In prior studies by Kearns, the practical limit of new and unique constructs has been reached before the 20<sup>th</sup> interview, but this will vary from study to study.

The figure below demonstrates the cumulative number of unique constructs generated by each successive respondent. This figure shows that the curve flattens out after thirty-three

respondents, implying that interviews beyond thirty-three respondents do not generate additional unique constructs. This phenomenon is pointed out as the strength of the Repertory Grid protocol. With a minimum amount of interviews, the researcher can create the whole population of constructs related to a particular topic (Dunn, 2002; Kearns, 1984).



**Figure 6 Cumulative frequency distribution of non-duplicate constructs**

#### **4.2.2 Description of unique constructs generated by respondents**

Repertory grid interviews from 42 respondents generated 259 constructs, many of which were duplicative. The average is 6.2 constructs per interview. The highest number of constructs generated by an interview was twelve, which occurred twice. The lowest number of constructs generated in an interview was two, which occurred three times.

However, these numbers include redundant constructs that were repeatedly mentioned by different respondents. Therefore, the researcher counted unique or distinctive constructs which were not mentioned in previous interviews. Through 42 repertory grid interviews, 88 unique constructs were elicited, which are displayed in the graph above.

The most frequently (24 times) mentioned construct is *relationship (i.e. collaboration versus confrontation)*, which refers to the extent to which a stakeholder collaborates with or confronts the respondent NPO. The next frequent (21 occurrences) construct is *shared accountability*, which refers to the extent to which a stakeholder shares the accountability with the respondent NPO. The next construct (15 times) is *transparency (in operations and finance)*, which refers to the extent to which a stakeholder requests transparency and efficiency in organization operation and budget implementation. Another construct that obtained a frequency of 15 times is *satisfying demands*, which refers to the extent to which the given NPO responds to requests from a stakeholder and/or local needs.

The next frequent (14 times) construct is *participating in decision making*, which indicates the extent to which a stakeholder participates in and is involved in major policy decisions of the respondent NPO. The next frequent construct (12 times) is *mission for social movement*, which is defined as the extent to which a stakeholder focuses on the mission for social change and/or public policy engagement. Another construct that obtained a frequency of 12 times is *service provision*, which means the extent to which a stakeholder is engaged in the service production and/or provision processes. The construct of *enhanced professionalism* also appeared 12 times. This construct is the extent to which a stakeholder requests professionalism in policy issues.

Other major constructs that obtained a frequency of from 5 to 10 are as follows: *management of conflicting values* (10 times), which is the extent to which a stakeholder reveals differences in values; *determining organizational boundary* (10 times), which refers to the extent to which a stakeholder is regarded as an internal actor by the respondent NPO; *client-centeredness* (9 times), referring to the extent to which the respondent NPO assumes responsibility toward the clients; *public interest-focus* (9 times), which refers to the extent to which a stakeholder seeks public interests; *mission-centeredness* (9 times), referring to the extent to which a stakeholder demonstrates a faithful commitment to the mission of the given NPO; *communication and promotion* (9 times), which refers to the necessity that the respondent NPO informs the chosen stakeholders about social issues and promotes its programs/ activities; *credible information source* (7 times), which is the extent to which a stakeholder places emphasis on the credibility of information provided by the respondent NPO; *resource provider* (6 times), which refers to the extent to which a stakeholder provides resources to the respondent NPO (in contrast to stakeholders receiving resources from the respondent NPO); *policy environment versus policy actor* (6 times), which refers to the extent to which a stakeholder functions as an element of as a main actor through a direct policy influence (as opposed to as an element of policy environment through an indirect influence); *involvement in project implementation* (6 times), referring to the extent to which a stakeholder holds its responsibility in participating in the project/program implementation of the respondent NPO.

The following constructs appeared less than five times: *strength of collaboration* (4), *spirit of pure volunteerism* (4), *power dynamics* (3), *mobilizing stakeholder participation* (3), *stakeholder education* (3), *short-term response/ long-term response* (3), *reputation monitoring* (2), *strategy differentiation* (2), *program quality-focused* (2), *program effectiveness-focused* (2),

*practicality (2), information disclosure (2), stance on government regulation (2), faith-based elements (2), administrative supervision (2), self-realization and welfare of staff (2), image making strategies (2), avoiding stereotyping (2), legal accountability focus (2), performance/process (1), and establishing organizational culture (1).*

**Table 4 Unique Constructs and their Frequency**

<b>Construct</b>	<b>Definition</b>	<b>Frequency</b>
Relationship – Collaboration/confrontation	The extent to which a stakeholder collaborates with or confronts the respondent NPO	24
Shared accountability	The extent to which a stakeholder shares the accountability with the respondent NPO	21
Transparency – Operations and finance	The extent to which a stakeholder requests transparency and efficiency in organization operation and budget implementation	15
Satisfying demands	The extent to which the given NPO responds to requests from a stakeholder and/or local needs	15
Participating in decision making	The extent to which a stakeholder participates and involves in major policy decisions of the respondent NPO	14
Mission for social movement	The extent to which a stakeholder focuses on the mission for social movement	12
Service provision	The extent to which a stakeholder is engaged in service production and/or provision process	12
Enhanced professionalism	The extent to which a stakeholder requests professionalism in policy issues	12
Management of conflicting values	The extent to which a stakeholder reveals differences in values	10
Determining organizational boundary	The extent to which a stakeholder is regarded as internal actor by the respondent NPO	10
Client-centeredness	The extent to which the respondent NPO assumes responsibility toward the clients	9
Public interest-focus	The extent to which a stakeholder seeks public interests	9
Mission-centeredness	The extent to which a stakeholder demonstrates a faithful commitment to the mission of the given NPO	9
Communication and promotion	The necessity that the respondent NPO inform the chosen stakeholder about social issues and promote its programs/activities	9
Credible information source	The extent to which a stakeholder places emphasis on the credibility of information provided by the respondent NPO	7

Resource provider	The extent to which a stakeholder provides resources to the respondent NPO or receives resources from the respondent NPO	6
Policy environment/ policy actor	The extent to which a stakeholder functions as an element of policy environment or as a main actor in policy process [ i.e. indirect influence versus direct influence]	6
Involvement in project implementation	The extent to which a stakeholder holds responsibility in participating in the project/program implementation of the respondent NPO	6
Strength of collaboration	The frequency and duration of collaboration between a stakeholder and a respondent NPO	4
Spirit of pure volunteerism	The extent to which a stakeholder centers on pure volunteerism	4
Power dynamics	The closeness of stakeholders to political or market power	3
Mobilizing stakeholder participation	The extent to which a respondent NPO has to motivate a stakeholder to participate in the NPO's program/project activities	3
Stakeholder education	The extent to which a stakeholder is regarded as subject to be educated by the given NPO	3
Short-term response/ long-term response	The immediateness and the time frame [long-term or short term] in the response of a stakeholder to environmental change	3
Reputation monitoring	The extent to which a stakeholder shows interests in the reputation of the respondent NPO	2
Strategy differentiation	The differences in the strategies of organizational management and social movement	2
Program quality-focused	The extent to which a stakeholder has interest in increasing program qualities	2
Program effectiveness-focused	The extent to which a stakeholder has interest in the effectiveness of sponsored projects	2
Practicality	The extent to which a stakeholder focuses on practical [or theoretical] supports to the given NPO	2
Information disclosure	The extent to which a stakeholder requests that a respondent NPO disclose information about its processes as well as results in service provision and delivery	2
Stance on government regulation	The stance of a stakeholder on government regulations (Prefer more regulation -- Prefer less regulation)	2
Faith-based elements	The extent to which a stakeholder places emphasis on religious belief regarding the activities of respondent NPO	2
Administrative supervision	The extent to which a stakeholder requests the respondent NPO to follow administrative supervision	2
Self-realization and welfare of staff	The extent to which a stakeholder places emphasis on the welfare and self-realization of staff members and activists in the given NPO	2

\* Note: The actual terms and phrases extracted from the Repertory Grid interviews are provided in the Appendix.

Image making strategies	The strategies of the respondent NPO to access and appeal to a given stakeholder	2
Avoiding stereotyping	The extent to which a stakeholder perceives social phenomena free from stereotyping and accepts a change in its ways of thinking regarding social issues or actors	2
Legal accountability focus	The extent to which a stakeholder emphasizes legal accountability	2
Performance/Process	The extent to which a stakeholder emphasizes the performance [or process] of the projects/programs of a given NPO	1
Establishing organizational culture	The extent to which a stakeholder focuses on establishing a communication culture	1

### 4.2.3 Interpretation based on generated constructs and in-depth interviews

#### *Origin of impulse: Distinction between intrinsic values and strategic utilities*

Senior managers of respondent NPOs most frequently mentioned constructs that highlight the intrinsic values of their organizational activities. Constructs that were directly related to the concept of intrinsic values include *shared accountability (solidarity)*, *mission for social movement (innate mission)*, *value-seeking*, *public interest-focus*, and *mission-centeredness*. Indirectly related concepts include *relations (collaboration and confrontation)*, *satisfying demands*, *participation in decision making process*, *determining organizational boundary*, *pure volunteerism*, *stance on government regulation*, *self-realization of staff members*, and *process-focused*. Among the 259 counts of constructs, including unique and redundant, 61 total counts (23.6%) can be interpreted as being directly related to their recognition and confirmation of their organization's intrinsic values in their activities and operations. A total of 63 counts (24.3%) were interpreted as indirectly related to their recognition and confirmation of their organization's intrinsic values.

Interviewees repeatedly used the term *basis* (*kiban* 기반 or *keunbon* 근본 in Korean) of their organization when comparing stakeholders. This term *basis* was used with the following varied meanings: innate mission, citizens who are paying membership dues, social movement goal,

stakeholders who share accountability, and actors who assume responsibility in solidarity. Their strong recognition was commonly observed in service-focused NPOs and advocacy-focused NPOs. Although more respondents mentioned the concept of social movement in the case of advocacy-focused NPOs, a substantial number of service-focused NPOs also emphasized social movement (*sa-hoe-woon-don* 사회운동) as the main source of their organizational legitimacy.

On the other hand, senior managers of South Korean NPOs implied a contrasting concept of extrinsic utility in their organizational management and strategy adoption and implementation. One interesting finding is that the managers' answers have not (or have failed to) revealed a converged concept that is the opposite of social movements or intrinsic values. Their answers normally started by mentioning an innate mission and the opposite concept was always implied in somewhat vague management terms and themes. The following concepts were mentioned in the context of contrasting with their intrinsic values: *enhanced professionalism, client-centeredness, communication and promotion, resource provider, short-term response/long-term response, reputation monitoring, strategy differentiation, program quality-focused, program effectiveness-focused, practicality, image-making strategies, and performance*. Total counts of related constructs were 55 (21.2%), which is less than half of the visibility of intrinsic values. One thing noticeable in these constructs is that it is challenging to converge these constructs into one main theme or impulse. In other words, it is not easy to find dominant constructs among these extrinsic utility-related constructs, except enhanced professionalism (15 occurrences) and client-centeredness (12 occurrences). Instead, this extrinsic utility impulse shows multidimensionality centered on enhancing strategic management in nonprofit organizations.<sup>3</sup> As we see in the

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<sup>3</sup> Strategic management [or strategic planning] means a “systematic process of through which an organization agrees on—and builds commitment among key stakeholders to—priorities that are essential to its missions and are responsive to the environment.” (Allison & Kaye, 2005, p. 1) The key components include: i) a response to the



suggested constructs with regard to extrinsic utility and strategies, these constructs are summarized as identifying their main stakeholders, analyzing their stakeholder environments, assessing resource mobilization, selecting and differentiating their main strategies, and conducting evaluation on their organizational performance and program effectiveness. Therefore, varied constructs under this extrinsic utility consideration can be evaluated as containing the elements of strategic management consideration.

This contrast between intrinsic values in South Korean NPOs and extrinsic utilities in their operation was also noticed in the literature on the South Korean NPO sector. As examined in the literature review part of this dissertation, some scholars emphasize the role of South Korean NPOs in leading political democratization, confrontation with authoritarian government and bringing about social change (D. Cho, 2007; D. Cho & Kim, 2007; Civil Society Forum & Institute for Civil Society Research of Joongang Daily Newspaper, 2002; C. Jeong, 2003). These intrinsic values were clearly identified in the literature as an agent for social movement, whereas its contrasting notions were suggested to embody multiple concepts, including professionalization (D. Cho, 2007), institutionalization (D. Cho, 2007), marketization (D. Cho, 2007; H.-R. Kim, 1997; J. Kim, 2006).

### ***Views on staff members: Emphasis on the role of staff as social activists***

How senior managers in nonprofit organizations view themselves reveals an interesting perspective and findings. Regardless of their focus, whether service or advocacy, NPOs place great emphasis on their roles as social activists. It is commonly expected that staff members in advocacy NPOs see themselves as agents and harbingers of social change. However, it is less common for

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circumstances of a dynamic environment, ii) a process that is based on structured and data based, iii) a choice of specific priorities, iv) a commitment building process, and v) a guidance for acquisition and allocation of resources. (Allison & Kaye, 2005, pp. 1-2)

staff members in social service organizations to regard themselves as social activists as much as they consider themselves to be professional managers. However, in many South Korean social service or service-focused NPOs, senior staff members recognize the importance of the motivation of self-realization and the contribution to social change through their organizational management work. The construct of *self-realization and welfare consideration of staff* demonstrates the coexistence of dual images within staff members. In an interview with one advocacy organization, the interviewee mentioned that staff contains the element of social movement, while comparing staff members with other stakeholders.<sup>4</sup> This image of the social activist was most commonly mentioned by senior managers in advocacy-focused NPOs. However, in the case of service-focused NPOs, two images appeared simultaneously, though to differing degrees. For example, in one service-focused organization—a U.S. Headquartered children’s service providing NPO—three staff members agreed that staff members have both roles as social activists and professional managers. However, they emphasized their role and obligations as professional managers, rather than as social activists.<sup>5</sup>

***Main mechanism to view stakeholders: Emphasis on the relation factor***

Another interesting finding is that senior managers of South Korean NPOs more prevalently recognize the construct of *relationship* rather than *resources* when comparing organizational stakeholders. South Korean NPO managers are evaluated as viewing their

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<sup>4</sup> Interview with a senior manager of Korean Women Link (Interview, February 23, 2011).

<sup>5</sup> Interview with three senior managers of Holt Children Welfare Center (Interview, March 16, 2011). The positions includes the Director of Department of Planning and Administration, Director of Department of Sponsorship, and a Senior Staff of Department of Sponsorship).

stakeholders more from the standpoint of *who will I work with* rather than *who will I get resources from*. This is in the similar line of thought that was pointed out when the distinction between intrinsic values and extrinsic utilities was made.

Constructs that contain an element of relationship consideration include: *relationship of collaboration/confrontation* (24), *shared accountability* (21), *determining organizational boundary* (10), and *strength of collaboration* (4). A total of 59 counts were interpreted as being associated with relationship consideration in the comparison of stakeholders, notably, the construct of relationship itself exhibited the highest frequency of 24. A construct that contains a component of resource is a *resource provider* (17). Relationship related constructs were 3.5 times more frequently identified than those of resource related constructs.

### ***Main focus in organizational component: Process-focused versus performance-focused***

Another noticeable finding from the Repertory Grid interviews is that South Korean NPOs recognize both elements of process and performance as parts of their legitimacy basis. Many respondents mentioned more about process-related obligations than performance-based obligations. The following constructs were evaluated as being related to process: *participating in decision making*, *mobilizing stakeholder participation*, *process*, and *establishing organizational culture*. The total count for these was 19. Constructs that are evaluated as associated with performance are program quality-focused, program effectiveness-focused, and performance. The total count for these was 5. This contrast between process-focus and performance-focus is interpreted as being associated with social movement impulses and strategic management impulses.

***Related accountability: Balanced understanding on internal and external controls***

Related accountability can be contrasted between internal control and external control. The main debate is whether or not South Korean NPO managers can control themselves, based on professional integrity and internal control. This issue lies in the continuation of early stage debates over the significance of internal and external controls in public administration positions (Finer, 1941; Friedrich, 1940).

In the South Korean NPO sector, the social movement impulse may have affected the types of accountability. For example, the social movement impulse regards NPOs' staff members to be social activists, whereas the strategic management impulse views staff members as professional managers.

**Table 5 Interpretation and Classification of Constructs**

	Social Movement Impulse	Strategic Management Impulse
Origin of impulse	Intrinsic value	Extrinsic utility
Perspective on staff's role	Staff as social activists	Staff as professional managers
Main mechanism to view stakeholders	Relations (Who will I work with?)	Resources (Who will I get resources from?)
Main focus in organizational component	Process-focused	Performance-focused
Related accountability	Internal control	External control

Related Constructs from Repertory Grid Interviews	Characteristics of relationships (collaboration versus confrontation), shared accountability(solidarity), participation in decision making process, mission for social movement (innate mission), management of conflicting values (value-seeking), determining organizational boundary, public interest-focus, mission-centeredness, spirit of pure voluntarism, power dynamics, mobilizing stakeholder participation, stakeholder education, stance on government regulation, faith-based elements, self-realization of staff members, process-focused	Transparency, professional service production, professionalism in policy issues, client-centered, strategic communication and promotion, resource provision, project implementation, information provider, reputation monitoring, strategy differentiation, program quality-focused, program effectiveness-focused, practicality, information disclosure, administrative supervision, welfare of staff members, image making strategies, performance-focused
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### 4.3 FINDINGS AND DISCUSSIONS FROM THE REPERTORY GRID

#### INTERVIEWS

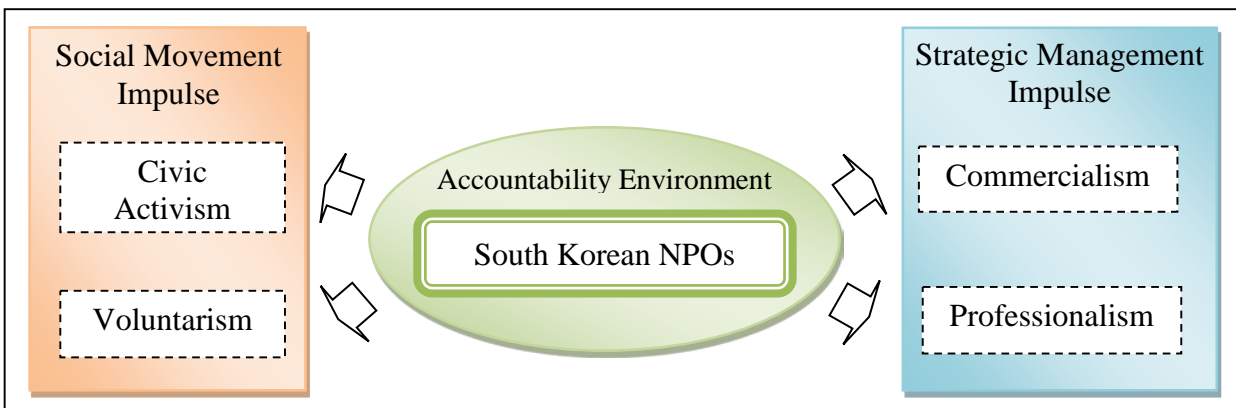
##### 4.3.1 Findings and discussion on main constructs

When asked to describe stakeholders' expectations of the organization the repertory grid interviews with 42 respondents generated 259 constructs. Among those 259 constructs, 88 constructs were unique. The most frequently mentioned constructs include *relationship (i.e. collaboration versus confrontation)* (24 times), *shared accountability* (21 times), *transparency (in*

*operations and finance*) (15 times), *satisfying demands* (15 times). Other major constructs were: *participating in decision making* (14 times), *mission for social movement* (12 times), *service provision* (12 times), *enhanced professionalism* (12 times),

Through the repertory grid interviews and in-depth interviews, the researcher intended to identify main impulses in the way NPO leaders construe their stakeholders and their accountability obligations. The researcher explored the impulses through the prism of accountability environment.

The South Korean NPO sector may require some adjustment or modification to Salamon's framework, based on a reinterpretation of Salamon's original four impulses. South Korean NPOs have faced multiple challenges and opportunities caused by social movement and strategic management drives. This contrast between intrinsic values in South Korean NPOs and extrinsic utilities in their operation was also noticed in the literature on the South Korean NPO sector.



**Figure 7 Tensions in managing South Korean NPOs**

## **5.0 PERCEPTIONS ON STAKEHOLDER PRIORITIES, FORCING IMPULSES, AND ACCOUNTABILITY OBLIGATIONS**

As the next step in my research, I used organizational surveys to explore how a broader group of NPO leaders construe their accountability environment and respectively respond. The survey asked NPO leaders to identify the ways in which they respond to these forces. It asked a large number of NPO leaders if they agree with the impulses identified through my repertory grid interviews. It also investigated how the individual NPOs' answers to questions such as "to whom are they accountable and for what" affect their stance on, and/or strategies of addressing, the identified impulses.

### **5.1 RESEARCH METHOD: ORGANIZATIONAL SURVEY**

An organizational survey was conducted for identifying and prioritizing the main stakeholders of individual NPOs and investigating the impulses from an accountability perspective. This survey method allows for investigation of both the current stances as well as perception of managers on the impulses driving South Korean NPOs within the accountability perspective.

In order to identify NPOs for my research, I used the NPOs list from the Directory of South Korean NPOs published by the Civic Movement Information Center (2011). This book contains the most extensive and recent South Korean NPO list, including a total of 7,563 non-profit organizations in South Korea. The social welfare organizations make up the largest proportion

(19.7%), followed by environmental (12.0%), politics/economy (10.8%), and youth/children (9.4%). Volunteering (8.0%), women (6.5%), education/research (4.7%), and peace/reunification (4.2%) also have relatively large numbers of NPOs in the list.

**Table 6 Population Frame of South Korean Nonprofit Organizations**

Sector	Number of NPOs (%)	Sector	Number of NPOs (%)
Environmental	908 (12.0)	Consumer's rights	70 (0.9)
Human Rights	216 (2.9)	Urban/Family	254 (3.4)
Peace/Reunification	319 (4.2)	Labor/Poverty	238 (3.1)
Women	491 (6.5)	Foreign residents	107 (1.4)
Oversight	109 (1.4)	Fundraising	29 (0.4)
Politics/Economy	816 (10.8)	Volunteering	603 (8.0)
Education/Research	352 (4.7)	Foreign aid	124 (1.6)
Culture/Sports	308 (4.1)	Alternative society	164 (2.2)
Social welfare	1,489 (19.7)	Online community	105 (1.4)
Youth/Children	708 (9.4)	Others	153 (2.0)
Sum		7,563 (100)	

Source: Directory of South Korean NPOs (Civic Movement Information Center, 2011)

This reference book provides organizational profile information such as year of founding, main activities and programs, history, number of members, information about the representatives, the number of staff members, and the annual budget. I selected a random sample of NPOs. I determined the number of sample NPOs in each sector depending on the size of each sector of NPOs in the directory (Civic Movement Information Center, 2011) and randomly selected sample NPOs in each sector. I then conducted an online survey by sending a survey website link to 1,000 randomly selected NPOs.

The survey questionnaire that I employed is comprised of six parts (Please see the appendix for the questionnaire). The first part asked general organizational information including its name, established year, legal types, main activity areas, and the proportion of service-focused and advocacy-focused work. This part is comprised of general organizational information that can be easily answered without referencing annual reports and do not contain sensitive organizational information such as budget and income sources. Both information of organizational name and



established year were requested in a single text box as an open question. A question on legal types was offered as a multiple choice question that allows multiple answers. The choices include registered nonprofit corporation, corporate aggregate, (juridical) foundation, social welfare corporation, unregistered nonprofit organization, educational corporation, and medical corporation. When a respondent organization chose its legal status as a registered nonprofit corporation, a sequence question was asked about which central government agencies or local government agencies the organization is registered with. The organizations' main areas of activity were asked as a multiple choice question allowing multiple answers. These options include civil society in general; law, administration, and politics; economy; consumers' rights; youth; women; culture; social welfare; religion; environment; education and academy; health and medical care; local autonomy; international; and laborers, farmers, and fisheries. The question about the proportion of service and advocacy functions was requested as a percentage that comes up to total 100.

The second part of the survey questionnaire asked respondents to assess the priority and significance of stakeholders and utilized the organizational stakeholder analysis. These options include: staff members and full-time employees; board members; individual members or donors; volunteers; clients or service target groups; general citizens and local residents; government agencies; companies; academics; mass media; other nonprofit organizations and civil society organizations; and international organizations and international NGOs. These choices were finalized through the in-depth interviews in the previous step and the pre-test in the survey. The first question in the stakeholder analysis asked respondents to choose their top three stakeholders among the given options in terms of their influence on main organizational decisions. Among those three choices, I did not ask to differentiate priority. The second question intended to evaluate

respective stakeholders with the 7 point Likert Scale. This question also asked respondents about the influence of stakeholders in their organization’s main decision-making process. In this scale, grade one means least influential and grade seven indicates the most influential.

The third part of the organizational survey asked about the extent to which respondent NPOs actually practice and focus on each accountability obligation. The accountability obligations were elicited from the in-depth interviews in the previous step. These survey questionnaire items were revised through two timed pre-test surveys and were measured using the 7 point Likert Scale. The survey items asked about the transparency in organizational decision making process, open and receptive internal communication, observance of organizational bylaws, efficiency in organizational operation, monitoring of budget by organizational governance structure, compliance to administrative guidance, shared vision with staff, active participation of members and citizens, client as active participant, enhancement and maintenance of volunteers’ motivations, citizen’s education on organizational mission and vision, provision of alternative strategies for improving social services and solving social problems, establishment of professional standards in public service planning and implementation, assuming a role in a public policy-making process, taking part in social service provision assigned by government agencies, professional management of volunteers, allocation of resources relevant to organization’s mission, provision of accurate information, increase in organizational outcomes in its activities and projects, formation and maintenance of collaborative partnership with government agencies/companies/other NPOs/academia, transparency in financial management, and provision of quality service programs. Items of accountability obligations are as follows:

**Table 7 Survey items for the measurement of accountability obligations**

Items	1	2	3	4	5	6	7
Ensuring the transparency of organization’s decision-making							

Responding to internal opinions and feedback in organization's operation								
Observing nonprofit organization-related laws, operational principles, bylaws, and articles of association								
Enhancing efficiency in organization's operation								
Budget reporting at the general assembly								
Abiding by administrative guidance of government including general reporting duty to the government agencies								
Sharing the organizational vision with staff and employees								
Increasing and facilitating active participation of members and general citizens								
Encouraging the client as active participant from passive beneficiary								
Giving and maintaining motivation of volunteers								
Educating citizens/local residents about organization's main focuses								
Making recommendations and generating alternative strategies for improving services and solving social problems								
Establishing professional standards in planning and implementing services to members and clients using scientific and evidence-based approach								
Executing roles as a participant in public policy-making processes in government-led committees								
Executing professional roles in policy-related work or social service provisions assigned by government agencies								
Establishing professional management of volunteers using human resource management								
Offering only services advancing the mission of organizations and allocating resources that are relevant to organization's mission								
Providing accurate information								
Increasing the organizational outcomes through its activities and projects								
Formation and maintenance of collaborative partnership with government agencies								
Formation and maintenance of collaborative partnership with companies								
Formation and maintenance of collaborative partnership with other NPOs								
Formation and maintenance of collaborative partnership with academia								
Ensuring transparency in managing membership fees, donations, and subsidies								
Providing quality service programs								

The fourth part of the survey examined the main impulses facing the South Korean NPO sector from the perspective of NPO accountability.<sup>6</sup> This part investigated which accountability obligations they consider, with respect to the impulses suggested by Salamon (2012a) and articulated by Kearns (2012). The main impulses include: voluntarism, professionalism, commercialism, and social activism. Kearns dissected the accountability framework into two dimensions: accountable to whom and accountable for what. Based on these two dimensions, Kearns provided respective elements that characterize Salamon's four impulses. First, the main stakeholders to whom the respondent NPO is accountable are articulated by each main impulse. Main stakeholders from the perspective of voluntarism were described as value-based communities (advocacy groups or religious groups), volunteers, and individual donors. Main stakeholders from the perspective of professionalism are suggested to be professional staff, professional associations, knowledgeable clients, government funding agencies, and institutional donors. Main stakeholders from the commercialism perspective are enumerated as social enterprises, service users who want to be treated as customers, market place that was intended to meet the service demand, and strategic partners and investors for organizational operation and project activities. Main stakeholders from the perspective of social activism are listed as coalitions and partner organizations sharing similar ideals, beneficiaries including future generations,

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<sup>6</sup> The interview questionnaire presented in the Appendix is an example of the types of questions that may be asked. At this moment this part 2 in this organizational survey questionnaire is left as blank. This part 2 questionnaire will be formulated based on the findings on the constructs in the impulses driving South Korean NPOs.

The part 2 of the organizational survey in the Appendix shows an illustrative model by adopting Kearns's (2012) interpretation of nonprofit accountability with a framework of Salamon's four impulses. Kearns delved into the accountability mechanism—accountable to whom and accountable for what—of Salamon's four impulses. Based on the contemplation of the impulses, Kearns provided an extensive list of indicators that characterize the four impulses with respect to the nonprofit accountability. I provide the questionnaire here because it will help understand what types of questions I intend to ask and what format I will use.

citizens and citizen supporters seeking social change, and staff and leaders of nonprofits who are seeking social change as social activists. The researcher asked the following question: “to what extent do you think your organization is accountable to the following stakeholders?” The survey questionnaire used 7 point Likert Scale (1: the least likely – 7: the most likely). The following table shows the actual questionnaire on main stakeholders from the perspective of each impulse.

**Table 8 Survey questionnaire for the assessment of the organization’s accountability (I)**

Items	1	2	3	4	5	6	7
Value-based communities (e.g. advocacy groups or religious groups)							
Volunteers							
Individual donors							
Professional staff							
Clients who have professional knowledge of the service provided							
Institutional donors							
Professional associations							
Government funding agencies							
Social entrepreneurs							
Service users							
Marketplace							
Strategic partners and investors							
Coalitions and partner organizations sharing same ideals							
Beneficiaries, including future generations							
Citizens and citizen supporters seeking social change							
Staff and leaders of nonprofits who are seeking social change as social activists							

The next survey question asks about performance criteria that South Korean NPOs are accountable for. The main performance criterion for NPO activities is also suggested by respective impulses. The performance criteria of voluntarism was interpreted as transforming the lives of individuals, creating a social condition and atmosphere where volunteers and individual members can discuss social problems and issues, and providing a vehicle for the expression of values. The

performance criteria of professionalism was enumerated as accomplishing the mission via logic models derived from professional standards; showing results and outcomes that are empirically validated; continuing organizational learning and improvement for nonprofit operation and activities; meeting professional guild standards of individual performance (e.g., certification, licensing); meeting industry standards of organizational performance (e.g., accreditation); meeting standards of efficiency in organizational operation; and operating the nonprofit organization with ethical standards and codes. The performance criteria of commercialism was interpreted as a growing organization’s market share, increasing social return on investment, exploiting market niche, leveraging comparative advantage of the organization and spawning entrepreneurial culture through growth strategy. The performance criteria of civic activism was enumerated as creating social conditions for organizational leaders to work as social activists, changing the allocation of valued goods in society, and changing social norms and public policies.

The table below shows main performance criteria required for the respective impulses. The researcher asked the following question: “to what extent do you think your organization is accountable for the following performance expectations?” The survey questionnaire used 7 point Likert Scale (1: the least likely – 7: the most likely).

**Table 9 Survey questionnaire for the assessment of the organization’s accountability (II)**

Items	1	2	3	4	5	6	7
Providing a vehicle for the expression of values							
Embracing, or at least accommodating value-based explanations of social problems and issues							
Transforming the lives of individuals							
Accomplishing the mission via logic models derived from professional standards							
Results and outcomes that are empirically validated							
Continuous organizational learning and improvement							

Meeting professional guild standards of individual performance (e.g., certification, licensing)								
Meeting industry standards of organizational performance (e.g., accreditation)								
Meeting standards of good governance, efficiency, ethical management (e.g., codes), and financial probity.								
Growing the organization's market share, sales, vouchers, financial sustainability, leveraging external investments and generation of community wealth								
Social return on investment								
Exploitation of niche markets and leveraging the comparative advantage of the organization								
Spawning the entrepreneurial culture through replication, franchising, or other growth strategy								
Creating social conditions for organizational leaders to work as social activists								
Changing social norms and public policies								
Changing the allocation of valued goods in society and the rules by which those goods are allocated								

The fifth part of the survey collected information about organizational profile (e.g. year of founding, number of employees, main sectors and activities, the portion of funding from government, the portion of funding from companies, and annual budget). The sixth part collected information about the respondent's individual level profile (e.g. position in the organization and the length of employment in the organization).

Preliminary surveys were conducted twice by visiting respondent organizations and using face-to-face interviews. The first preliminary survey was conducted with 25 NPOs between May 31 and June 28, 2012. After revising the questionnaire based on the preliminary analysis, the second preliminary survey was conducted with 15 NPOs between August 4 and 25, 2012. For the final organizational survey, 1,000 NPOs were randomly selected from the population frame. The actual survey was conducted between September 28 and December 15, 2012 using a web-based survey hosted on Survey Monkey. After initial e-mail invitations were sent in September 28, 2012, four additional follow-up requests were sent every other week and additional phone calls were

made to each organization to request response. A total of 355 NPOs responded and the completed surveys totaled 250 for a response rate of 25%.

To sum up, the survey intended to accomplish two main tasks: first, it built a cross-section of NPOs to prioritize the impulses elicited from the grid interviews, and second, it asked the interviewees to depict how they respond to the identified impulses in terms of their accountability strategies and mechanisms. In this way, the study will be able to delve into how different types of South Korean NPOs (e.g. different sub-sectors, history, size, revenue structure etc) prioritize the forces differently and consequently, whether they respond differently with respect to their accountability approaches.

## **5.2 DATA ANALYSIS AND FINDINGS: ORGANIZATIONAL SURVEY**

### **5.2.1 Descriptive analysis of respondent NPOs**

This part provides descriptive information of respondent NPOs including their founding years, legal status, areas of activities, number of staff members, demographics of respondent individuals (age and sex), and work period of respondent senior managers.



### 5.2.1.1 Founding years

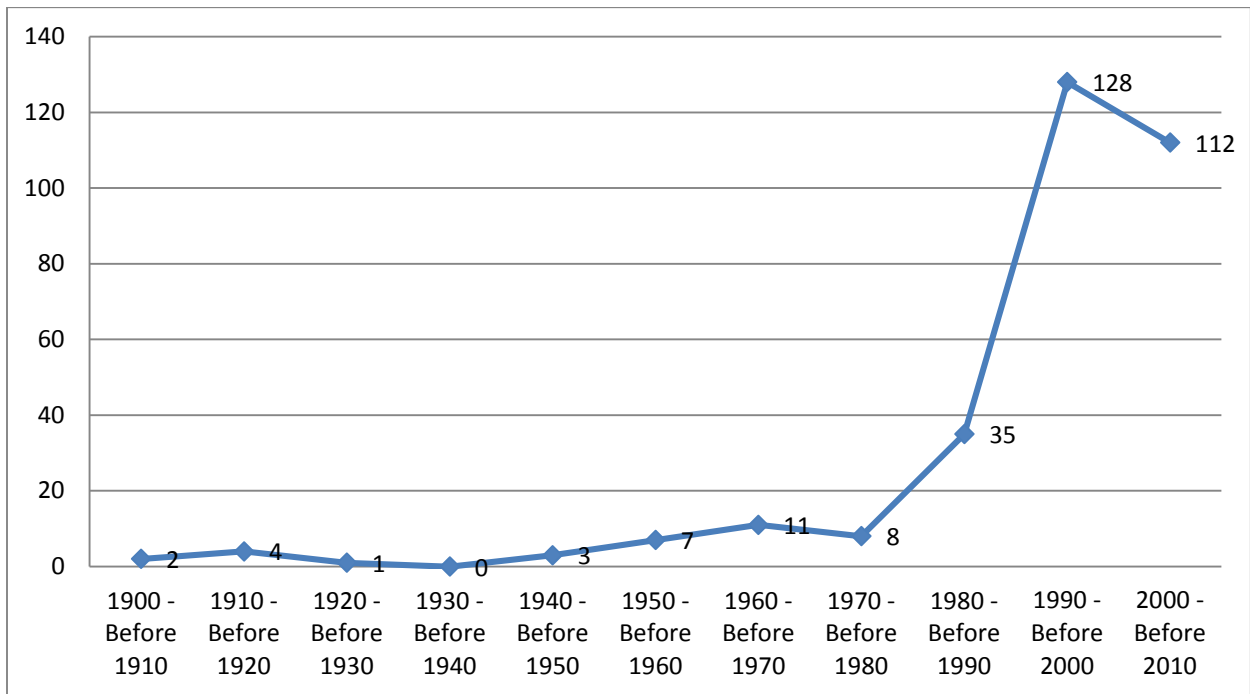
The majority of respondent NPOs (88.57%) were founded after 1980. Most (128, 40.63%) of respondent NPOs were founded in the 1990s. The next largest number of respondent NPOs were founded during the 2000s, totaling 112 and making up 35.56 percent. The third largest section was comprised of NPOs started during the 1980s, with 35 cases taking up 11.11 percent. These three groups combined account for 87.3 percent of the whole respondent NPOs.

Although some difference exists in each corresponding 10-year unit, the overall distribution of this research sample is similar to the profile of the South Korean NPO population. In the population of the South Korean NPO sector, 94 percent of NPOs are established since 1980s (Civic Movement Information Center, 2012), while 87.30 percent of NPOs are established since 1980s in this study's sample. One noticeable difference is that in this research the largest group is the year of 1990s (40.63%), whereas the largest group in the population is the year of 2000s (55.76%).

**Table 10 Frequency of Establishment of Respondent NPOs (by 10-Year Units)**

	<b>Frequency</b>	<b>Valid Percent</b>
1900 - Before 1910	2	0.63%
1910 - Before 1920	4	1.27%
1920 - Before 1930	1	0.32%
1930 - Before 1940	0	0.00%
1940 - Before 1950	3	0.95%
1950 - Before 1960	7	2.22%
1960 - Before 1970	11	3.49%
1970 - Before 1980	8	2.54%
1980 - Before 1990	35	11.11%
1990 - Before 2000	128	40.63%
2000 - Before 2010	112	35.56%
2010 - 2012	4	1.27%
Total	315	100.00%

The graph below shows that NPOs have dramatically increased their visibility in the 1980s and 1990s, while South Korea went through the democratization process. A stark contrast is observed in the trends of NPOs' establishment during the economic developmental period (between the 1960s and 1980s) and the social development or democratization period (after the 1980s). It is noteworthy that the peak of NPO establishment was reached in the 1990s and the number of newly founded NPOs turned to a declining trend in the 2000s. However, a cautionary interpretation may be required, since this trend is based on the profile of respondent NPOs, not the whole population of NPOs. Furthermore, this graph may also reflect the life cycle of NPOs. The NPO reference book contains profiles of active organizations as of the time of profile data collection. Therefore, this graph, in a strict sense, shows the overtime trend of establishment of NPOs among currently (presumably) active NPOs. It does not, however, show the overall evolution of the whole NPO population.



**Figure 8 Trend in the Establishment of Respondent NPOs (by 10-Year Units)**

The following table shows the frequency of respondent NPOs' establishment during major historical stages in South Korean society. This table provides more meanings than a simple 10-year unit comparison, since it incorporates the contextual implications in the development of South Korea. For example, in 1950, the Korean War t broke out, starting the South Korean contemporary political and economic period. The National Economic Development Plan was launched and implemented in 1962, which can be interpreted as the first step for the industrialization of the country. Then, in 1980 the May 18 Democratization Movement, a leading political protest in South Korean and Asian democratization process, occurred, fighting against an illegitimate ruling of military authoritarian regime. This democratization process reached its peak in 1987, when the June Democratization Movement brought the first direct presidential election to South Korean history. Another historical mark was in 1997, when the financial crisis swept Asia and President Kim Daejoong, one of the most iconic political figures in the South Korean democratization process, assumed his presidency. The democratization process and the imminent issues of financial crisis have made South Koreans place more emphasis on economic issues than on political agenda.

**Table 11 Respondent NPOs' established year in the major historical stage categories**

	<b>Frequency</b>	<b>Valid Percent</b>
Before 1950	10	3.17%
1950 - Before 1962	8	2.54%
1962 - Before 1980	18	5.71%
1980 - Before 1987	15	4.76%
1987 - Before 1997	98	31.11%
1997 - Before 2007	148	46.98%
2007 - Before 2012	18	5.71%
Total	315	100.00%

The average organizational age of respondent NPOs is 19.50 years old. However, as we see in the bar graph below, this result might have been influenced by outliers that have been placed

on the far right side of the spectrum. The median value in the age of respondent NPOs is 15 and the mode value is 13.<sup>7</sup>

### **5.2.1.2 Legal Status of Respondent NPOs**

In South Korea, there are no exclusive and unified laws or acts under which all NPOs are administered. Several separate acts exist and are complementarily used to categorize and classify existing NPOs. Therefore, an NPO could theoretically be categorized under more than one legal status within the categories suggested in the table.

The Nonprofit Organization Assistance Act,<sup>8</sup> enacted in 2008, provides the most comprehensive framework to cover varied types of NPOs. This act intends to provide government support for nonprofit organization projects and activities. The main focus of this law is on programs and projects of NPOs, instead of NPOs themselves. Although this act provides main six conditions<sup>9</sup> for an organization to be considered as a nonprofit organization, these elements do not

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<sup>7</sup> The "median" is the middle value in the list of numbers when they are listed in numerical order. The "mode" is the value that occurs most often. As we observe in the bar graph of the age of respondent NPOs, The data seems to be positively skewed with an elongated tail at the right. a long right tail. In this case, it is imperative to remove the influence of extreme values and outliers when we interpret the data. Therefore, the median or mode value offers a better summary than the mean value in the case of organizational age variable.

<sup>8</sup> The Nonprofit Organization Assistance Act, Retrieved from <http://www.law.go.kr/lsInfoP.do?lsiSeq=83639#0000>

<sup>9</sup> Six conditions include i) beneficiaries of organizational activities should be broad and should not target or specify particular people or group, ii) profits should not be distributed to internal members of the organization, iii) the organization should not aim to support particular political parties or candidates, or particular religious groups, iv) the number of regular members should be bigger than 100, v) the organization should have a confirmed performance in

serve as unified and exclusive criteria to distinguish nonprofit organizations from other types of public corporations or public organizations.

The Civil Law in South Korea contains a section on profit and nonprofit corporations. The nonprofit corporation under the civil law refers to juridical persons that are composed of either natural persons or wealth. The nonprofit corporations serve in the following areas: academics, religion, charity, art, and other projects of which main objects are not seeking profits.

In addition to the Nonprofit Organization Assistance Act and the Civil Law, specialized acts cover special areas, including social welfare and education. Corporations belonging to these areas are required to register with these special acts. These corporations are considered to be special public corporations in practice and can be academically categorized as nonprofit organizations.

The distribution of legal status of respondent NPOs is as follows. Most respondent NPOs (223) are categorized as registered NPOs with government agencies under the Nonprofit Organization Assistant Act. As mentioned above, 138 respondent NPOs are categorized as juridical persons or corporations under the authority of the Civil Law. There were 21 foundations, 16 welfare corporations, and one education corporation. 17 respondent NPOs were not registered with any laws or acts.

**Table 12 Legal Status of Respenden NPOs**

	Registered nonprofit organization	Nonprofit corporation [Juridical person]	[Juridical] Foundation	Welfare corporation	Unregistered NPO	Education corporation	Other
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contributing public interests recently for more than one year, and vi) if the organization is not a legal person or corporation, the organization should have a representative or representative administrator.

Act/ Law	Nonprofit Organization Assistance Act	Civil Law	Civil Law	Social Welfare Project Act	NA	Act on the Establishment of Education Corporation (Separate individual acts exist)	NA
Frequency	223	138	21	16	17	1	6

### 5.2.1.3 Areas of Activities

Respondent NPOs areas of activities are as follows. In the organizational survey, respondent NPOs were asked to check all that apply among the suggested activities. The largest portion was taken by the civil society organizations with 140 cases. The area of civil society mainly refers to NPOs' monitoring and watchdog roles. The next place was taken by the social welfare sector with 125 cases. The area of social welfare includes general social welfare service, special welfare service for disabled people, and special welfare service for senior citizens. Youth (90 cases), culture (80 cases), environment (77 cases), education & academics (76 cases), and women (71 cases) areas also took a relatively large portion in this sample.

This sample distribution is similar in terms of total contribution of NPOs. In the population distribution (Civic Movement Information Center, 2012), the top four distribution areas include social welfare (20.0%), environment (12.0%), civil society (11.0%), and youth (9.0%). In this study's sample, the top four groups are the same, but their ranks and proportions showed some noticeable difference. In this study, the civil society organizations took first place (14.7%), followed by social welfare (13.16%), youth (9.5), and environment (8.1%). This discrepancy in the distribution of focused areas between the population and this study's sample could affect the result of this study, since this study's sample includes a greater proportion of advocacy-focused NPOs than the population.

**Table 13 Areas of Activities**

Area of activities	Civil society	Politics & administration & law	Economy	Consumers' rights	Youth	Women	Culture	Social welfare
Frequency	140	42	22	25	90	71	80	125
Area of activities	Religion	Environment	Education & academics	Health & medical	Local autonomy	International affairs	Labor	Others
Frequency	26	77	76	23	54	47	34	18

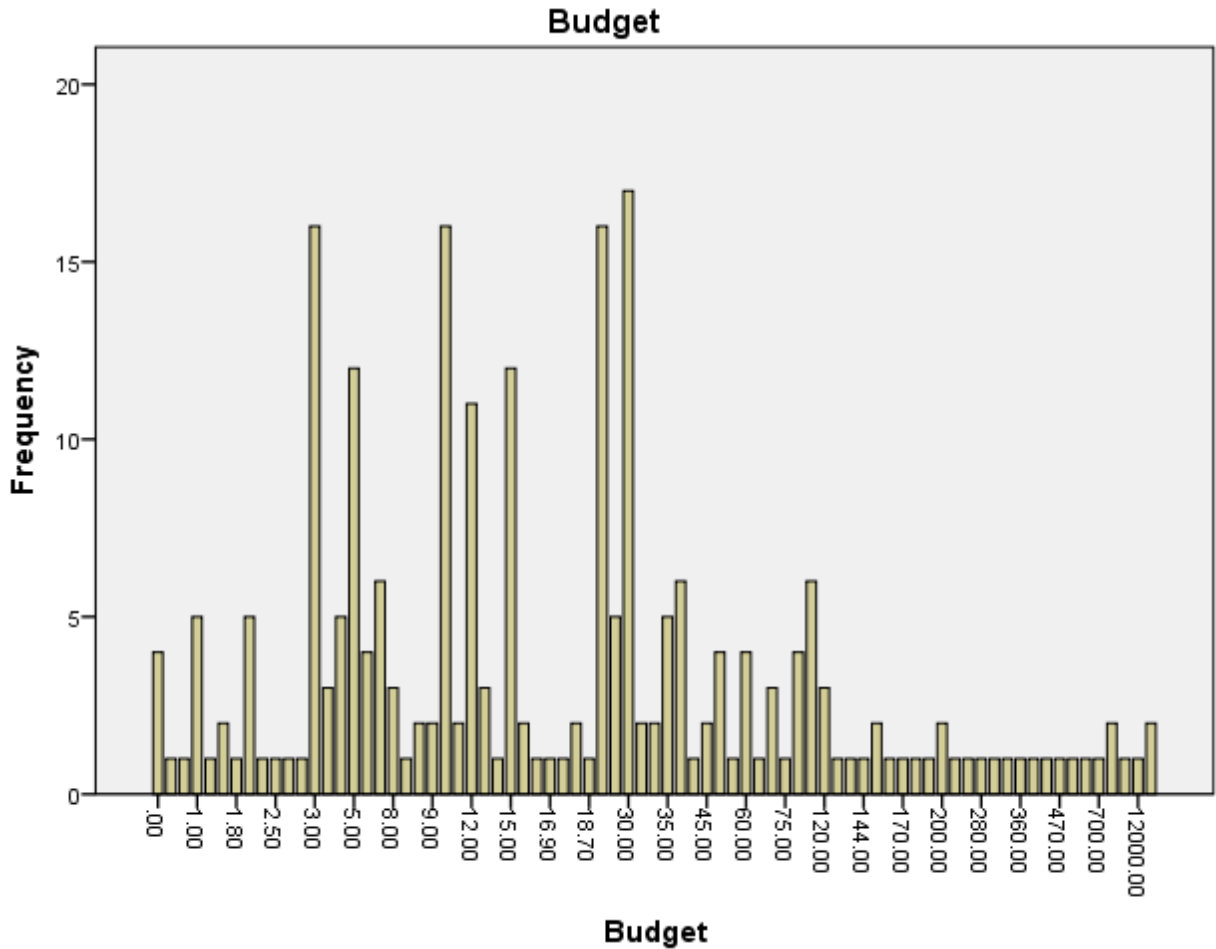
#### 5.2.1.4 Budgets

The mean value of annual budget of respondent NPOs is 3 billion, 8 million South Korean Won (as equivalent to US Dollar 2.61 million).<sup>10</sup> However, we must interpret this result cautiously as the data is skewed with an elongated tail at the right. It contains a substantial number of outliers (with the skewness indicator of 7.94).<sup>11</sup> Median value is 150 million South Korean Won (as equivalent to USD 130 thousand) and mode value is 300 million South Korean Won (as equivalent to USD 260 thousand). The first quartile is 60 million South Korean Won (as equivalent to USD 52 thousand), the second quartile is 150 million South Korean Won (as equivalent to USD 130 thousand), and the third quartile is 400 million South Korean Won (as equivalent to USD 346.7

<sup>10</sup> Among the 315 respondent NPOs, 243 NPOs answered about their annual budget. The standard deviation is 18.4 billion South Korean Won (15.9 million US Dollars). Yearly average exchange rates for converting foreign currencies from South Korean Won into U.S. Dollars is 1153.7. (Retrieved from <http://www.irs.gov/Individuals/International-Taxpayers/Yearly-Average-Currency-Exchange-Rates>).

<sup>11</sup> If the data is not skewed, the indicator should be 0. If it is over 1, then the data can be interpreted as very skewed. (Mertler, Craig A., & Vannatta, Rachel A. (2001). *Advanced and multivariate statistical methods: practical application and interpretation*. Los Angeles: Pyrczak).

thousand). As seen in the description of the budget data distribution, this study's data is skewed toward large organizations.



**Figure 9 Budget of Respondent NPOs (Full cases)**

The researcher also examined the distribution of budget after removing 27 outliers that have extremely big values.<sup>12</sup> 216 cases were included in the following descriptive analysis of the

<sup>12</sup> There are varied ways of identifying outliers. The most commonly used way is to set the outlier range by using inter-quartile range (IQR). IQR is the value obtained by subtracting the first quartile value from the third quartile value of a data set. The values for  $Q1 - 1.5 \times IQR$  and  $Q3 + 1.5 \times IQR$  are the "inner" fences and the values for  $Q1 - 3 \times IQR$  and  $Q3 + 3 \times IQR$  are the "outer" fences. The outliers are between the inner and outer fences, and the extreme values are outside the outer fences. In this study's data set, IQR is 34. This value is obtained by subtracting 6 from



budget data. The standard deviation is 27.4 million South Korean Won (equivalent to USD 23.7 thousand). The mean value of annual budget of respondent NPOs, if extreme outliers are removed, is 231.7 million South Korean Won (as equivalent to USD 130 thousand).<sup>13</sup> The skewness indicator has become minimized with this adjustment with a value of 2.08. However, this is still a big number requiring a cautious interpretation. Therefore, median and mode values should be examined together for a complementary interpretation. The median value is 130 million South Korean Won (equivalent to USD 112.7 thousand) and the mode value is 300 million South Korean Won (equivalent to USD 260 thousand). The first quartile is 50 million South Korean Won (equivalent to USD 43.3 thousand), The second quartile is 130 million South Korean Won (equivalent to USD 112.7 thousand), and the third quartile is 300 million South Korean Won (equivalent to USD 260 thousand).

It is reported that the population of the South Korean NPO sector has the average annual budget of 604 million South Korean Won (equivalent to USD 52.4 million). Although the average budget of the population and this study's sample group is somewhat different, distributing NPOs by budget shows a similar pattern, in terms of the proportion in each unit of less than 10 million, 10 million ~ 100 million, 100 million ~ 1 billion, and more than 1 billion (all presented in South Korean Won in this section). In the population, the largest group was taken by the unit of 100 million ~ 1 billion (43.1%), and the next largest group was taken by the unit of 10 million ~ 100 million (41.6%). In this study's sample, the largest group and the second largest group are

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40. Upper limit of the inner fence is  $91 (= 40 + 1.5 * 34)$  and upper limit of the outer fence is  $142 (= 40 + 3 * 34)$ . Weiss, N. A. (2008). *Introductory statistics* (8th ed.). San Francisco: Pearson, Addison-Wesley.

<sup>13</sup> Among the 315 respondent NPOs, 243 NPOs answered about their annual budget. The standard deviation is 18.4 billion South Korean Won (15.9 million US Dollars). Yearly average exchange rates for converting foreign currencies from South Korean Won into U.S. Dollars is 1153.7. (Retrieved from <http://www.irs.gov/Individuals/International-Taxpayers/Yearly-Average-Currency-Exchange-Rates>).

consistent with those in the population. But the actual proportion showed some difference. In the sample, the unit of 100 million~ 1 billion took up 48.1%, and the unit of 10 million ~ 100 million took up 34.2%.

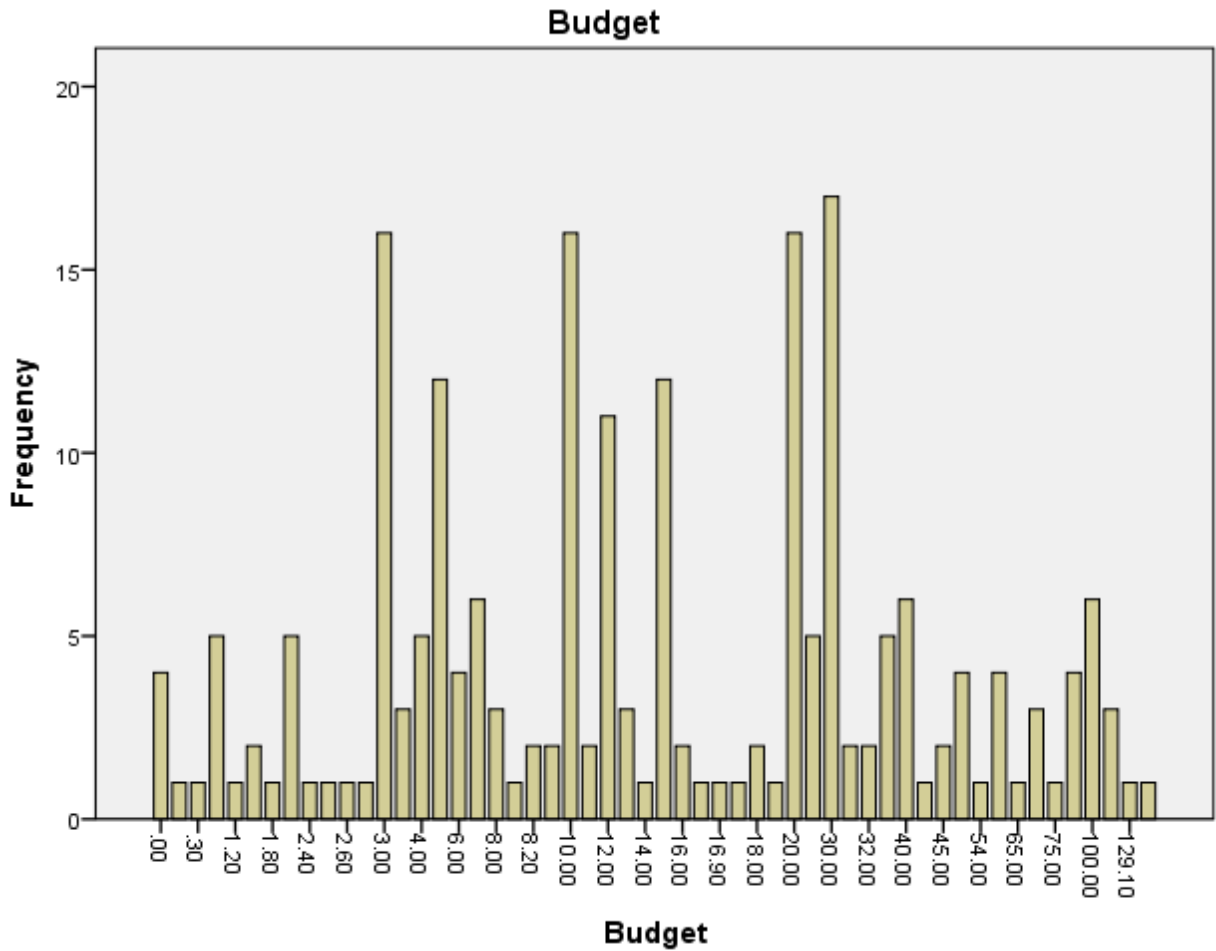


Figure 10 Budget of Respondent NPOs (after removing extreme buget outliers)

### 5.2.1.5 Revenue sources of respondent NPOs

Revenue sources of respondent NPOs are as follows. A total of 221 NPOs fully answered about the revenue sources and their portion. Membership dues & fees took up the largest portion, with an average of 33.4%.<sup>14</sup> The next largest portion consisted of government support with an average portion of 24.9%. The next category is revenue from fundraising, with an average portion of 16.8%. Profits from projects and events took the next place with an average portion of 13.8%. Donations from companies took up the smallest budget portion, with an average of 6.5%.

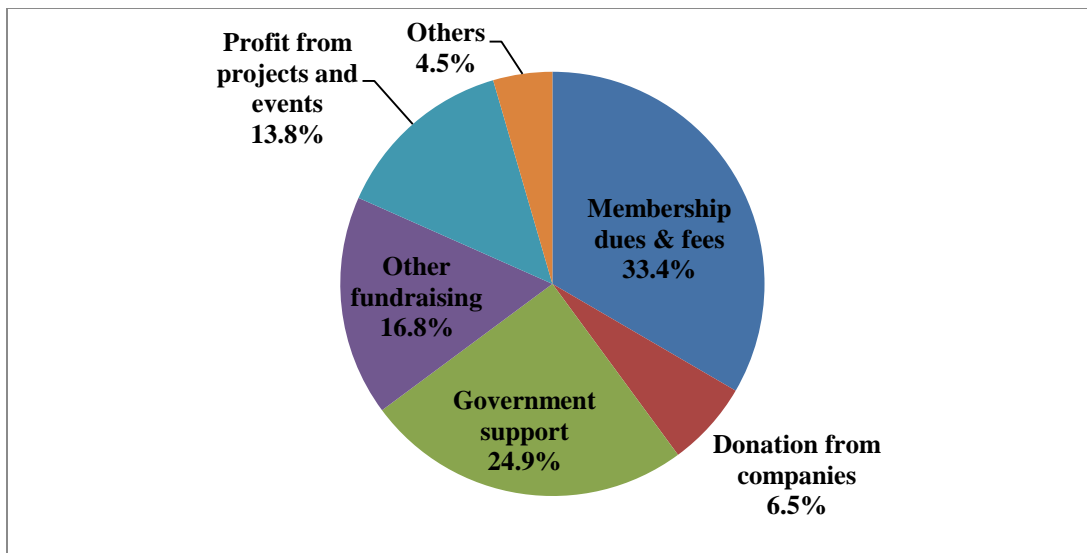


Figure 11 Revenue sources of Respondent NPOs (All case)

<sup>14</sup> In this survey, the membership dues and fees were not asked in a separate category, since in Korea the distinction is somewhat vague except for some areas such as higher education institutions and hospitals. However, in this study, higher education institutions and hospitals were not included. Instead, most respondents are membership association, small scale social service organizations, and advocacy-focused civil society organizations. These NPOs are not highly commercialized. For them, the membership dues and fees are considered as somewhat common in that both are coming from individuals outside of the organization. The nuanced difference may exist because those individuals are committed citizens in the case of advocacy NPO, whereas they are service using customers in the case of service-focused NPOs. The Civil Society Comparative Study by the Johns Hopkins University also compares the revenue source without the distinction between service fees and membership dues since these concepts are used with different meanings in varied contexts (Salamon & Sokolowski, 2004).

### ***Revenue sources of service-focused respondent NPOs***

Revenue sources of service-focused respondent NPOs are as follows. Service-focused NPOs are defined as NPOs where the work proportion is 50 or more than 50 percent service work. Among the 221 NPOs that fully answered about their revenue proportion, 134 organizations were categorized as service-focused NPOs.<sup>15</sup>

The biggest difference in the composition of revenues between the whole respondent NPOs and service focused NPOs is the order of membership dues and government support. When only service-focused NPOs were included, the government support took up the largest portion, surpassing the proportion from membership dues. 28.4 percent of the revenue came from government support, while 28.3 percent of the revenue came from membership dues. However, the gap is minimal with only 0.1% difference.

The next category is revenue from fundraising, with an average portion of 17.3 %. Profits from projects and events took the next place, with an average portion of 14.2%. Donations from companies took up the smallest portion with an average of 7.2%.

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<sup>15</sup> Among the 221 NPOs that fully answered about the revenue proportion, 134 organizations were categorized as service-focused NPOs, whereas 58 organizations were categorized as advocacy-focused NPOs. The sum of these two subcategories is not equal to 221, since some of the 221 NPOs did not answer about the proportion of their service and advocacy works.

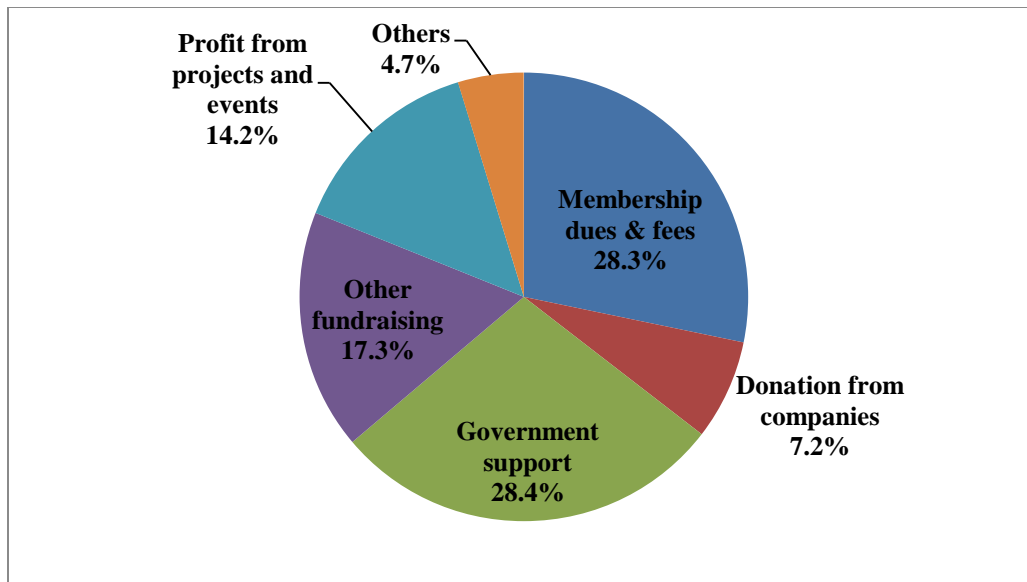


Figure 12 Revenue sources of respondent NPOs (Service-focused NPOs)

### *Revenue sources of advocacy-focused respondent NPOs*

Revenue sources of advocacy-focused respondent NPOs are as follows. Advocacy-focused NPOs are defined as NPOs where the proportion of social service work is less than 50 percent. = Among the 221 NPOs that fully answered about the revenue proportion, 58 organizations were categorized as service-focused NPOs.

The most noticeable difference between service-focused NPOs and advocacy-focused NPOs is that revenues from membership dues took up a very large portion. The revenue from membership dues occupied 43.6 percent of the budget. Profits from projects and events took up 17.5 percent.

Another interesting finding is that the revenue from government support is minimal, with a portion of 14.6 percent, which is less than half that of service-focused NPOs (28.4 percent). The revenue portion from companies' donations (5.9 percent) is smaller compared to that of service-focused NPOs (7.2 percent).

It can be summarized that advocacy-focused NPOs make efforts to mobilize more of the independent revenue sources, including membership dues and profits from independent projects and events than service-focused NPOs. Advocacy-NPOs seem to try to minimize their dependence on sources from government agencies and companies, since it might put their autonomy at risk against the pressures and requests from these stakeholders and serve as obstacles in the commitments to their original mission and vision.

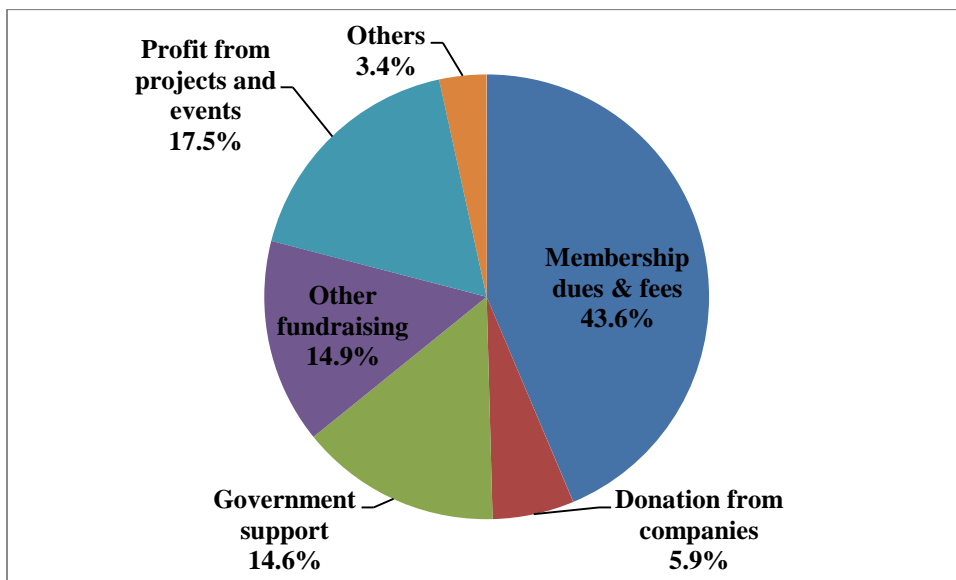


Figure 13 Revenue sources of respondent NPOs (Advocacy-focused NPOs)

### 5.2.1.6 Number of staff members

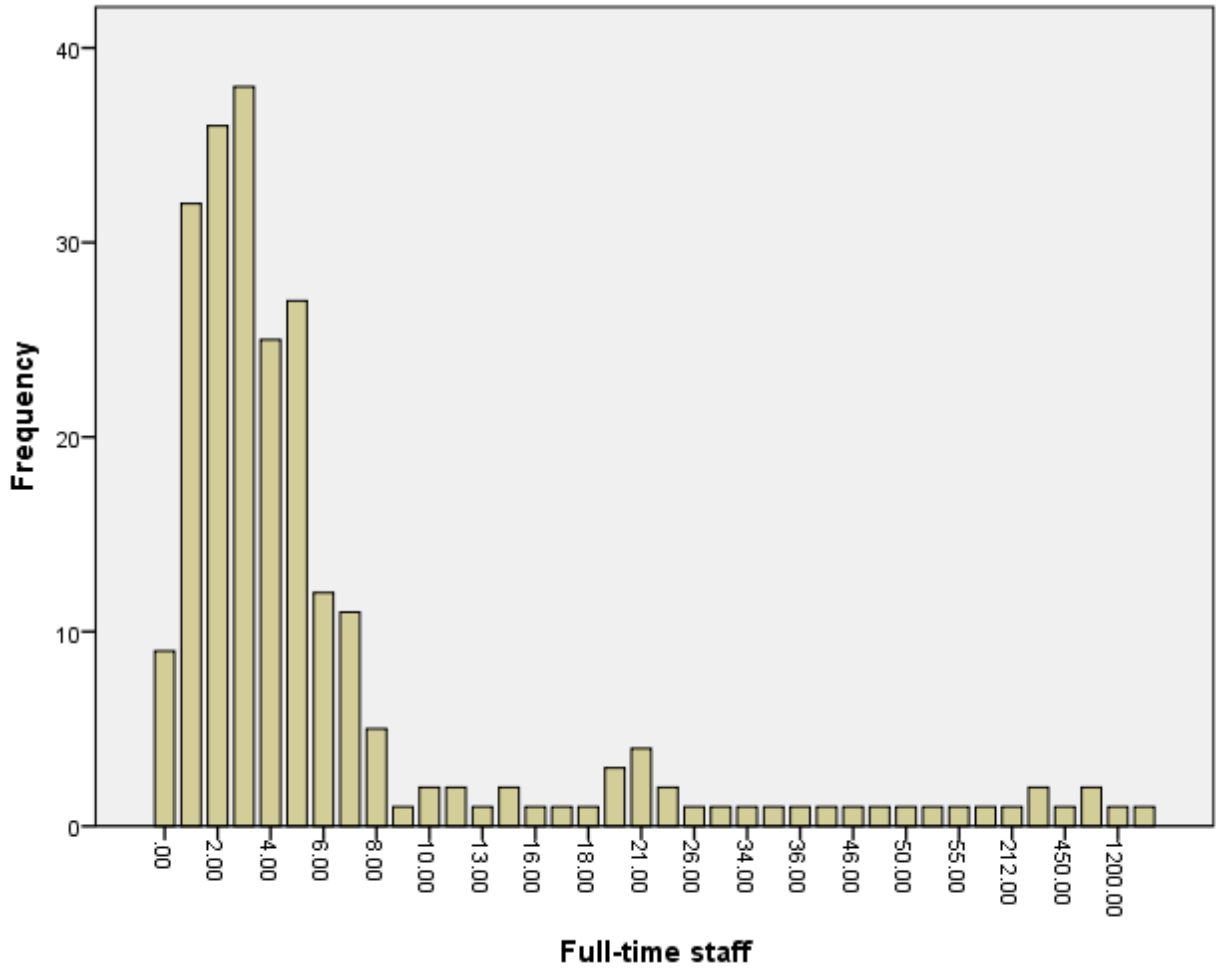
The mean value of the number of full-time staff of respondent NPOs is 30 with a standard deviation of 151.62. However, as observed in the bar graph below and confirmed by the high skewness indicator of 7.72, the data is skewed left and right-tailed. The median value is 4 and the

mode value is 3. The first quartile is 2; the second quartile is 4; and the third quartile is 6. Therefore, the mean value of 30 alone may not accurately represent the distribution of the data.

The mean value of the number of part-time staff of respondent NPOs is 91.5 and standard deviation is 1127.32. The distribution is skewed left with a skewness indicator of 13.29. In this case, the mean value has some limitations in representing the data. The median value is 1 and the mode is zero. The first quartile is .0; the second quartile is 1.0; and the third quartile is 3.0.

As shown in the bar graph below, the value three has the highest frequency, with 38 cases. The most frequent values are centered between one and five. This graph shows that majority of NPOs in South Korea are run on a very small scale. However, at the same time, a stark contrast is observed between a few but large scale NPOs and the majority but small scale NPOs. (See the frequency table in the Appendix for more detailed information).

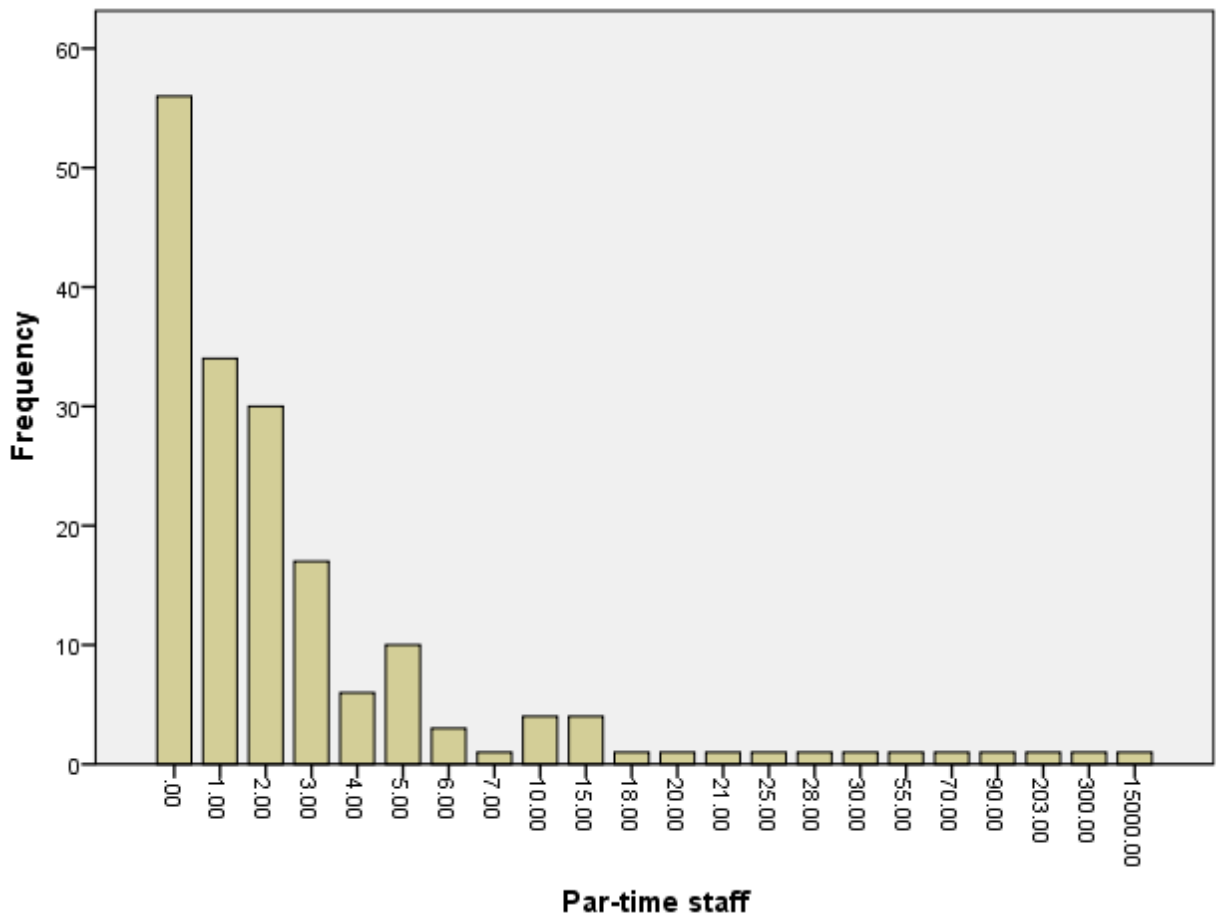
**Table 14 Number of full-time staff members**



The bar graph of the number of part-time staff of respondent NPOs is more extremely skewed left than that of full-time staff. 31.6 percent of respondent NPOs do not utilize part-time employees and 19.2 percent of respondent NPOs utilize one part-time staff. Therefore, more than 50 percent of NPOs utilize either only one or zero part-time workforce. (See the frequency table in the Appendix for more detailed information).



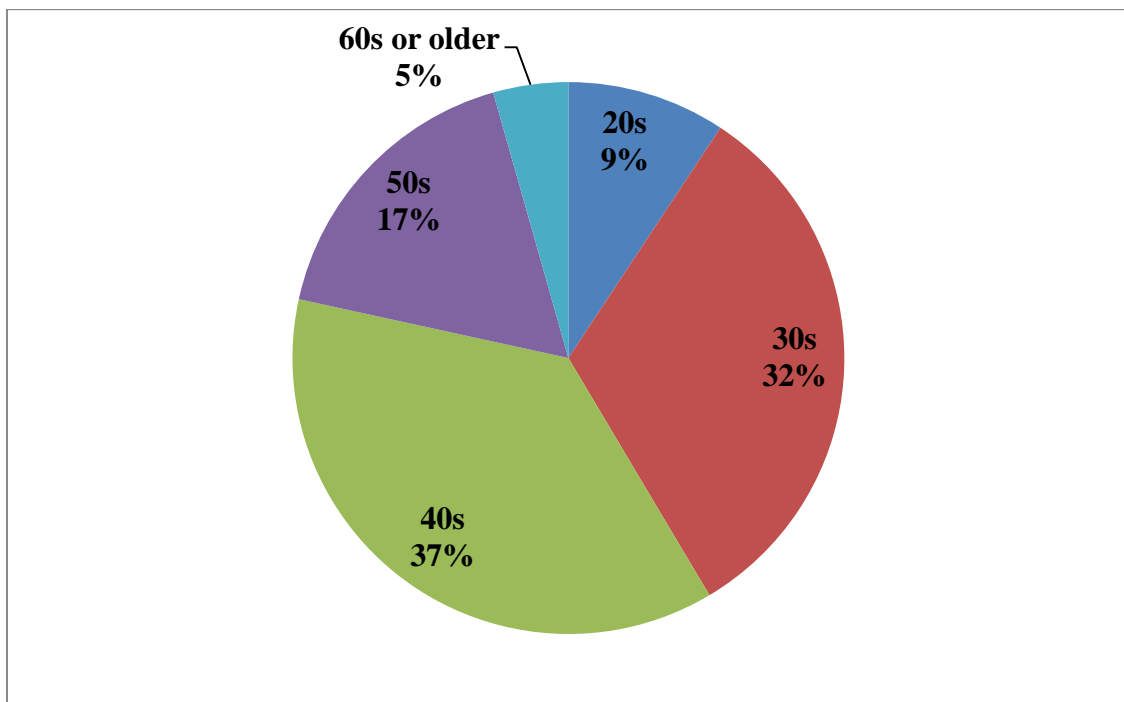
**Table 15 Number of part-time staff members**



### 5.2.1.7 Demographics of respondents

The distribution of survey respondent age is shown in the chart and table below. Most people were 40-49 (37%) years old, followed by 30-39 (32.2%). The next ranking age group was those in their 50s (17.2%) then people in their 20s (9.3%). Given that all interviewees are restricted to top level senior managers with minimum three years of working and currently assume positions higher than director level, the low proportion of 20-29 year olds was not surprising. This age

distribution may demonstrate that respondent NPOs are small in their scale.<sup>16</sup> In this case, young workers may have to assume multiple roles including senior level manager tasks because the tasks are not as divided in a small NPO as in larger, for-profit organizations. Additionally, the number of young people in power demonstrates that there are substantial young NPOs that are driven by young leaders and social entrepreneurs, compared to public and government agencies that are managed by long-term career and old-aged senior level officials.



**Figure 14 Age distribution of respondents**

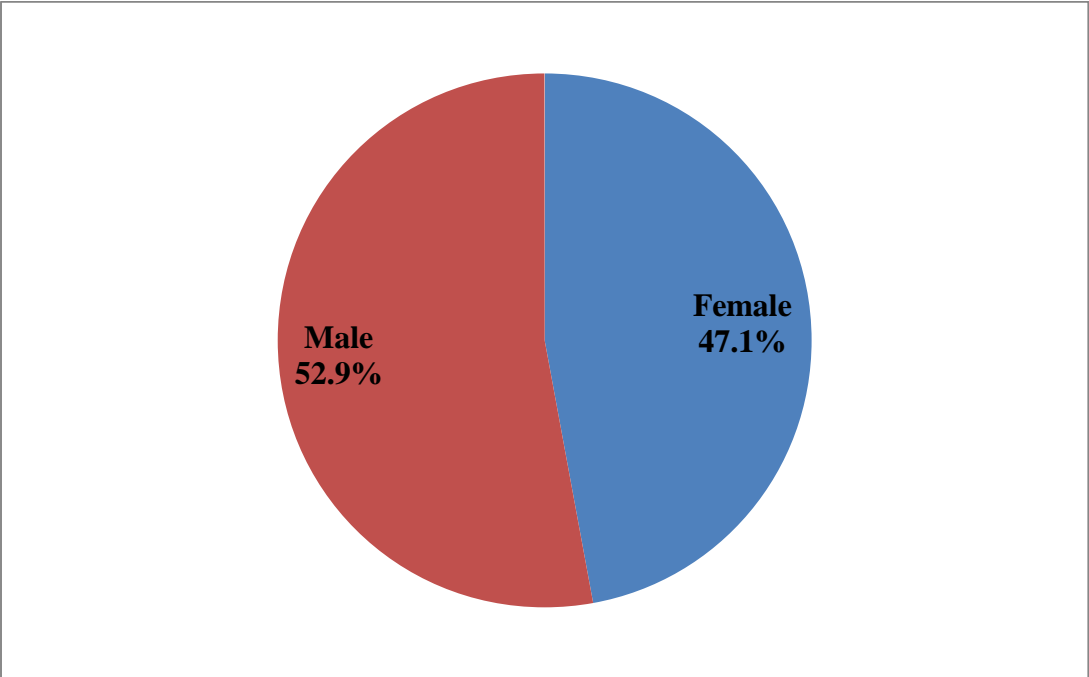
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<sup>16</sup> The mean value of the organizational scale of the respondent NPOs itself might not be interpreted as small. However, this is because of the influence of a few big-sized NPOs in the sample. If analyzed from the standpoint of the overall distribution of the respondent NPOs in their scale, the respondent groups are dominated by small scaled NPOs. 80% of respondent NPOs hired staff members of 7 or less, another 10% of the respondent NPOs hired 8 to 20 staff members, and the last 10% of the respondent NPOs hired 20 or more employees.

**Table 16 Age distribution of respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 20s	21	6.7	9.3	9.3
30s	73	23.2	32.2	41.4
40s	84	26.7	37.0	78.4
50s	39	12.4	17.2	95.6
60s or older	10	3.2	4.4	100.0
Total	227	72.1	100.0	
Missing System	88	27.9		
Total	315	100.0		

In terms of gender distribution, senior level male managers outnumbered senior level female managers; males took up 52.9 percent, while females took up 47.1 percent. The gap in gender differences is not that big and much smaller than that of government agencies. This smaller gender gap in senior level positions in NPO sector can be interpreted in various ways. First, NPOs may treat employees more equally in terms of gender criteria compared to other sectors including business and government sectors. Another reason for the small gender gap could be that the areas where nonprofit organizations focus have higher demands for a female workforce and their talents. For example, the areas of environment, women’s advocacy, social welfare service, and education are generally mentioned as sectors where female workers have advantages over male workers. As mentioned in the comparison of the work focus of respondent NPOs, the portion of service-focused NPOs turned out to be bigger than that of advocacy-focused NPOs. The social service area has been empirically proven to be a sector where women show more commitments than men. Third, male workers may avoid entering the nonprofit sector, or may not stay long until they reach the senior manager level position because the financial compensation is not sufficient for them to take care of their family as the principal breadwinner of their household.



**Figure 15 Gender distribution of respondents**

**Table 17 Gender distribution of respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Female	107	34.0	47.1	47.1
Valid Male	120	38.1	52.9	100.0
Valid Total	227	72.1	100.0	
Missing System	88	27.9		
Total	315	100.0		

## 5.2.2 Perception on Stakeholders' Significance

### 5.2.2.1 Most significant stakeholders: Top 3

The table below shows the top three stakeholders in terms of their influence on the respondent NPOs' decision-making processes. The top three stakeholders are board members, staff members, and government agencies. Board members were chosen by 208 respondent NPOs and staff members were selected by 194 respondent NPOs. The third most frequently selected stakeholder is government agencies, chosen by 114 NPOs.

Given that the narrow definition of accountability is about how a nonprofit organization reports its performance to the higher authority, it can be easily understood why board and government agencies obtained high ranks in their significance. The high ranking of government agencies may provide interesting implications. The South Korean civil society sector has been heavily influenced by government authorities and this is reflected in the stakeholder significance of respondent NPOS.

**Table 18 Most significant stakeholders: Top 3**

Stakeholder	Count
Board	208
Staff	194
Government agencies	114
Clients & service users	85
Individual members	71
Citizens & local residents	55
Domestic NPOs	33
Volunteers	29
Academia	21
Media	15
International NGOs	9

Companies	6
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### 5.2.2.2 Significance of stakeholders: Overall evaluation

The table below summarizes the overall comparison of stakeholders in terms of their influence on respondent NPOs' decision making processes. The researcher found that board members and staff members received very high scores in their evaluation, 5.51 and 5.44 respectively. The third ranking position was taken by clients and service users with a mean value of 4.35, and the fourth rank was taken by government agencies with a mean value of 3.96.

An interesting finding is that the ranks of government agencies and clients were switched in this overall evaluation of stakeholder significance when compared to the answers to the survey question asking about the top three significant stakeholders. In the survey, government agencies took the third place and clients took the fourth place. However, in the overall evaluation question of the stakeholder significance the third and fourth ranks were switched. Three possible accounts could be suggested regarding this discrepancy. First, this discrepancy might have been caused by the tradition of the bureaucrat-dominant society of South Korea. In South Korea, the tradition of Confucianism and the inheritance of a developmental state have prevailed over the whole sectors. Even the civil society sector—which is characterized by its spontaneous nascence and autonomous formulation—might have not been able to stay away from the impacts of the state. NPOs and their managers possibly placed government agencies in the top ranks in their perception of comparative evaluation among their surrounding stakeholders. Another possibility is that respondent NPOs might have given government agencies a lower significance evaluation score than they actually deserve. NPOs may intend to lower the actual assessment score of government agencies. Third,

one thing worth noting is that government agencies have the highest standard deviation. High standard deviation indicates that the data points in the evaluation of government agencies are spread out over a large range of values. This high standard deviation could also imply that NPO managers evaluated government agencies both negatively and positively to an equivalent level, rather than centering on the mean score. This may imply that the relationship between the government agencies and nonprofits has been split or diverged.

In contrast, companies and international NGOs have the least influence on decision making processes of respondent NPOs, scoring 2.25 and 2.75 respectively. This result implies that respondent NPOs avoid influence from commercial groups. An interesting note is that the standard deviation in the evaluation of companies is lowest among all stakeholders. This implies that regardless of the main focus or area, respondent NPOs commonly avoid the influence of companies and market forces. The low score of international NGOs may be partly because of the low portion of international issue-focused NPOs in the sample. However, this unbalanced low proportion of international issue-focused NPOs reveals the current domestic issue-centered South Korean civil society sector.

**Table 19 Significance of stakeholders: Overall comparison**

	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Board	280	1	7	5.52	1.66765
Staff	280	1	7	5.44	1.57613
Clients & service users	280	1	7	4.35	1.72063
Government agencies	280	1	7	3.96	2.0561
Individual members	280	1	7	3.89	1.64346
Citizens & local residents	280	1	7	3.67	1.67215
Domestic NPOs	280	1	7	3.48	1.6329
Volunteers	280	1	7	3.30	1.70052
Media	280	1	7	3.18	1.63126

Academia	280	1	7	3.03	1.64586
International NGOs	280	1	7	2.76	1.59691
Companies	280	1	7	2.25	1.45235

### 5.2.2.3 Significance of stakeholders: Descriptive examination by stakeholder

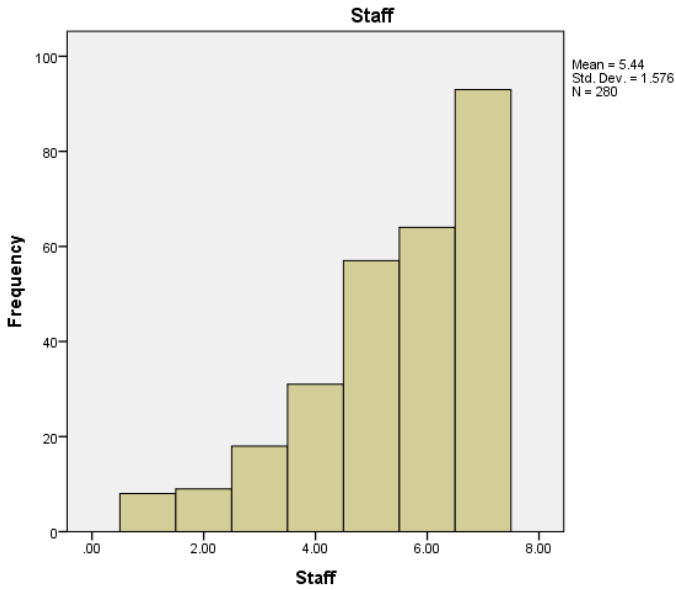
#### *a. Staff*

This table shows the skew of the stakeholder significance evaluation score. We can find that the histogram is skewed to the higher score, which means that respondent NPOs gave a higher score to staff members in terms of their influence on decision making processes. 33 percent of respondent NPOs gave a score of seven to staff members, whereas only 2.9 percent marked a score of one.

**Table 20 Frequency Table (Staff)**

	Frequency	Percent	Valid Percent	Cumulative Percent
1.00	8	2.5	2.9	2.9
2.00	9	2.9	3.2	6.1
3.00	18	5.7	6.4	12.5
4.00	31	9.8	11.1	23.6
5.00	57	18.1	20.4	43.9
6.00	64	20.3	22.9	66.8
7.00	93	29.5	33.2	100.0
Total	280	88.9	100.0	
Missing System	35	11.1		
Total	315	100.0		





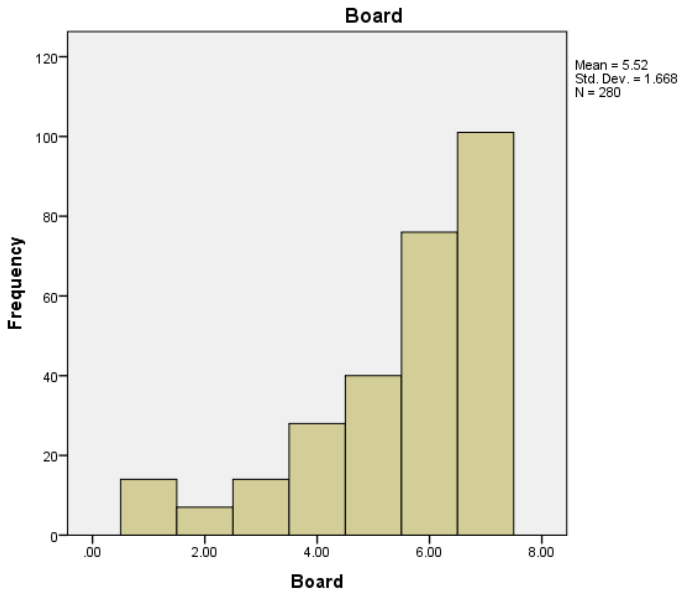
**Figure 16 Histogram: Significance of Stakeholders (Staff)**

***b. Board***

In the case of board members, the skew is showing a clearer trend than staff members. Board members were given higher scores than staff members; 36 percent of respondent NPOs gave a score of seven to board members.

**Table 21 Frequency Table (Board)**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1.00	14	4.4	5.0	5.0
Valid 2.00	7	2.2	2.5	7.5
Valid 3.00	14	4.4	5.0	12.5
Valid 4.00	28	8.9	10.0	22.5
Valid 5.00	40	12.7	14.3	36.8
Valid 6.00	76	24.1	27.1	63.9
Valid 7.00	101	32.1	36.1	100.0
Total	280	88.9	100.0	
Missing System	35	11.1		
Total	315	100.0		



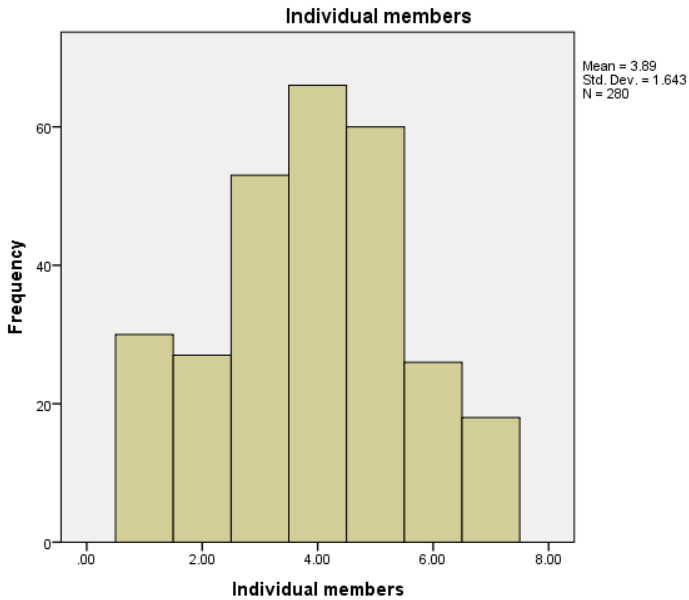
**Figure 17 Histogram: Significance of Stakeholders (Board)**

***c. Individual members***

The mean value of the significance of individual members is 3.89. The histogram of the individual members’ significance evaluation displays a near symmetric and normal distribution shape. The largest proportion of respondent NPOs (23.6%) assessed that individual members have an influence with a score of four.

**Table 22 Frequency Table (Individual Members)**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	30	9.5	10.7
	2.00	27	8.6	20.4
	3.00	53	16.8	39.3
	4.00	66	21.0	62.9
	5.00	60	19.0	84.3
	6.00	26	8.3	93.6
	7.00	18	5.7	100.0
Total	280	88.9	100.0	
Missing System	35	11.1		
Total	315	100.0		



**Figure 18 Histogram: Significance of Stakeholders (Individual Members)**

#### *d. Volunteers*

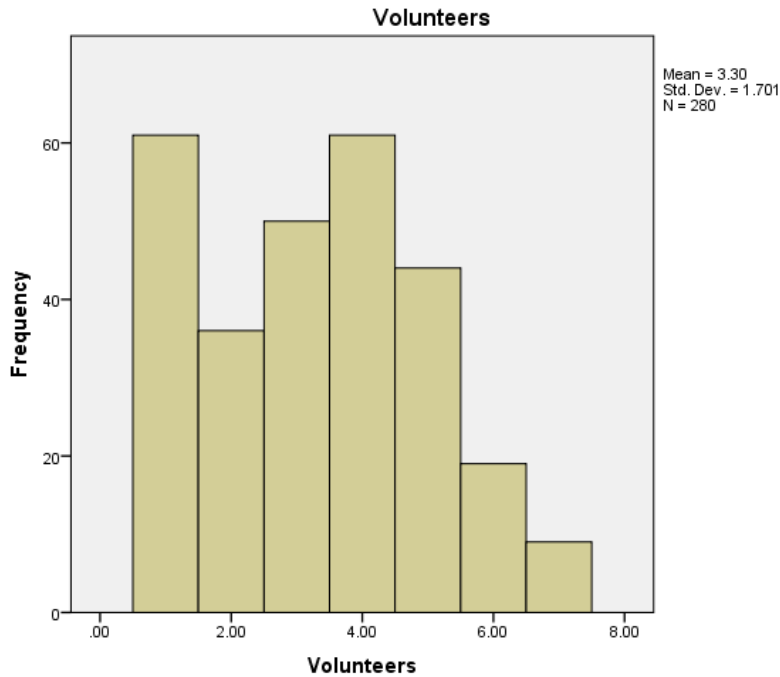
The mean value of volunteer significance is 3.30, which is below the center value of this survey. A large number of respondent NPO managers (21.8%) answered that volunteers are not significant, giving them a score of one. This survey result means that volunteers have limitations in engaging organizational decisions. A clear contrast is that only nine respondents (3.2%) answered that volunteers have the strongest significance in decision making processes. This finding implies that nonprofit organizations in South Korea allow volunteers limited access to its core decisions. This might be inevitable because volunteers neither have an official authority nor a professional knowledge. However, at the same time, this finding raises skepticism that nonprofits might not be very different from other types of organizations including business, private, and

public organizations in that volunteers cannot put substantial influence into organizational decision making processes.

The distribution of the frequency for each score in individual members' significance is similar to that of volunteers' significance. The only difference is that in the case of volunteers' significance assessment, a larger proportion (21.8%) of respondent NPOs gave the lowest score of one. Checking which types of NPOs gave a score of one to volunteers provides a clue about where the difference in perception of volunteers and individual members came from.

**Table 23 Frequency Table (Volunteers)**

	Frequency	Percent	Valid Percent	Cumulative Percent
1.00	61	19.4	21.8	21.8
2.00	36	11.4	12.9	34.6
3.00	50	15.9	17.9	52.5
Valid 4.00	61	19.4	21.8	74.3
5.00	44	14.0	15.7	90.0
6.00	19	6.0	6.8	96.8
7.00	9	2.9	3.2	100.0
Total	280	88.9	100.0	
Missing System	35	11.1		
Total	315	100.0		



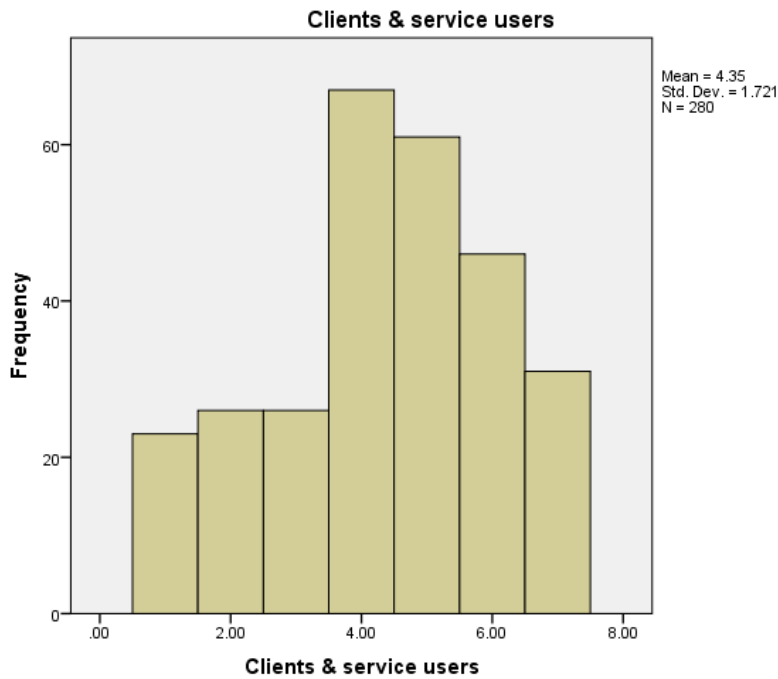
**Figure 19 Histogram: Significance of Stakeholders (Volunteers)**

*e. Clients & service users*

A histogram evaluating the significance of clients and service users displays a symmetric curve, with the score of four having the highest frequency (23.9%). Clients and service users were given a mean score of 4.35, and this mean score is higher than that of volunteers and individual members. One possible explanation for this is that this curve may reflect the split focus of respondent NPOs between service provision and advocacy work. As described in the proportion of service and advocacy work, the ratio of service to advocacy work was 64: 36. This must have affected the assessment of stakeholder’s significance. Therefore, it may be recommended to analyze the correlation between the ratio of service work and the significance assessment of stakeholders including clients and service users.

**Table 24 Frequency Table (Clients & Service Users)**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1.00	23	7.3	8.2	8.2
2.00	26	8.3	9.3	17.5
3.00	26	8.3	9.3	26.8
4.00	67	21.3	23.9	50.7
5.00	61	19.4	21.8	72.5
6.00	46	14.6	16.4	88.9
7.00	31	9.8	11.1	100.0
Total	280	88.9	100.0	
Missing System	35	11.1		
Total	315	100.0		



**Figure 20 Histogram: Significance of Stakeholders (Clients & Service Users)**

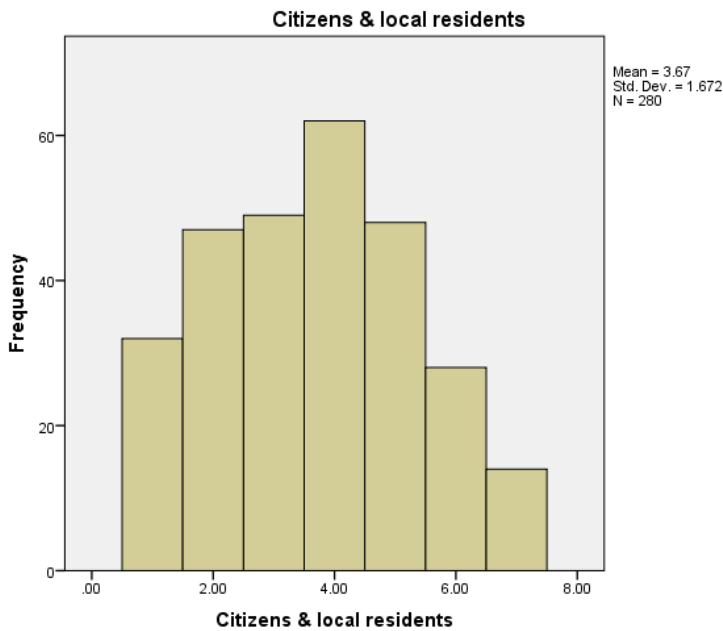
***f. Citizens & local residents***

Citizens and local residents show a medium level of significance among stakeholders with a mean of 3.67 and a standard deviation of 1.67. The score of four was most frequent, taking up

22 percent of valid answers. The scores below four demonstrate a higher data point than scores above four. This could imply that citizens and local residents may be positioned in a boundary between a critical stakeholder and a surrounding environment.

**Table 25 Frequency Table (Clients & Local Residents)**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	32	10.2	11.4
	2.00	47	14.9	16.8
	3.00	49	15.6	17.5
	4.00	62	19.7	22.1
	5.00	48	15.2	17.1
	6.00	28	8.9	10.0
	7.00	14	4.4	5.0
	Total	280	88.9	100.0
Missing System	35	11.1		
Total	315	100.0		



**Figure 21 Histogram: Significance of Stakeholders (Citizens & Local Residents)**

***g. Government agencies***

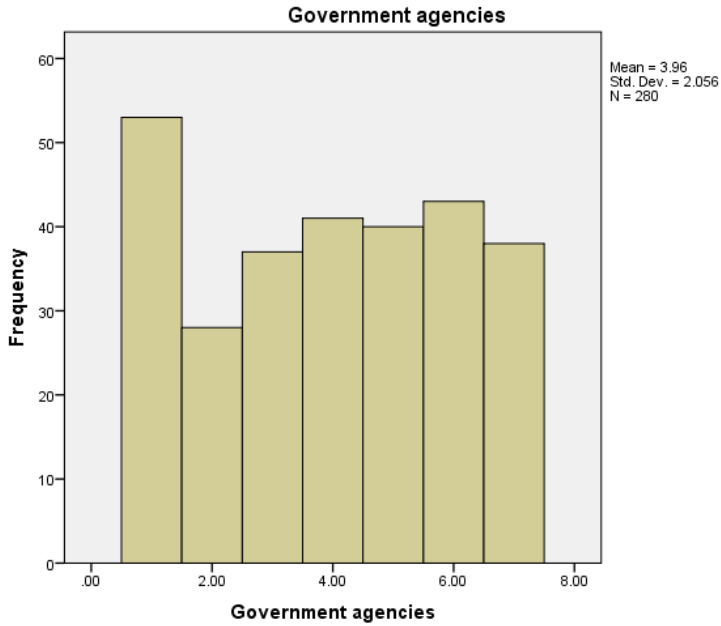
The mean value of the influence evaluation of government agencies is 3.96. The distribution of the evaluation of government agencies portrays bipolarized and diverged opinions of them. The histogram has its highest peak at the evaluation score of one. 18.9 percent of NPOs gave the lowest score to government agencies. It is not surprising that NPOs are wary of any possible influences by government agencies, since many NPOs find their main roles as watchdogs of government agencies (in the case of advocacy NPOs) and alternatives of government services (in the case of service provision NPOs).

However, it is also noticeable that the evaluation points are evenly distributed between NPO respondents that gave a score lower than four (42.1%) and a score higher than four (43.2 %). This confirms that the evaluation of stakeholder influence of government agencies is bipolarized.

**Table 26 Frequency Table (Government Agencies)**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
	1.00	53	16.8	18.9	18.9
	2.00	28	8.9	10.0	28.9
	3.00	37	11.7	13.2	42.1
Valid	4.00	41	13.0	14.6	56.8
	5.00	40	12.7	14.3	71.1
	6.00	43	13.7	15.4	86.4
	7.00	38	12.1	13.6	100.0
	Total	280	88.9	100.0	
Missing	System	35	11.1		
Total		315	100.0		





**Figure 22 Histogram: Significance of Stakeholders (Government Agencies)**

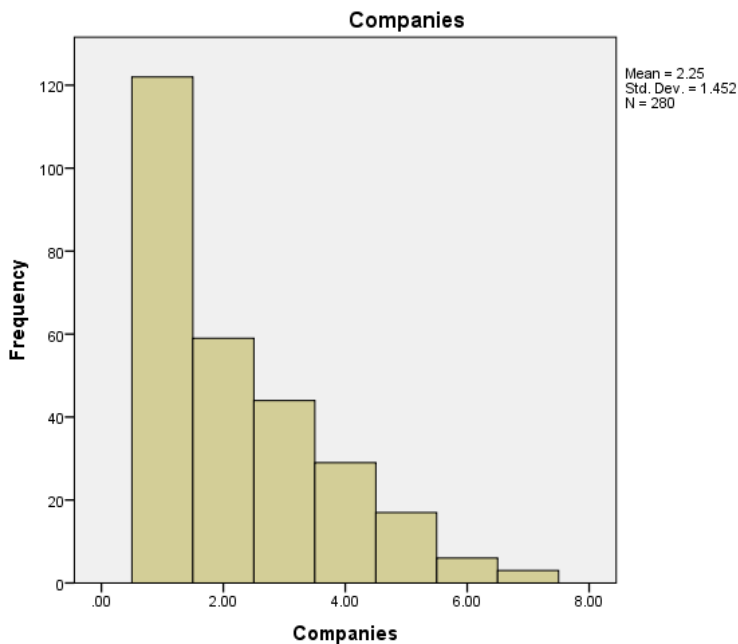
***h. Companies***

NPOs answered that companies are least influential on decision making processes among stakeholders with a mean value of 2.25. The distribution turned out to have the lowest standard deviation among stakeholders, showing 1.452. This histogram clearly demonstrates that South Korean NPOs avoid influences of the market sector. 43.6 percent of NPO respondents evaluated that the influence of companies is the lowest, with a score of one. More than 80 percent of respondent NPOs perceived that companies have an influence of lower than 4. Only less than 10 percent of respondents gave companies a score of higher than 4.

**Table 27 Frequency Table (Companies)**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	122	38.7	43.6	43.6
	2.00	59	18.7	21.1	64.6
	3.00	44	14.0	15.7	80.4

	4.00	29	9.2	10.4	90.7
	5.00	17	5.4	6.1	96.8
	6.00	6	1.9	2.1	98.9
	7.00	3	1.0	1.1	100.0
	Total	280	88.9	100.0	
Missing	System	35	11.1		
Total		315	100.0		



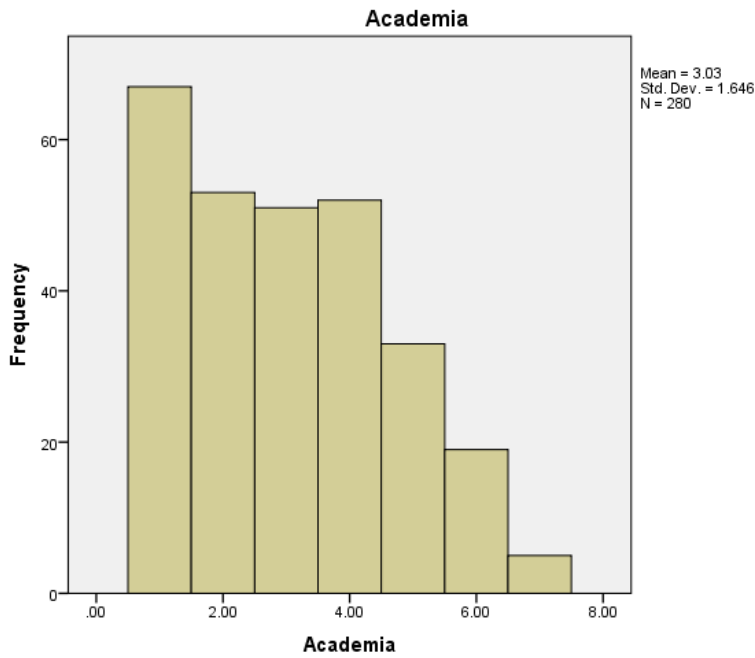
**Figure 23 Histogram: Significance of Stakeholders (Companies)**

***i. Academia***

Academia has a mean value of 3.03 with a standard deviation of 1.65. Academia also shows a weak link with NPOs in its practical influence on NPOs’ decision making processes. The highest data point is a score of one, taking up 23.9 percent of respondent NPOs. Main characteristics of academia’s influence evaluation are that the answers are clustered around the mid-level evaluation scores (from 2 to 5), taking up 74.3 percent of responses. This may imply that Academia may have an indirect influence, rather than direct involvement, in NPO management.

**Table 28 Frequency Table (Academia)**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1.00	67	21.3	23.9	23.9
2.00	53	16.8	18.9	42.9
3.00	51	16.2	18.2	61.1
4.00	52	16.5	18.6	79.6
5.00	33	10.5	11.8	91.4
6.00	19	6.0	6.8	98.2
7.00	5	1.6	1.8	100.0
Total	280	88.9	100.0	
Missing System	35	11.1		
Total	315	100.0		



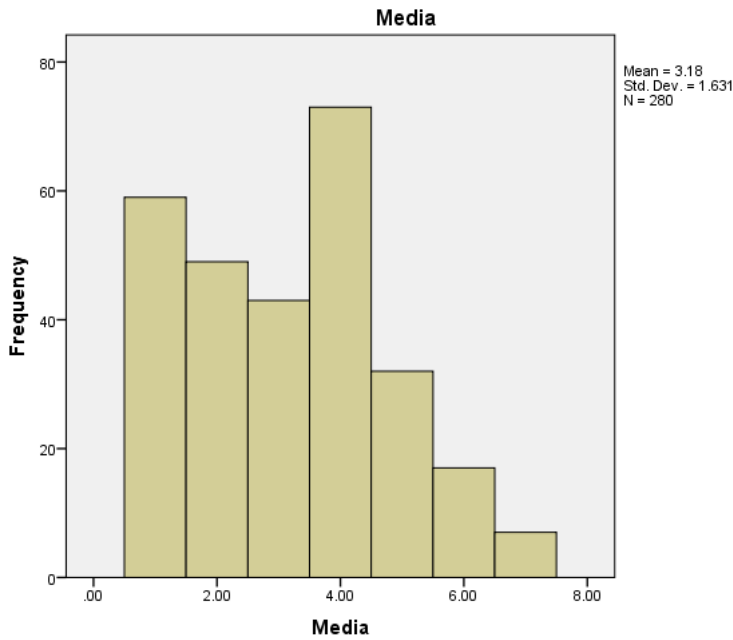
**Figure 24 Histogram: Significance of Stakeholders (Academia)**

***j. Media***

Media has a mean value of 3.18 with a standard deviation of 1.63 and shows a distinctive shape in its histogram on its influence on NPOs’ decision making processes. The histogram graph shows a similar pattern with that of academia except that it shows the highest frequency at the score of four.

**Table 29 Frequency Table (Media)**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	59	18.7	21.1
	2.00	49	15.6	38.6
	3.00	43	13.7	53.9
	4.00	73	23.2	80.0
	5.00	32	10.2	91.4
	6.00	17	5.4	97.5
	7.00	7	2.2	100.0
	Total	280	88.9	100.0
Missing	System	35	11.1	
Total		315	100.0	



**Figure 25 Histogram: Significance of Stakeholders (Media)**

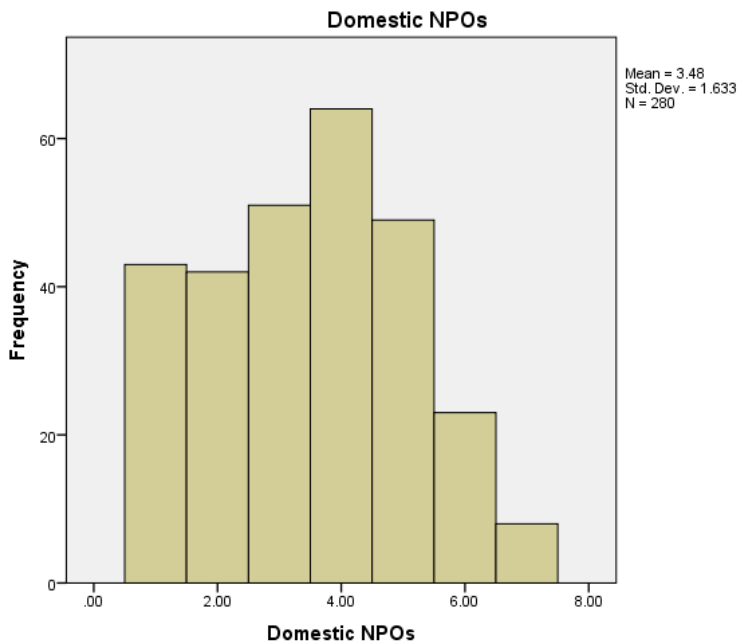
***k. Domestic NPOs***

Domestic NPOs have a mean value of 3.48 which ranks them in the middle among stakeholders. It is noticeable that the mean value is lower than the medium value of four, which means, overall, the influence of domestic NPOs is not within a high level. The largest portion of answers was four, taking up 22.9 percent. Given that domestic NPOs collaborate with individual

NPOs' activities to achieve its mission and vision, it might be said that collaboration and competition among the same types of NPOs do not reach to the level to directly influence decision making process inside of individual NPOs.

**Table 30 Frequency Table (Domestic NPOs)**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1.00	43	13.7	15.4	15.4
2.00	42	13.3	15.0	30.4
3.00	51	16.2	18.2	48.6
4.00	64	20.3	22.9	71.4
5.00	49	15.6	17.5	88.9
6.00	23	7.3	8.2	97.1
7.00	8	2.5	2.9	100.0
Total	280	88.9	100.0	
Missing System	35	11.1		
Total	315	100.0		



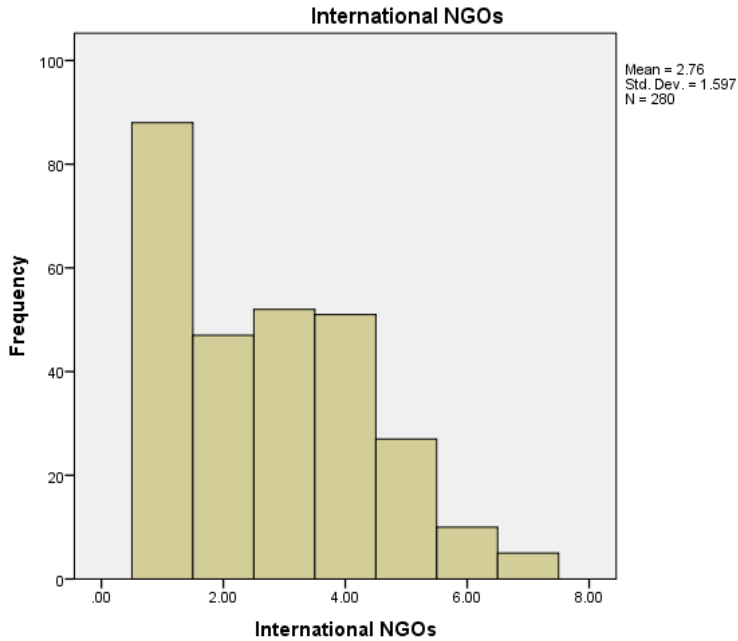
**Figure 26 Histogram: Significance of Stakeholders (Domestic NPOs)**

**1. International NGOs**

International NGOs have a mean evaluation value of 2.76 with a standard deviation of 1.597. This is the lowest mean value after companies. 31.4 percent of respondent NPOs answered that the influence of international NGOs is evaluated as score of one. About 67 percent of respondent NPOs gave a score lower than four. Only 15 percent of respondents gave a score that is higher than four. It is apparent that globalization does not directly impact decision-making processes of individual NPOs. It may be required to cross-check this evaluation score of international NGOs with the main sectors of respondent NPOs.

**Table 31 Frequency Table (International NGOs)**

		Frequency	Percent	Valid Percent	Cumulative Percent
	1.00	88	27.9	31.4	31.4
	2.00	47	14.9	16.8	48.2
	3.00	52	16.5	18.6	66.8
Valid	4.00	51	16.2	18.2	85.0
	5.00	27	8.6	9.6	94.6
	6.00	10	3.2	3.6	98.2
	7.00	5	1.6	1.8	100.0
	Total	280	88.9	100.0	
Missing	System	35	11.1		
Total		315	100.0		



**Figure 27 Histogram: Significance of Stakeholders (International NGOs)**

### **5.2.3 Perception on major impulses**

In this part of the survey, the study examined the extent to which South Korean NPOs exert their efforts on each major impulse identified by Salamon (2012a). The main impulses are volunteerism, professionalism, commercialism, and civic activism. This survey measured each impulse's dominance and salience in the South Korean NPO sector by employing main indicators for major impulses identified by Kearns (2012).

### **5.2.3.1 Performance standards in major impulses – accountable for what?**

This section examines the performance standards associated with Salamon's major impulses. Kearns (2012) identified main performance standards by exploring what nonprofit organizations are accountable for from the respective impulse's perspective.

From the volunteerism impulse, the following performance standards were identified: transforming the lives of individual members and volunteers, creating a social condition for individuals to discuss social issues, and providing a vehicle to express values. For the professionalism impulse, the following performance standards were enumerated: applying logic models derived from professional standards, demonstrating empirically validated results and outcomes, organizational learning, meeting professional guild standards, meeting standards of efficiency, and meeting standards of ethical management. For the commercialism impulse, the following performance standards were specified as: increasing earned income, increasing social return on investment, exploiting niche markets, leveraging the comparative advantage of the organization, and spawning entrepreneurial culture through growth strategies such as franchising. For the civic activism impulse, the following performance standards were generated: creating social condition for organizational leaders to work as social activists, changing the allocation of valued goods in society, and changing social norms and public policies.

By examining the extent to which NPO senior managers perceive themselves to be accountable for these performance standards, this study will be able to measure the salience of major impulses in the South Korean NPO sector.

#### ***a. Professionalism***

The professionalism impulse received the highest score, averaging 5.22 among varied impulses. Given the general perception that the nonprofit sector lacks in professionalism, it is



somewhat unexpected that professionalism received a higher score than volunteerism (4.56) and civic activism (4.91). Respondent NPOs gave the highest score (5.86) to meeting standards of ethical management among professionalism indicators. The second highest item was meeting standards of efficiency with a score of 5.26. Organizational learning also received a relatively high score of 5.25. A demonstration of empirically validated results and outcomes received 5.22. Meeting professional guild standards obtained a score of 5.10. The lowest score in professionalism went to the application of logic models derived from professional standards, with a score of 4.63. This is the only indicator below 5.0 within the professionalism index.

There could be two reasons for the relatively high score within the professionalism indicators. First, nonprofit managers might have responded in a way that is socially desirable and requested from stakeholders because they felt a pressure to professionalize their organization's operation and activities. Therefore, the high score in professionalism may reflect where the South Korean NPO sector will head to in the future. Another possible explanation is that various aspects of professionalism and their corresponding scores would provide some clues about the high score in overall professionalism. It is noteworthy that the application of logic models obtained the lowest score. This logic model and its application to nonprofit management is a very advanced phase aspect of professionalism. The high score in the overall professionalism was partly supported by a high score in meeting ethical standards. This ethical aspect in professionalism is closely related to a narrow definition of accountability, whereas the application of logic models to management can be categorized as a broad definition of accountability. If it is the case, we can state that perceived narrow concept of accountability has affected respondent NPOs' answers, boosting the overall score in professionalism.

**Table 32 Performance standards in professionalism**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Skewness</b>	
	<b>Statistic</b>	<b>Statistic</b>	<b>Statistic</b>	<b>Statistic</b>	<b>Std. Error</b>
Applying logic models derived from professional standards	250	4.6320	1.43975	-.434	.154
Demonstrating empirically validated results and outcomes	250	5.2160	1.26798	-.580	.154
Organizational learning	250	5.2520	1.25331	-.845	.154
Meeting professional guild standards	250	5.1040	1.37869	-.735	.154
Meeting standards of efficiency	250	5.2560	1.31659	-.886	.154
Meeting standards of ethical management	250	5.8600	1.30507	-1.465	.154
Average	250	5.220			

### ***b. Civic activism***

The civic activism impulse scored 4.91, which is the highest score after the professionalism impulse. The civic activism element that obtained the highest score is the creation of social condition for organizational leaders to work as social activists, with a score of 5.02. The indicator of changing social norms and public policies followed, with a score of 4.90. The indicator of changing the allocation of valued goods in society received the lowest score among the civic activism indicators, with a score of 4.90.

Compared to the volunteerism impulse, the civic activism impulse emphasizes the proactive role of staff members and organizational leaders. In the measurement of the civic activism impulse, South Korean NPO respondents shared the idea that the creation of social condition for social activists is the most important element. This component highlights the role of

civic leaders as the main drive for social change. By the comparing volunteerism and civic activism, it turned out that the senior managers of South Korean NPOs place more emphasis on the role of civic leaders than that of volunteers. It can be interpreted that some elements of elitism exist in the South Korean nonprofit sector.

**Table 33 Performance standards in civic activism**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Skewness</b>	
	<b>Statistic</b>	<b>Statistic</b>	<b>Statistic</b>	<b>Statistic</b>	<b>Std. Error</b>
Creating social condition for organizational leaders to work as social activists	250	5.0200	1.43801	-.656	.154
Changing the allocation of valued goods in society	250	4.8080	1.54814	-.350	.154
Changing social norms and public policies	250	4.9040	1.53891	-.578	.154
Average	250	4.911			

***c. Volunteerism***

The volunteerism index was composed of three indicators: transforming the lives of individual members and volunteers, creating a social condition for individuals to discuss social issues, and providing a vehicle for the expression of values. The average value of volunteerism is 4.56. Transforming members and volunteer’s lives scored highest, with 4.76 among volunteerism indicators. A creation of social conditions for individuals to discuss social issues was second, with a score of 4.61. The provision of a vehicle for the expression of values scored 4.31.

Volunteerism ranked third after professionalism and civic activism. But the gap between volunteerism and professionalism and civic activism was not big. The volunteerism impulse is above the medium level of four, however; it failed to demonstrate dominance or salience in the South Korean NPO sector. This research suggests three possible reasons for this. First, although

South Korean NPOs emphasize the importance of volunteerism in their operation of organizations and implementation of their activities, South Korean NPOs might not be able to fully exert the involvement of volunteers because of their lack of capacity to manage volunteer resources. Second, the lack of volunteerism and donation in the South Korean culture may restrict the realization of volunteerism in the society. Third, the meaning of volunteerism may be interpreted differently in South Korea than in Western developed countries. If the true meaning of volunteerism is interpreted differently in South Korea, it is necessary to measure volunteerism with adjusted indicators.

**Table 34 Performance standards in volunteerism**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Skewness</b>	
	<b>Statistic</b>	<b>Statistic</b>	<b>Statistic</b>	<b>Statistic</b>	<b>Std. Error</b>
Transforming the lives of individual members and volunteers	250	4.7600	1.65449	-.368	.154
Creating a social condition for individuals to discuss social issues	250	4.6160	1.65150	-.390	.154
Providing a vehicle for the expression of values	250	4.3120	1.56988	-.264	.154
Average	250	4.563			

***d. Commercialism***

Salamon’s fourth impulse, commercialism, received the lowest score of 4.20. This result is consistent with the evaluation of stakeholders on their influence on NPOs’ decision making processes. In the stakeholder analysis, companies scored lowest and their histogram showed that the distribution was clearly skewed left.

The lowest score was given to the indicator of spawning entrepreneurial culture through growth strategies, with a score of 3.08. This is the only indicator that received lower than 4.0 among the impulse indicators. Through these results, respondents clearly expressed their resistance to their commercialization.

However, it is also noticeable that some elements within the commercialization impulse received a relatively high score. Exploitation of niche markets scored 4.82 and leveraging organization’s comparative advantages scored 4.67. This shows that some basic ideas from commercialization are inevitable, since competitions for funding and donor base have consistently increased in the South Korean nonprofit sector.

**Table 35 Performance standards in commercialism**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Skewness</b>	
	<b>Statistic</b>	<b>Statistic</b>	<b>Statistic</b>	<b>Statistic</b>	<b>Std. Error</b>
Increasing earned income	250	4.2800	1.83714	-.215	.154
Increasing social return on investment	250	4.1440	1.66805	-.178	.154
Exploiting niche markets	250	4.8200	1.55088	-.536	.154
Leveraging the comparative advantage of the organization	250	4.6680	1.54640	-.614	.154
Spawning entrepreneurial culture through growth strategies such as franchising	250	3.0800	1.78166	.355	.154
Average	250	4.198			

### **5.2.3.2 Stakeholders in major impulses - accountable to whom?**

This section examines stakeholders surrounding South Korean NPOs with respect to a major impulse. Kearns (2012) identified main stakeholders by exploring to whom nonprofit

organizations are accountable from the respective impulse's perspective. These stakeholders correspond to major impulses that have been more narrowly specified (e.g. value-based communities, professional staff, strategic partners and investors, clients expecting to be treated as customers, staff as social activists, etc.) when compared to NPOs' general stakeholder types (e.g. staff, volunteers, government agencies, companies, media, etc.).

For the volunteerism impulse, the following stakeholders were identified: volunteers, individual donors and members, and value-based communities. For the professionalism impulse, the stakeholders were: professional staff, clients knowledgeable about services, institutional donors who demand professional approaches, professional association exerting a guild philosophy, and government funders. For the commercialism impulse, the following stakeholders were specified: social entrepreneurs, clients expecting to be treated as customers, market place to respond to a market demand, and strategic partners and investors. For the civic activism impulse, the following stakeholders were generated: coalitions and partner organizations, broad range of beneficiaries including future generations, citizens viewing nonprofits as a vehicle for social change, and staff and organizational leaders as social activists.

By examining the extent to which NPO senior managers perceive themselves to be accountable to these stakeholders, this study will be able to measure the salience of major impulses in the South Korean NPO sector.

#### *a. Professionalism*

The professionalism impulse received the highest score (4.24) after the civic activism impulse in the stakeholder evaluation. This overall evaluation is consistent with the findings from the evaluation of the performance standards in major impulses.

Professional staff received the highest score of 4.57. This high level of commitment to professional staff implies that South Korean nonprofit managers place emphasis on the role of professional staff when establishing professionalism in the workplace.

The professionalism stakeholders can be categorized into two groups based on the level of the evaluated score. The group that holds high scores includes professional staff (4.57) and clients knowledgeable about services (4.49). The group that holds low scores includes: institutional donors who demand professional approaches (4.03), professional association exerting a guild philosophy (4.04), and government funders (4.04). We can derive two interesting implications from this grouping. First, professional staff belongs to the high-scored group, whereas institutional donors, professional associations, and government funders belong to the low-scored group. This confirms that nonprofit managers place emphasis on the proactive roles of professional staff members, compared to other supporting institutions or agencies. Second, it is noteworthy that clients are included in the high-scored group. This may imply that professionalism is more closely connected to service-focused NPOs rather than advocacy-focused NPOs. The connection between NPOs' mission focus and their commitment to professionalism will be examined through separate analyses in the following section.

**Table 36 Stakeholder evaluation in professionalism**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Skewness</b>	
	<b>Statistic</b>	<b>Statistic</b>	<b>Statistic</b>	<b>Statistic</b>	<b>Std. Error</b>
Professional staff	250	4.5720	1.46060	-.366	.154
Clients knowledgeable about services	250	4.4920	1.44579	-.382	.154
Institutional donors who demand professional approaches	250	4.0280	1.56621	-.154	.154

Professional association exerting a guild philosophy	250	4.0440	1.55555	-.125	.154
Government funders	250	4.0440	1.92272	-.083	.154
Average	250	4.236			

***b. Civic activism***

The civic activism impulse in association with its stakeholders showed the highest average score among major impulses with a value of 4.83. Staff and organizational leaders as social activists obtained the highest score (5.39). Coalitions and partner organizations (4.75) and citizens viewing nonprofits as a vehicle for social change (4.71) followed with relatively high scores. The broad range of beneficiaries including future generations obtained lowest score (4.46).

The emphasis on staff and organizational leaders as the main focal point of civic activism is consistent with findings from a previous section’s stakeholder analysis. Staff and organizational leaders are the only stakeholders with a score greater than 5.0 among all stakeholders of all major impulses. The score is higher than the score of 4.57 in the evaluation score of staff as professional managers. This implies that South Korean NPOs regard their staff more as social activists than as professional experts.

**Table 37 Stakeholder evaluation in civic activism**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Skewness</b>	
	<b>Statistic</b>	<b>Statistic</b>	<b>Statistic</b>	<b>Statistic</b>	<b>Std. Error</b>
Coalitions and partner organizations	250	4.7480	1.48503	-.524	.154
Broad range of beneficiaries including future generations	250	4.4560	1.55491	-.408	.154
Citizens viewing nonprofits as a vehicle for social change	250	4.7160	1.51145	-.388	.154
Staff and organizational leaders as social activists	250	5.3920	1.42212	-.936	.154



Average	250	4.828			
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*c. Volunteerism*

Stakeholders of NPOs from the volunteerism impulse perspective obtained an average score of 4.04 in terms of South Korean nonprofit managers’ perceived commitment toward them. Stakeholders from the volunteerism impulse take the third rank among the four major impulses. Individual donors and members scored highest among stakeholders in volunteerism with a score of 4.34. This was followed by value-based communities (4.01) and volunteers (3.78). The stakeholder of individual donors and members, compared to other stakeholders in association with the volunteerism impulse, may have the following differences: First, general members are eligible to participate in the general member meeting. Second, individual donors and general members are substantially involved in nonprofit organization’s decision making processes either by donating money or providing official feedback on NPOs’ operations and activities.

It is noteworthy that the stakeholder type volunteers received a very low score (3.78) in the evaluation of NPOs’ commitment. The evaluation score of NPOs’ commitments to volunteers is even at a comparable level with that of commercialism-based stakeholders. The average score of NPOs’ commitment to commercialism-based stakeholders is 3.73. This result is consistent with the findings from the evaluation of performance standards in respective impulses. As observed in the evaluation of performance standards (for what NPOs are accountable), the volunteerism impulse scored relatively low in its comparison with other impulses. This may be related to the weak culture of volunteerism and donation in South Korea. It needs to be examined and explored why the volunteerism impulse is a supplementary factor, not the main drive in the operation and activities of the South Korean NPO sector. Another interesting future point of observation would

be which factor is more important between the supply factor (e.g. general and interested public's intent to volunteer and donate) and the demand factor (e.g. nonprofit managers' demand and intent to work with volunteers) in determining the overall significance and prevalence of volunteerism. This will be an interesting research topic because it could provide a decisive clue to predict South Korean nonprofit sector's change and evolution over time.

**Table 38 Stakeholder evaluation in volunteerism**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Skewness</b>	
	<b>Statistic</b>	<b>Statistic</b>	<b>Statistic</b>	<b>Statistic</b>	<b>Std. Error</b>
Volunteers	250	3.7760	1.79854	.106	.154
Individual donors and members	250	4.3400	1.56274	-.145	.154
Value-based communities	250	4.0080	1.57539	-.206	.154
Average	250	4.0413			

***d. Commercialism***

The stakeholders in association with the commercialism impulse received the lowest score among major impulses. This low evaluation of stakeholders in the commercialism impulse reconfirms the findings from the overall organizational stakeholder analysis in the previous section. In the general organizational stakeholder analysis, companies obtained the lowest score among major stakeholders. The researcher interpreted that commercialism demonstrated the lowest significance level because companies in this study stand for the commercialism impulse. In a similar vein, the overall evaluation of stakeholders in the commercialism impulse of this section shows the lowest score in comparison with Salamon's other major impulses.

Strategic partners and investors received the highest score (4.12) among commercialism stakeholders. This is the only stakeholder that received a score greater than 4.0 in the

commercialism impulse. Clients expecting to be treated as customers obtained a score of 3.80, and the market place to respond to a market demand scored 3.62.

The lowest score was given to social entrepreneurs with a score of 3.38. There is an evident discrepancy between the prevailing phenomenon of thriving South Korean social entrepreneurs and the low evaluation of social entrepreneurs as NPO stakeholders. Social enterprises are thriving in South Korea with the support from the central and local government. A strong state initiative brought a rapid quantitative growth of social enterprises in South Korea. According to the Social Enterprise Promotion Agency, the number of certified social enterprises in South Korea has increased to 801 as of February 2013, showing an increase of about 16 times since 2007.<sup>17</sup> Regardless of the growth of the population of social enterprises, their actual influence on NPOs seems to be limited. In an interview with a senior manager of a local YMCA in South Korea, who is also in charge of social enterprise projects within the local YMCA, he expressed that social enterprises have limited influence on management of major nonprofit organizations. The manager also pointed out the limitations of government-involved public policies in creating social texture in which social enterprises permeate through the management and operation of nonprofit organizations.<sup>18</sup>

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<sup>17</sup> See the following website for more information. <http://socialenterprise.or.kr/kosea/company.do>

<sup>18</sup> As part of my dissertation fieldwork, I interviewed with six managers or representatives of eight South Korean social enterprises in spring 2011. Social enterprises were included as one of the target groups because they seem to show a new impulse of the South Korean civil society sector. The list of interviewed enterprises include: Mindlle Health Cooperative, Hanbat Consumer Cooperative, Sungmisan Village Theater, Sungmisan Consumer Cooperative, Good Neighbors, and three social enterprises affiliated with Daegu YMCA (the Hope Bike Production Center, Daegu-espaces, and Peacetrade). A manager working at the Daegu YMCA affiliated social enterprises (the Hope Bike Production Center, Daegu-espaces, and Peacetrade) argued against the researcher's question and focus on sustainability of social enterprises. He underlined the fact that the ultimate goal of public policy intervention is social change (Interview, June 3, 2011), depreciating the influence of commercialism on the nonprofit sector.

**Table 39 Stakeholder evaluation in commercialism**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Skewness</b>	
	<b>Statistic</b>	<b>Statistic</b>	<b>Statistic</b>	<b>Statistic</b>	<b>Std. Error</b>
Social entrepreneurs	250	3.3840	1.55893	.150	.154
Clients expecting to be treated as customers	250	3.8000	1.53146	-.180	.154
Market place to respond to a market demand	250	3.6160	1.56920	-.119	.154
Strategic partners and investors	249	4.1205	1.60190	-.323	.154
Average	250	3.7301			

#### **5.2.4 Perception on accountability obligations**

This analysis utilizes the 25 main accountability obligation items that were obtained from semi-structured interviews in the first phase of this research. In the first phase of this study, the researcher asked a question about respondent NPOs' accountability obligations toward their stakeholders, separately and independently from the Repertory Grid interview questions. This question was distinct from Repertory Grid interview questions in that this semi-structured interview question encouraged respondent senior managers to discuss their specific and concrete stakeholder accountability obligations. Using the semi-structured interview question, the researcher obtained a total of 49 accountability obligations. Among the 49 accountability obligations, the researcher selected the 25 most frequently mentioned items for the next stage of organizational survey. This section analyzes the survey result from this accountability obligation question.

#### **5.2.4.1 Descriptive Analysis of Perception on Accountability Obligations**

The following 25 survey question items were included: transparency in decision making, open communication, compliance to bylaws, efficiency in operation, budget reporting at the general assembly, compliance to administrative guidance, vision sharing, enhancing citizen participation, making proactive clients, etc....increasing volunteer motivation, educating citizens, providing government policy alternatives, establishing expertise in human service provision, playing parts in government policy process, professionally executing government delegated services, professional volunteer management, resource allocation appropriate to organizational mission, providing accurate information, increasing project effectiveness, partnership with government agencies, partnership with companies, partnership with civil society organizations, partnership with academia, transparency in financial management, and providing quality programs.

The accountability obligation that was given the highest score was transparency in financial management, with a score of 6.21. This is the only accountability obligation item to score above a value of 6.0. Its standard deviation is lowest, after one item of increasing project effectiveness. From this, we can interpret that NPOs are committed to increasing transparency in financial management without much variation. Ensuring financial accountability in nonprofit organizations was considered to be the most essential part of nonprofit accountability.

Accountability obligations that hold a relatively high commitment value of more than 5.5 are as follows: budget reporting at the general assembly (5.91), compliance to bylaws (5.83), transparency in decision making (5.78), open communication (5.66), and vision sharing (5.52).

It seems as though obligations from a narrow definition of accountability generally ranked highly. The obligation that showed the highest score is financial accountability and other ensuing

accountability obligations that can be categorized as legal accountability. Both the financial and legal accountability emphasize compliance to rules, administrative guidelines, and ethical codes. Another interesting finding is that transparency, open communication, and vision sharing ranked also highly. These three obligations can be interpreted as democratic governance and transparent operation of organizations. It can thus be inferred that South Korean NPOs emphasize compliance to legal obligations and observance of democratic principles of organizational operation.

The next highest group of accountability obligations, with a score of more than a score of 5.0 and less than 5.5 includes: providing quality programs (5.38), increasing project effectiveness (5.38), enhancing citizen participation (5.36), providing accurate information (5.34), efficiency in operation (5.34), making proactive citizens (5.13), providing government policy alternatives (5.08), and establishing expertise in human service provision (5.06). In general, it can be interpreted that nonprofit managers gave a relatively high score to performance accountability and professional operation of organization. From this data, we can see that providing quality programs and ensuring project effectiveness are included as part of performance accountability. At the same time, it is also noticeable that providing government policy alternatives and establishing expertise in human service were given relatively high scores. This means that South Korean NPOs are assuming some professional roles in public service provision and their professional tasks are getting more attention from NPOs themselves.

The following items scored a middle level commitment and obligations: Compliance to administrative guidance (4.99), partnership with civil society organizations (4.92), resource allocation appropriate to the organization's mission (4.86), educating citizens (4.86), increasing volunteer motivation (4.57), professionally executing government delegated services (4.48), playing parts in government policy process (4.41), partnership with government agencies (4.39),

and partnership with academia (4.16). It is noteworthy that partnerships with academia, other civil society organizations, and government agencies are located in this range. This shows that South Korean NPOs have committed to networked accountability obligations to a substantial extent. This may imply that networked accountability plays a supplementary role in bringing diverse stakeholders to completing their mission in advocacy work and service provision.

The lowest commitment and obligation scores were given to the following items with a score lower than four. Partnership with companies obtained the lowest score (3.51). This result is consistent with the stakeholder evaluation on its impacts on NPOs' decision making. The second lowest score was given to professional volunteer management, with a 3.99. This may imply that human resource management of NPOs has not fully applied professional skills and methods. This offers some hints about the extent to which the professionalism impulse affected the South Korean nonprofit sector.

**Table 40 Descriptive Analysis of Perception on Accountability Obligations**

	N	Mean	Std. Deviation
Transparency in financial management	271	6.21	1.26
Budget report at the general assembly	271	5.91	1.44
Compliance with bylaws	271	5.83	1.27
Transparency in decision making	271	5.78	1.35
Open communication	271	5.66	1.30
Vision sharing	271	5.52	1.32
Providing quality programs	271	5.38	1.43
Increasing project effectiveness	271	5.38	1.24
Enhancing citizen participation	271	5.36	1.41
Providing accurate information	271	5.34	1.34
Efficiency in operation	271	5.34	1.34
Making proactive clients	271	5.13	1.44
Providing government policy alternatives	271	5.08	1.57
Establishing expertise in human service provision	271	5.06	1.41
Compliance with administrative guidance	271	4.99	1.92
Partnership with civil society organizations	271	4.92	1.41
Resource allocation appropriate to organization's mission	271	4.86	1.36
Educating citizens	271	4.86	1.57

Increasing volunteer motivation	271	4.57	1.65
Professionally executing government delegated services	271	4.48	1.93
Playing parts in government policy process	271	4.41	1.69
Partnership with government agencies	271	4.39	1.77
Partnership with academia	271	4.16	1.59
Professional volunteer management	271	3.99	1.69
Partnership with companies	271	3.51	1.81

#### 5.2.4.2 Exploratory Factor Analysis: Accountability Obligations of South Korean NPOs

This study conducts exploratory factor analysis to determine what, if any, underlying structure exists for measures on accountability obligations of South Korean NPOs. This chapter intends to identify unobserved common entities or constructs that make individual variables cluster together. Through an exploratory factor analysis, this research aims to provide common dimensions or features of accountability obligations of South Korean NPOs. The 25 accountability obligations include: transparency in decision making, open communication, compliance with bylaws, efficiency in operation, budget report at the general assembly, compliance with administrative guidance, vision sharing, enhancing citizen participation, making proactive clients, increasing volunteer motivation, educating citizens, providing government policy alternatives, establishing expertise in human service provision, playing parts in government policy process, professionally executing government delegated services, professional volunteer management, resource allocation appropriate to organization's mission, providing accurate information, increasing project effectiveness, partnership with government agencies, partnership with companies, partnership with civil society organizations, partnership with academia, transparency in financial management, and providing quality programs.

The researcher conducted principal components analysis and utilized a varimax rotation. Principal component analysis refers to an analytical method that extracts all sources of variability



from observed variables and produces a few orthogonal (uncorrelated) components for an exploratory factor analysis. Principal component analysis is a preferred method for a factor extraction when the research intends to explore, rather than confirm, underlying structures of observed variables (Mertler & Vannatta, 2001).

Four criteria—eigenvalue, variance, scree plot, and residuals—were used to determine how many components to retain (Mertler & Vannatta, 2001). According to the eigenvalue criteria, components with eigenvalues greater than 1 should be retained. In this study, four components have eigenvalues greater than 1.<sup>19</sup> The variance method requires that retained components account for at least 70 % of total variability. In this study, the total variance explained by the four components is 62.12 %.<sup>20</sup> Although the four components explain a total variability of less than 70 %, the total variance explained is close to the minimum requirement level. The screen plot criteria counts all components within the sharp descent, before eigenvalues level off.<sup>21</sup> The screen plot below demonstrates that the graph levels off after the fourth components. Following the residual criteria, residuals were computed between observed and reproduced correlations. When four components were retained, there were 106 (35.0%) nonredundant residuals with absolute values greater than 0.05.<sup>22</sup> By adding one more component and retaining five components, the

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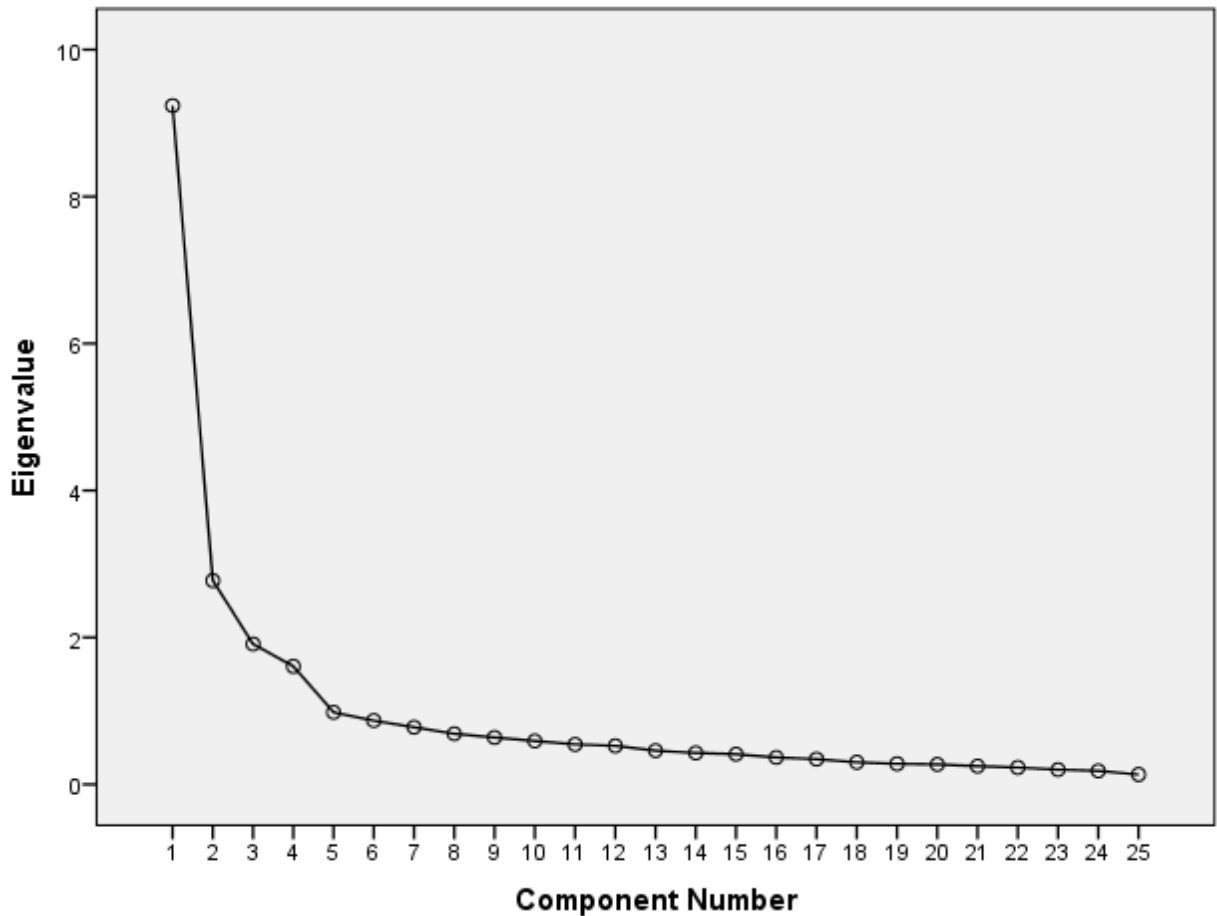
<sup>19</sup> The eigenvalue criteria is evaluated as a fairly reliable method when the number of variables is <30 and communalities are >.70, or the number of respondents is >250 and the mean communality is >.60. In this study, the number of variables is 25, the number of respondents is 271, and mean communality is .621. Therefore, the eigenvalue criteria can be considered as a reliable method in this study.

<sup>20</sup> By adding one more component, the total variance explained increased minimally. The total variance accounted for by five components is 66.04 percent.

<sup>21</sup> The screen plot criteria is evaluated as fairly reliable when the number of respondents is greater than 250 and communalities are greater than .30. The data of this study meets this condition. (N=271; all communalities are greater than .30).

<sup>22</sup> When five components were retained, there were 103 (34.0%) nonredundant residuals with absolute values greater than 0.05. Although the number of nonredundant residuals with absolute values greater than 0.05 decreased, the improvement was not sufficient enough to reject the suggestion by the eigenvalue criteria.

model does not improve substantially to the extent to which the researcher ignores the recommendation from the eigenvalue criteria. After applying these four criteria, it was determined to finalize a model that retains four components. (See Appendix for detailed output results of the four criteria: eigenvalue, variance, scree plot, and residuals).



**Figure 28 Scree Plot Result**

The table below shows the summary and interpretation of an exploratory factor analysis for NPO accountability obligations. The first component can be interpreted as accountability

obligations required to build up NPOs' professional integrity. The first component included all positive loadings and addressed the following variables: transparency in decision making, transparency in financial management, compliance with bylaws, open communication, budget report at the general assembly, efficiency in operation, increasing project effectiveness, and providing accurate information. These variables constitute the main requirements for an organization to be qualified as a professional entity. This first component can be characterized by the following traits: ensuring internal representativeness, commitments to external stewardship, a demonstration of organizational performance, and an embodiment of work ethics. Transparency in decision making, open communication, and compliance with bylaws seem to involve the task of ensuring internal representativeness. Transparency in financial management, budget report at the general assembly, and efficiency in operation may represent the link with NPOs' stewardship. Obligations in increasing project effectiveness demonstrate NPOs' commitments to enhancing organizational performance. Transparency in financial management, efficiency in operation, and providing accurate information seem to show the work ethics including legal and financial accountability. One noteworthy observation about this accountability obligation component is that the internal control and professional integrity elements are not completely insulated from external control and forced narrow definition of accountability in the minds South Korean NPO managers and leaders. This may imply that the professional stewardship and guardianship for public service and public good are one of the most intrinsic and fundamental rationales for NPOs' existence and activities.

The second component can be interpreted as accountability obligations required to serve as an agent for civic engagement in the society. This second component included all positive loadings and included the following variables: increasing volunteer motivation, making proactive

clients, professional volunteer management, enhancing citizen participation, resource allocation appropriate to organization's mission, establishing expertise in human service provision, vision sharing, and providing quality programs. This component seems to highlight NPOs' roles as civic leaders to facilitate civic activism in the society. One noticeable finding is that senior NPO managers recognized the significance of professional management of their volunteers, clients, and programs in their pursuit of civic activism. This shows that South Korean NPOs have continued their efforts to embrace professional management in bringing heightened civic engagement and social change. In other words, senior managers in South Korean NPOs recognize that establishing professionalism in their organizational operation and program management is mandatory to engage in civic activism and social movement.

The third component highlights NPOs' roles as part of networked alternatives to solving social problems and addressing public policy concerns. The third component included all positive factor loadings. This component included providing government policy alternatives, partnership with academia, partnership with civil society organizations, playing parts in government policy process, and educating citizens and draws attention to the role of civil society and its network as an alternative to government policies. It is noteworthy that South Korean NPOs count on a pooled or networked capability in collaboration with academia and civil society in order to play a key role as government policy alternatives.

The fourth component can be interpreted as highlighting NPOs' obligations as governance partners of government agencies. This component also included all positive factor loadings and included partnership with government agencies, professionally executing government delegated services, compliance with administrative guidance, and partnership with companies. This component touches on NPOs' role as governance partners of government agencies. Executing

government delegated services and complying with administrative guidelines can be understood as accompanying features of collaborative governance.

To sum up, by conducting an exploratory factor analysis, this study identified four main components in South Korean NPOs' accountability obligations. Those four components include accountability obligations to satisfy a professional integrity, to play its roles as an agent for civic engagement, to function as networked alternatives, and to serve as a governance partner of government agencies.

**Table 41 Summary of Exploratory Factor Analysis Results for NPO Accountability Obligations Measure Using Varimax Rotation (N = 271)**

Items	Factor Loadings				Communalities
	Component 1: Professional Integrity	Component 2: Civic Engagement	Component 3: Networked Alternative	Component 4: Governance Partner	
Transparency in decision making	<b>0.814</b>	0.223	0.109	-0.094	.733
Transparency in financial management	<b>0.804</b>	0.195	0.056	0.017	.687
Compliance with bylaws	<b>0.786</b>	0.080	0.091	0.263	.702
Open communication	<b>0.770</b>	0.297	0.163	-0.095	.716
Budget report at the general assembly	<b>0.751</b>	-0.035	0.005	0.209	.610
Efficiency in operation	<b>0.638</b>	0.375	0.106	0.177	.590
Increasing project effectiveness	<b>0.573</b>	0.453	0.248	0.169	.623
Providing accurate information	<b>0.514</b>	0.308	0.448	0.108	.571
Increasing volunteer motivation	0.092	<b>0.806</b>	-0.009	0.068	.663
Making proactive clients	0.188	<b>0.725</b>	0.191	0.039	.598
Professional volunteer management	-0.042	<b>0.691</b>	0.055	0.375	.623
Enhancing citizen participation	0.344	<b>0.606</b>	0.309	-0.061	.585
Resource allocation appropriate to organization's mission	0.345	<b>0.591</b>	0.150	0.217	.538
Establishing expertise in human service provision	0.276	<b>0.543</b>	0.220	0.324	.524
Vision sharing	0.507	<b>0.538</b>	0.206	-0.041	.590

Providing quality programs	0.448	<b>0.507</b>	0.171	0.175	.517
Providing government policy alternatives	0.027	0.177	<b>0.828</b>	0.029	.718
Partnership with academia	0.107	0.042	<b>0.731</b>	0.276	.624
Partnership with civil society organizations	0.343	0.109	<b>0.618</b>	0.110	.523
Playing parts in government policy process	-0.066	0.194	<b>0.608</b>	0.483	.644
Educating citizens	0.269	0.452	<b>0.571</b>	0.025	.603
Partnership with government agencies	0.125	0.112	0.261	<b>0.786</b>	<b>.714</b>
Professionally executing government delegated services	0.154	0.239	0.141	<b>0.762</b>	<b>.681</b>
Compliance with administrative guidance	0.377	0.046	-0.194	<b>0.712</b>	<b>.688</b>
Partnership with companies	-0.127	0.083	0.279	<b>0.600</b>	<b>.462</b>

## 5.2.5 Summary and Findings from Organizational Survey

### 5.2.5.1 Perception on stakeholders' significance

According to the survey the top three stakeholders in terms of their influence on the respondent NPOs' decision making processes turned out to be board members, staff members, and government agencies. Board members were chosen by 208 respondent NPOs. Staff members were selected by 194 respondent NPOs. The third most frequently selected stakeholder was government agencies, chosen by 114 NPOs.

In the overall comparison of stakeholders in terms of their influence on respondent NPOs' decision making processes, board members and staff members received very high scores in their evaluation, 5.51 and 5.44 respectively. The third ranking position was taken by clients and service

users with a mean value of 4.35, and the fourth rank was taken by government agencies with a mean value of 3.96.

### **5.2.5.2 Perception on major impulses**

#### ***a. From the perspective of performance standards: accountable for what?***

The professionalism impulse received the highest score (5.22) among varied impulses. Given the general perception that the nonprofit sector lacks in professionalism in South Korea, it is somewhat unexpected that professionalism received a higher score than civic activism (4.91) and volunteerism (4.56).

The civic activism impulse ranked second. Compared to the volunteerism impulse, the civic activism impulse emphasizes the proactive role of staff members and organizational leaders. By the comparison between volunteerism and civic activism, it turned out that the senior managers of South Korean NPOs place more emphasis on the role of civic leaders than that of volunteers. It can therefore be interpreted that some elements of elitism still exist in the South Korean nonprofit sector.

Volunteerism ranked third after professionalism and civic activism, however, it was close behind the leaders and is above the medium level of four. However, it failed to demonstrate the dominance or salience of the South Korean NPO sector.

The commercialism impulse received the lowest score (4.20) among Salamon's impulses. This result is consistent with the evaluation of stakeholders on their influence on NPOs' decision making processes. However, some basic ideas and skills from commercialization seemed to have been adopted and mobilized since competitions for funding and donor base have consistently increased in the South Korean nonprofit sector.

*b. From the perspective of stakeholders in impulses: accountable to whom?*

The civic activism impulse in association with its stakeholders showed the highest average score among major impulses with a value of 4.83. The emphasis on staff and organizational leaders as the main focal point of civic activism is consistent with findings from a previous section's stakeholder analysis. From this, we can see that South Korean NPOs seemed to regard their staff as social activists more than they regard them as professional experts.

The professionalism impulse received the highest stakeholder evaluation score (4.24) after the civic activism impulse. This overall evaluation is consistent with the findings from the evaluation of the performance standards in major impulses.

Stakeholders from the volunteerism impulse took the third rank among the four major impulses, with an average score of 4.04. As observed in the evaluation of performance standards (for what NPOs are accountable), the volunteerism impulse scored relatively low in its stakeholder evaluation (to whom NPOs are accountable). This may be related to the weak culture of volunteerism and donation in South Korea.

The stakeholders in association with the commercialism impulse received the lowest score among major impulses. This low evaluation of stakeholders in the commercialism impulse reconfirms the findings from the overall organizational stakeholder analysis in a previous section.

### **5.2.5.3 Perception on accountability obligations**

This study analyzed 25 main accountability obligation items that were obtained from semi-structured interviews in the first phase of this research. The accountability obligation that received the highest score was transparency in financial management, with a score of 6.21. Ensuring financial accountability in nonprofit organizations was considered to be the most essential part of



nonprofit accountability. Accountability obligations that hold a relatively high commitment value of more than 5.5 are as follows: budget reporting at the general assembly (5.91), compliance to bylaws (5.83), transparency in decision making (5.78), open communication (5.66), and vision sharing (5.52).

This study also conducted exploratory factor analysis to determine underlying structure on accountability obligations of South Korean NPOs. In order to complete this research, principal components analysis was once again conducted, utilizing a varimax rotation. Through the principal component analysis, four components were identified: accountability obligations required to build up NPOs' professional integrity, accountability obligations required to serve as an agent for civic engagement in the society, highlighting NPOs' roles as part of networked alternatives to solving social problems and addressing public policy concerns, and highlighting NPOs' obligations as governance partners of government agencies.

## **6.0 DUALITY OF THE SOUTH KOREAN NONPROFIT SECTOR AND ITS IMPACTS**

As mentioned in the empirical background part of this dissertation, this study pays attention to the dual structure of the South Korean nonprofit sector. This duality refers to the split between advocacy-focused NPOs and service-focused NPOs in the nonprofit sector. This section addresses the question of how this duality affects nonprofit managers' and leaders' perceptions of their accountability obligations towards their main stakeholders. The difference in the main focus of nonprofit organizations may change nonprofit managers' priorities among stakeholders and the significance of stakeholders when it comes to the decision making procedure. According to the strategic definition of nonprofit accountability, differentiated priorities and significance among stakeholders might imply that managers discern their accountability obligations accordingly. This is because, in both its strategic and broad definitions, NPO accountability functions as an outside force to influence the management of NPOs by incorporating expectations of diverse stakeholders.

Based on the aforementioned reasoning, this study argues that an NPO's decision to focus on service or advocacy will determine its perception of its accountability toward its stakeholders and its position on the main impulses driving the nonprofit sector.

This section examines hypotheses on the influence of mission focus—advocacy and service—on stakeholder priorities, perception on accountability obligations, and forcing impulses.

## 6.1 RESEARCH HYPOTHESES OF THIS SECTION

This section focuses on how the gap between service-focused and advocacy focused nonprofits affect the accountability concept of nonprofits. As stated in the theoretical framework of this study, this research is postulated on the broader and strategic definition of accountability, which is based on the observation of the varied composition and priorities in stakeholder environments. This study hypothesizes that the difference in the main focus of the NPOs' activities will in turn affect the NPOs' main priorities in their stakeholders, emphasis on accountability, and their main attitudes toward different types of impulses. Based on this reasoning, this study provides the following research hypotheses.

- Research hypotheses:

- 1) Stakeholder priority: NPOs' priority in the stakeholder evaluation

Advocacy-focused NPOs need support from their members, volunteers, and general citizens. These nonprofits tend to depend on solidarity with other NPOs working for shared causes and visions. On the other hand, service-focused NPOs may be more committed to providing quality services to service users. For the production of quality service and satisfaction of their service users, the role of professional staff might be emphasized.

- a. Advocacy-focused NPOs place higher priority on individual members, volunteers and general citizens than service-focused NPOs.

- b. Service-focused NPOs place priority on service users and staff than advocacy-focused NPOs.

2) Impact of main impulses: Impulses driving nonprofit organizations

Advocacy-focused NPOs need more solidarity for their cause as a social movement. On the other hand, service-focused NPOs might be more interested in leveraging professionalism for the provision of quality service and securing a sustainable income structure for its operation.

- a. Advocacy-focused NPOs have a tendency to be driven by civic activism and voluntarism.
  - b. Service-focused NPOs have a tendency to be driven by professionalism and commercialism.
- 3) Perception on accountability obligation

Regardless of their main focus, either advocacy or service, NPOs may have to comply with laws and regulations by government or oversight agencies as the minimum requirements. Advocacy NPOs may exert more effort to change explicit rules and public policies than service-focused NPOs. On the other hand, service-focused NPOs may depend more on the professional judgment that the executive or board members exercise to provide professional public service.

- a. Both advocacy-focused and service-focused NPOs place equivalently high emphasis on legal accountability

- b. Advocacy-focused NPOs place more emphasis on anticipatory accountability than service-focused NPOs
- c. Service-focused NPOs place more emphasis on discretionary accountability than advocacy-focused NPOs

## **6.2 RESEARCH METHOD: STATISTICAL ANALYSIS**

The data was analyzed using statistics software SPSS 20. Independent samples t-test was performed to see the group mean difference between the service-focused NPOs and advocacy-focused NPOs. In addition, regression analysis was employed to see the impact of service proportion on major impulses after controlling for other organizational and individual variables.

## **6.3 SERVICE AND ADVOCACY WORK OF RESPONDENT NPOS**

### **6.3.1 Service and Advocacy work proportion**

The table below shows the ratio of service to advocacy focus of 265 respondent NPOs. The average proportion of service work is 64 percent, whereas the average proportion of advocacy work is 36 percent. This proportion is not the ratio of the number of service-focused versus advocacy-focused NPOs, but actually the ratio of the average work focus in the sample group. This study assumed that all NPOs' work can be gauged by the proportion of service to advocacy focus percentage. Because of this assumption, this survey asked all respondent NPOs to state their

proportion of service provision work versus advocacy engagement work. Therefore, this ratio of 64:36 only shows the characteristics of the sample group, not those of individual respondent NPOs. To sum up, in the sample group of this survey the average proportion of service provision work is 1.8 times bigger than advocacy engagement work.

**Table 42 Proportion of service and advocacy work**

	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Service	265	.00	100.00	64.3698	28.40666
Advocacy	265	.00	100.00	36.0453	28.55401
Valid N (listwise)	265				

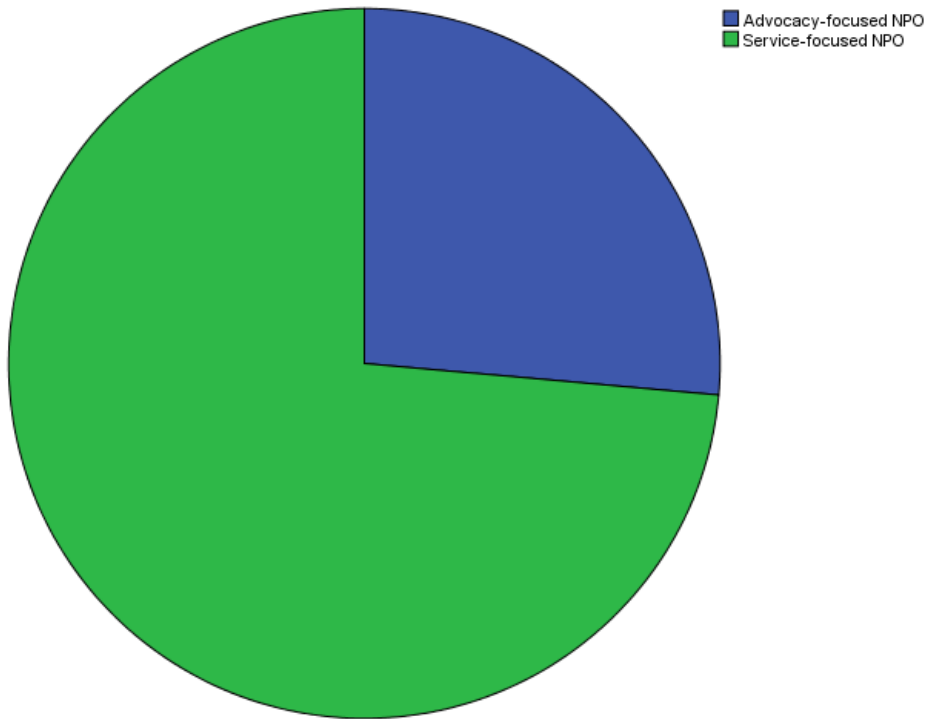
### **6.3.2 Service-focused NPOs and advocacy-focused NPOs**

In principle, this study classified the respondent NPOs into two groups based on the proportion of their work in service. The respondent NPOs were categorized as advocacy-focused NPOs if they answered that their proportion of service work was less than 50%. The respondent NPOs were categorized as service-focused NPOs, if the proportion of service work was greater than 50%.

After transforming the variable of service work proportion into a categorical variable of service-focused NPO and advocacy-focused NPO, the researcher examined the frequency of each type of NPOs. Among the valid data, service-focused NPOs took up 73.6 percent, with 195 organizations. Advocacy-focused NPOs took up 26.4 percent, with 70 organizations.

**Table 43 Frequency of Service-focused and Advocacy-focused NPOs**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Advocacy-focused NPO	70	22.2	26.4	26.4
	Service-focused NPO	195	61.9	73.6	100.0
	Total	265	84.1	100.0	
Missing	System	50	15.9		
Total		315	100.0		



**Figure 29 Distribution of Service-focused NPOs and Advocacy-focused NPOs**

## 6.4 DUALITY AND STAKEHOLDER PRIORITIES

Advocacy-focused NPOs gave higher priorities than service-focused NPOs to the following stakeholders in terms of stakeholders' significance: board, individual members, citizens & local residents, academia, media, domestic NPOs, and international NGOs. However, the mean difference was only statistically significant in the following stakeholder evaluations: individual members ( $t(236)=-2.128, p=.034$ ), academia ( $t(236)=-2.468, p=.014$ ), and media ( $t(236)=-1.905, p=.058$ ).

Service-focused NPOs gave higher priorities to the following stakeholders: staff, volunteers, clients & service users, government agencies, and companies. However, the mean difference was only statistically supported by the following stakeholders: clients & service users ( $t(236)=2.759, p=.006$ ), government agencies ( $t(236)=2.357, p=.019$ ), and companies ( $t(134)=1.747, p=0.083$ ).

The high priorities of government agencies side with the findings from the Repertory Grid Interviews. As we observed in the stakeholder dimensions of the Pusan Dong-gu Senior Welfare Center, government agencies were evaluated as direct supporters of resource providers and were considered as being included in the support networks and service delivery system of the respondent service-focused NPO. They were even categorized as an internal actor in the repertory grid interview with the CEO of the Pusan Don-gu Senior Welfare Center. This might have caused this significant difference in the priorities in government agencies between service-focused NPOs and advocacy-focused NPOs.

The high priorities of academia and media by advocacy-focused NPOs are also consistent with the stakeholder dimensions provided by the Repertory Grid Interviews with the PSPD and Pusan Dong-gu Senior Welfare Center. Both stakeholders were given relatively low scores from



both NPO groups—advocacy-focused and service-focused. In the stakeholder dimension of Pusan Dong-gu Senior Welfare Center, the academia and media stakeholders were located in the same dimension that contained external actors outside of the service delivery system. These two stakeholders were characterized as providing intangible resources and indirect support. In the case of PSPD, academia and media were also categorized in the same group because they are neither main agents of social movement, nor the subjects to change through social movement. If the stakeholder landscape is shaped as multi-layered circles, media and academia may constitute an outside layer.

However, a very interesting contrast exists in the evaluation of media and academia by service-focused and advocacy-focused NPOs. Although these two stakeholders commonly make up the outside layer of the stakeholder environments for both service-focused and advocacy-focused NPOs, both of these stakeholders were given statistically significant higher priorities by the advocacy-focused NPOs. Advocacy-focused NPOs may lean on academia for their research findings in order to give their work legitimacy. At the same time, advocacy-NPOs will mobilize the media to disseminate their message to the public. This may also imply that advocacy-focused NPOs rely more on intangible resources for their social movement causes than service-focused NPOs. For example, high reputation and moral legitimacy bestowed from the academia and media may serve as significant sources for obtaining support from the general and interested public.

Another significant contrast is the differentiated priorities of individual members and clients & service users by advocacy-focused NPOs and service-focused NPOs. Advocacy-focused NPOs emphasized individual members, whereas service-focused NPOs emphasized clients and service users. This contrast clearly testifies what is the fundamental rationale of their nonprofit's existence and activities. For advocacy-focused NPOs, individual members are the source of

support, both financially and non-financially. Individual members might be considered to be both partners for social movement and subjects for education. On the other hand, for service-focused NPOs, clients and service users are directly related to service delivery and sources of tangible and sustainable resources by paying user fees. This contrast may expose how the fundamental and sustainable resources of service-focused and advocacy-focused NPOs could be differentiated.

**Table 44 Group statistics for T-test: stakeholder evaluation**

	Service	N	Mean	Std. Deviation	Std. Error Mean
Staff	>= 50.00	173	5.4855	1.43708	.10926
	< 50.00	65	5.4154	1.74008	.21583
Board	>= 50.00	173	5.5202	1.54615	.11755
	< 50.00	65	5.6462	1.73593	.21532
Individual members	>= 50.00	173	3.7514	1.57434	.11970
	< 50.00	65	4.2462	1.65860	.20572
Volunteers	>= 50.00	173	3.3295	1.66045	.12624
	< 50.00	65	3.0462	1.77157	.21974
Clients & service users	>= 50.00	173	4.5491	1.71321	.13025
	< 50.00	65	3.8615	1.71279	.21245
Citizens & local residents	>= 50.00	173	3.5896	1.62442	.12350
	< 50.00	65	3.7846	1.77211	.21980
Government agencies	>= 50.00	173	4.1329	2.02591	.15403
	< 50.00	65	3.4308	2.10631	.26126
Companies	>= 50.00	173	2.3237	1.49393	.11358
	< 50.00	65	1.9846	1.26852	.15734
Academia	>= 50.00	173	2.8844	1.56578	.11904
	< 50.00	65	3.4615	1.71461	.21267
Media	>= 50.00	173	3.0116	1.59574	.12132
	< 50.00	65	3.4615	1.69629	.21040
Domestic NPOs	>= 50.00	173	3.3468	1.61963	.12314
	< 50.00	65	3.5692	1.63907	.20330
International NGOs	>= 50.00	173	2.6416	1.58441	.12046
	< 50.00	65	2.8769	1.55631	.19304

**Table 45 T-test result: stakeholder evaluation**

**Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Staff	Equal variances assumed	3.321	.070	.316	236	.752	.07016	.22189	-.36697	.50730
	Equal variances not assumed			.290	98.596	.772	.07016	.24191	-.40986	.55019
Board	Equal variances assumed	.612	.435	-.541	236	.589	-.12592	.23275	-.58445	.33261
	Equal variances not assumed			-.513	104.387	.609	-.12592	.24531	-.61237	.36052
Individual members	Equal variances assumed	.326	.568	-2.128	236	.034	-.49471	.23243	-.95260	-.03681
	Equal variances not assumed			-2.079	109.975	.040	-.49471	.23801	-.96639	-.02302
Volunteers	Equal variances assumed	.084	.772	1.151	236	.251	.28333	.24605	-.20142	.76807
	Equal variances not assumed			1.118	108.810	.266	.28333	.25342	-.21895	.78560
Clients & service users	Equal variances assumed	.333	.564	2.759	236	.006	.68759	.24922	.19661	1.17858
	Equal variances not assumed			2.759	115.107	.007	.68759	.24920	.19399	1.18120
Citizens & local residents	Equal variances assumed	.671	.414	-.805	236	.422	-.19502	.24234	-.67244	.28240
	Equal variances not assumed			-.774	106.827	.441	-.19502	.25212	-.69484	.30480
Government agencies	Equal variances assumed	1.304	.255	2.357	236	.019	.70218	.29795	.11520	1.28916
	Equal variances not assumed			2.315	111.223	.022	.70218	.30328	.10122	1.30314
Companies	Equal variances assumed	5.139	.024	1.623	236	.106	.33908	.20896	-.07257	.75074
	Equal variances not assumed			1.747	134.493	.083	.33908	.19405	-.04471	.72287
Academia	Equal variances assumed	.619	.432	-2.468	236	.014	-.57715	.23386	-1.03787	-.11642
	Equal variances not assumed			-2.368	106.499	.020	-.57715	.24372	-1.06032	-.09397
Media	Equal variances assumed	.591	.443	-1.905	236	.058	-.44998	.23621	-.91532	.01537
	Equal variances not assumed			-1.853	109.145	.067	-.44998	.24287	-.93133	.03138
Domestic NPOs	Equal variances assumed	.002	.966	-.941	236	.348	-.22241	.23640	-.68813	.24331
	Equal variances not assumed			-.936	113.870	.351	-.22241	.23769	-.69327	.24845
International NGOs	Equal variances assumed	.690	.407	-1.026	236	.306	-.23530	.22940	-.68724	.21663
	Equal variances not assumed			-1.034	116.951	.303	-.23530	.22754	-.68594	.21533

## 6.5 DUALITY AND IMPACT OF MAIN IMPULSES

### 6.5.1 Professionalism

As shown in the table below, service-focused NPOs showed a higher preference for professionalism than advocacy-focused NPOs, which is consistent with this study’s research hypothesis. The only exception in this direction is the item of meeting standards of ethical management. However, all of these measurement indicators for professionalism were statistically significant. This might be consistent with the findings from the Repertory Grid Interviews, which suggested a lower variation in professionalism than in social movement orientation. In other words, the impulses toward professionalism might be still in their initial stages, with the result that NPOs’ application of professionalism has not advanced enough to produce much variation.

An interesting finding is that the overall evaluation score of professionalism by advocacy-focused NPOs is much higher than that of voluntarism or commercialism, while almost equivalent to that in civic activism (5.18 in professionalism and 5.40 in civic activism). This might be interpreted to mean that South Korean NPOs—regardless of their focus—are forced to operate in a professional manner by outside impulses, but their actual level of inculcation of professionalism is still relatively low.

**Table 46 Group statistics for T-test: position on professionalism**

	Service	N	Mean	Std. Deviation	Std. Error Mean
Prof1:applying logic models derived from professional standards	>= 50.00	149	4.6980	1.41758	.11613
	< 50.00	62	4.4839	1.35189	.17169
Prof2:demonstrating empirically validated results and outcomes	>= 50.00	149	5.3289	1.18232	.09686
	< 50.00	62	5.1290	1.29923	.16500
Prof3:organizational learning	>= 50.00	149	5.2953	1.21089	.09920
	< 50.00	62	5.2419	1.09672	.13928

Prof4: meeting professional guild standards	>= 50.00	149	5.2282	1.30032	.10653
	< 50.00	62	5.0323	1.48178	.18819
Prof5: meeting standards of efficiency	>= 50.00	149	5.3289	1.28633	.10538
	< 50.00	62	5.2742	1.24360	.15794
Prof6: meeting standards of ethical management	>= 50.00	149	5.8188	1.33586	.10944
	< 50.00	62	5.9355	1.18558	.15057
Prof_Index_Ave	>= 50.00	149	5.2830	1.04006	.08520
	< 50.00	62	5.1828	.97216	.12346

**Table 47 Group statistics for T-test: position on professionalism**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Prof1: applying logic models derived from professional standards	Equal variances assumed	.136	.713	1.013	209	.312	.21412	.21139	-.20261	.63085
	Equal variances not assumed			1.033	119.295	.304	.21412	.20728	-.19631	.62454
Prof2: demonstrating empirically validated results and outcomes	Equal variances assumed	.011	.918	1.086	209	.279	.19983	.18402	-.16294	.56259
	Equal variances not assumed			1.044	105.138	.299	.19983	.19133	-.17954	.57919
Prof3: organizational learning	Equal variances assumed	1.431	.233	.300	209	.765	.05337	.17814	-.29781	.40455
	Equal variances not assumed			.312	125.293	.755	.05337	.17100	-.28505	.39179
Prof4: meeting professional guild standards	Equal variances assumed	.497	.482	.956	209	.340	.19593	.20490	-.20801	.59987
	Equal variances not assumed			.906	102.038	.367	.19593	.21624	-.23299	.62485
Prof5: meeting standards of efficiency	Equal variances assumed	.012	.912	.284	209	.777	.05467	.19254	-.32491	.43424
	Equal variances not assumed			.288	117.782	.774	.05467	.18987	-.32133	.43066
Prof6: meeting standards of ethical management	Equal variances assumed	1.838	.177	-.597	209	.551	-.11669	.19553	-.50216	.26878
	Equal variances not assumed			-.627	127.776	.532	-.11669	.18614	-.48501	.25162
prof_index_ave	Equal variances assumed	.461	.498	.650	209	.517	.10020	.15426	-.20390	.40431
	Equal variances not assumed			.668	121.575	.505	.10020	.15001	-.19677	.39717

The multiple regression results are consistent with the findings from the independent samples t-test. Service-focus does not contribute to predicting NPOs' attitudes or evaluation of professionalism impulse. This result gives another task for the future research—to find which factors affect the development of professionalism in the nonprofit sector.

**Table 48 Regression analysis result: professionalism index as dependent variable**

	Unstandardized Coefficients		Standardized Coefficients		Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	5.145	0.273		8.83	.000		
Budget	-1.98E-05	0	-0.041	0.485	.628	0.751	1.331
Age_Organization	-0.005	0.005	-0.085	0.999	.319	0.718	1.393
Service work proportion	0.002	0.003	0.067	.900	.369	0.948	1.055
Work period	0.019	0.017	0.098	.117	.266	0.677	1.477
Age	-0.008	0.087	-0.008	0.097	.923	0.713	1.402
Sex	-0.022	0.147	-0.011	0.153	.879	0.971	1.03

### 6.5.2 Civic activism

Consistent with the hypothesis, advocacy-focused NPOs showed a statistically significant preference toward civic activism compared to service-focused NPOs. Advocacy-focused NPOs gave a higher score to creating social conditions for organizational leaders to work as social activists ( $t(209)=-1.983, p=.049$ ), changing the allocation of valued goods in society ( $t(209)=-3.628, p=.000$ ), changing social norms and public policies ( $t(209)=-3.702, p=.000$ ), and the overall civic activism index ( $t(209)=-3.702, p=.000$ ). As expected, advocacy-focused NPOs gave their highest score of 5.41 to civic activism.

**Table 49 Group statistics for T-test: position on civic activism**

	Service	N	Mean	Std. Deviation	Std. Error Mean
Civic1:creating social condition for organizational leaders to work as social activists	>= 50.00	149	4.8591	1.45667	.11934
	< 50.00	62	5.2903	1.39539	.17721
Civic2:changing the allocation of valued goods in society	>= 50.00	149	4.5369	1.54449	.12653
	< 50.00	62	5.3710	1.46247	.18573
Civic3:changing social norms and public policies	>= 50.00	149	4.5772	1.57335	.12889
	< 50.00	62	5.5645	1.39814	.17756
Civic_Act_Index_ave	>= 50.00	149	4.6577	1.36337	.11169
	< 50.00	62	5.4086	1.28947	.16376

**Table 50 T-test result: position on civic activism**

		Independent Samples Test								
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower		Upper
Civic1:creating social condition for organizational leaders to work as social activists	Equal variances assumed	.003	.955	-1.983	209	.049	-.43126	.21749	-.86001	-.00252
	Equal variances not assumed			-2.019	118.797	.046	-.43126	.21365	-.85432	-.00821
Civic2:changing the allocation of valued goods in society	Equal variances assumed	.266	.606	-3.628	209	.000	-.83405	.22987	-1.28722	-.38089
	Equal variances not assumed			-3.711	120.096	.000	-.83405	.22474	-1.27902	-.38909
Civic3:changing social norms and public policies	Equal variances assumed	.745	.389	-4.286	209	.000	-.98733	.23037	-1.44148	-.53319
	Equal variances not assumed			-4.500	127.618	.000	-.98733	.21941	-1.42149	-.55318
civic_act_index_ave	Equal variances assumed	.172	.679	-3.702	209	.000	-.75088	.20285	-1.15078	-.35099
	Equal variances not assumed			-3.788	120.228	.000	-.75088	.19823	-1.14335	-.35842

The regression analysis supports the findings after controlling for organizational and individual variables. The service proportion of NPOs has a strongly negative effect on NPOs' preferences for civic activism ( $\beta=-0.367$ ,  $t=-5.352$ ,  $p<.001$ ).

**Table 51 Regression analysis result: civic activism index as dependent variable**

	Unstandardized Coefficients		Standardized Coefficients		Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	6.287	0.349		7.996	.000		
Budget	-3.75E-05	0	-0.056	0.721	.472	0.751	1.331
Age_Organization	-0.005	0.006	-0.064	0.807	.421	0.718	1.393
Service work proportion	-0.018	0.003	-0.367	5.352	.000	0.948	1.055
Work period	0.027	0.022	0.1	.236	.218	0.677	1.477
Age	-0.091	0.112	-0.064	0.814	.417	0.713	1.402
Sex	-0.167	0.188	-0.06	0.891	.374	0.971	1.03

### 6.5.3 Voluntarism

As seen in the tables below, overall, advocacy-focused NPOs showed more favorable attitudes toward voluntarism than service-focused NPOs. Advocacy-focused NPOs marked a higher score in creating social conditions for individuals to discuss social issues ( $t(209)=-2.371$ ,  $p=.019$ ) and in providing a vehicle for the expression of values ( $t(209)=-1.112$ ,  $p=.267$ ), although the latter was not statistically supported. Interestingly, the item of transforming the lives of individual members and volunteers was favored by service-focused NPOs more than advocacy-focused NPOs although the mean difference was not statistically significant ( $t(209)=.023$ ,  $p=.982$ ).

The results partly support the hypothesis that advocacy-NPOs are driven by voluntarism impulses. But this hypothesis might have to be refined because service-focused NPOs also demonstrated an almost equivalent level of preference and efforts toward voluntarism. The overall evaluation of voluntarism was relatively low in both service-focused and advocacy-focused NPOs compared to that of other impulses (4.49 and 4.77 respectively for service-focused NPOs and advocacy-focused NPOs).

**Table 52 Group statistics for T-test: position on voluntarism**

	Service	N	Mean	Std. Deviation	Std. Error Mean
Vol1:transforming the lives of individual members and volunteers	>= 50.00	149	4.8121	1.58272	.12966
	< 50.00	62	4.8065	1.72578	.21917
Vol2:creating a social condition for individuals to discuss social issues	>= 50.00	149	4.4765	1.64639	.13488
	< 50.00	62	5.0645	1.62834	.20680
Vol3:providing a vehicle for the expression of values	>= 50.00	149	4.1879	1.59970	.13105
	< 50.00	62	4.4516	1.48961	.18918
Vol_Index_Ave	>= 50.00	149	4.4922	1.37195	.11239
	< 50.00	62	4.7742	1.49653	.19006



**Table 53 T-test result: position on voluntarism**

		Independent Samples Test								
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Vol1:transforming the lives of individual members and volunteers	Equal variances assumed	1.696	.194	.023	209	.982	.00563	.24570	-.47875	.49000
	Equal variances not assumed			.022	105.826	.982	.00563	.25466	-.49926	.51052
Vol2:creating a social condition for individuals to discuss social issues	Equal variances assumed	.485	.487	-2.371	209	.019	-.58801	.24803	-1.07696	-.09905
	Equal variances not assumed			-2.382	115.333	.019	-.58801	.24690	-1.07705	-.09897
Vol3:providing a vehicle for the expression of values	Equal variances assumed	.535	.465	-1.112	209	.267	-.26369	.23703	-.73097	.20358
	Equal variances not assumed			-1.146	122.013	.254	-.26369	.23014	-.71928	.19189
vol_index_ave	Equal variances assumed	.543	.462	-1.324	209	.187	-.28202	.21301	-.70195	.13790
	Equal variances not assumed			-1.277	105.792	.204	-.28202	.22081	-.71980	.15576

As seen in the table below, the service proportion in nonprofit organizations’ activities significantly predicted the voluntarism index scores with a negative regression weight,  $\beta=-0.197$ ,  $t=-2.738$ ,  $p<.01$ , after controlling for main organizational variables (budget and age of organization) and individual variables (sex, age, and work period). This regression result implies that the service proportion of NPOs’ activities contributes to predicting NPOs’ favorable evaluation of voluntarism.

However, based on the result of a t-test between service-focused and advocacy-focused NPOs, the gap in their attitudes between these two groups is not as clear as in regression analysis. This might be due to the challenges in dividing the service and advocacy roles in nonprofit organizations’ activities.

**Table 54 Regression analysis result: voluntarism index as dependent variable**

	Unstandardized Coefficients		Standardized Coefficients		Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	5.302	0.372		4.252	.000		
Budget	9.24E-06	0.000	0.013	.167	.868	0.751	1.331
Age_Organization	-0.007	0.006	-0.092	1.112	.268	0.718	1.393
Service work proportion	-0.01	0.003	-0.197	2.738	.007	0.948	1.055
Work period	0.041	0.023	0.151	.775	.077	0.677	1.477
Age	-0.003	0.119	-0.002	0.025	.98	0.713	1.402
Sex	-0.428	0.200	-0.152	2.139	.034	0.971	1.030

#### 6.5.4 Commercialism

As postulated in the research hypothesis, service-focused NPOs showed higher evaluation and preference toward a commercialism impulse than advocacy-focused NPOs. Service-focused NPOs gave a higher evaluation in increasing social return on investment ( $t(209)=1.801, p=.073$ ), leveraging the comparative advantage of the organization ( $t(209)=1.884, p=.061$ ), and overall commercialization index ( $t(209)=1.975, p=.050$ ), all of which were statistically supported with a weak alpha assumption of 0.1.

The most apparent conclusion from this data is that both the service-focused NPOs and advocacy-focused NPOs gave the lowest score in the overall commercialization index. This demonstrates that the whole nonprofit sector, regardless of its focus—either service or advocacy—avoids the impulses of commercialism.

**Table 55 Group statistics for T-test: position on commercialism**

	Service	N	Mean	Std. Deviation	Std. Error Mean
Com1:increasing earned income	>= 50.00	149	4.4832	1.79189	.14680
	< 50.00	62	4.0806	1.84033	.23372
Com2:increasing social return on investment	>= 50.00	149	4.3557	1.68087	.13770
	< 50.00	62	3.9032	1.61661	.20531

Com3:exploiting niche markets	>= 50.00	149	4.9396	1.42955	.11711
	< 50.00	62	4.7419	1.66876	.21193
Com4: leveraging the comparative advantage of the organization	>= 50.00	149	4.8523	1.39679	.11443
	< 50.00	62	4.4355	1.61571	.20520
Com5:spawning entrepreneurial culture through growth strategies such as franchising	>= 50.00	149	3.2550	1.82014	.14911
	< 50.00	62	2.8226	1.61473	.20507
Com_Index_Ave	>= 50.00	149	4.3772	1.25881	.10313
	< 50.00	62	3.9968	1.31248	.16669

**Table 56 T-test result: position on commercialism**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Com1:increasing earned income	Equal variances assumed	.338	.562	1.475	209	.142	.40258	.27297	-.13554	.94070
	Equal variances not assumed			1.459	111.471	.147	.40258	.27600	-.14431	.94946
Com2:increasing social return on investment	Equal variances assumed	.283	.595	1.801	209	.073	.45248	.25124	-.04280	.94776
	Equal variances not assumed			1.830	118.354	.070	.45248	.24721	-.03705	.94201
Com3:exploiting niche markets	Equal variances assumed	2.679	.103	.870	209	.385	.19766	.22720	-.25023	.64555
	Equal variances not assumed			.816	100.095	.416	.19766	.24214	-.28273	.67805
Com4: leveraging the comparative advantage of the organization	Equal variances assumed	2.145	.145	1.884	209	.061	.41687	.22127	-.01933	.85306
	Equal variances not assumed			1.774	100.821	.079	.41687	.23495	-.04921	.88294
Com5:spawning entrepreneurial culture through growth strategies such as franchising	Equal variances assumed	2.220	.138	1.623	209	.106	.43245	.26639	-.09271	.95761
	Equal variances not assumed			1.706	127.826	.091	.43245	.25355	-.06925	.93415
com_index_ave	Equal variances assumed	.050	.824	1.975	209	.050	.38041	.19265	.00063	.76019
	Equal variances not assumed			1.941	109.993	.055	.38041	.19601	-.00803	.76885

The regression result sides with the findings from the t-test. After controlling for organizational and individual variables, the variable of the service proportion of an NPO turned out to be insignificant in its effect on commercialization.

**Table 57 Regression analysis result: commercialism index as dependent variable**

	Unstandardized Coefficients		Standardized Coefficients	Sig.	Collinearity Statistics	
	B	Std. Error	Beta		Tolerance	VIF

(Constant)	3.916	0.347		1.298	.000		
Budget	3.76E-05	0.000	0.06	.728	.467	0.751	1.331
Age Organization	0.002	0.006	0.027	.319	.75	0.718	1.393
Service work proportion	0.005	0.003	0.116	.577	.117	0.948	1.055
Work period	0.01	0.022	0.039	.453	.651	0.677	1.477
Age	-0.097	0.111	-0.074	0.871	.385	0.713	1.402
Sex	0.334	0.186	0.13	.79	.075	0.971	1.03

## 6.6 DUALITY AND PERCEPTION ON ACCOUNTABILITY OBLIGATION

In this section, I use the accountability definition and classification suggested by Kearns (1996), since his accountability environment framework focuses on the expectations from varied stakeholders surrounding NPOs and NPOs' responses to the pressures from their stakeholders.

Adopting Kearns's framework, legal accountability was measured using the following indicators: compliance with bylaws, compliance with administrative guidance, and transparency in financial management. The anticipatory accountability was measured using the following indicators: enhancing citizen participation, educating citizens, and providing government policy alternatives. The discretionary accountability was operationalized using the following indicators: increasing project effectiveness, providing quality programs, and allocating resources appropriately to an organization's mission.

### 6.6.1 Legal accountability

As for the impact of NPOs' main focus and legal accountability, this study found that the service-focused NPOs showed a statistically significant level of higher commitment to compliance

with administrative guidance than advocacy-focused groups ( $t(99)=3.11, p=.002$ ). In contrast, advocacy-focused NPOs demonstrated higher commitment to compliance with bylaws ( $t(227)= -.652, p= .515$ ) and transparency in financial management ( $t(227)=-.893, p=.373$ ), although these were not statistically significant. The result implies that the association between the focus of NPOs and their commitment to legal accountability avoids a simple interpretation with a nuanced difference and should be differentiated by sub-indicators. In satisfying financial transparency, both groups expressed their highest priorities, marking 6.20 for service-focused NPOs and 6.35 for advocacy-focused NPOs.

A fascinating contrast is found in each group's compliance with administrative guidance and bylaws. Advocacy-focused NPOs gave a low score in their obligation in complying with administrative guidance by the government agencies or higher authorities, while they revealed a higher emphasis on bylaws. Given that bylaws can be categorized as self-regulating forces that are established by an organization or community, it can be pointed out that advocacy-focused NPOs inherently resist the control from outside authorities such as government agencies. This group revealed its tendency to rely on self-established rules, such as its code of conduct or ordinance. In contrast, the group of service-focused NPOs demonstrated its higher priority in complying with administrative guidance from the government agencies. This seems to be due to the fact that service-focused NPOs have heavily relied on government funding for their service provision and served as social service or public policy implementation partners of the government.

**Table 58 Group statistics for T-test: perception on legal accountability**

	Service	N	Mean	Std. Deviation	Std. Error Mean
Compliance with administrative guidance	>= 50.00	165	5.3455	1.73787	.13529
	< 50.00	64	4.4375	2.06924	.25865
Compliance with bylaws	>= 50.00	165	5.8364	1.21621	.09468
	< 50.00	64	5.9531	1.21407	.15176
Transparency in financial management	>= 50.00	165	6.2000	1.30290	.10143

	< 50.00	64	6.3594	.93209	.11651
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**Table 59 T-test result: perception on legal accountability**

		Independent Samples Test								
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Compliance with administrative guidance	Equal variances assumed	4.190	.042	3.358	227	.001	.90795	.27035	.37525	1.44066
	Equal variances not assumed			3.110	99.332	.002	.90795	.29190	.32878	1.48713
Compliance with bylaws	Equal variances assumed	.001	.971	-.652	227	.515	-.11676	.17901	-.46950	.23598
	Equal variances not assumed			-.653	114.903	.515	-.11676	.17887	-.47108	.23755
Transparency in financial management	Equal variances assumed	2.341	.127	-.893	227	.373	-.15937	.17839	-.51090	.19215
	Equal variances not assumed			-1.032	159.489	.304	-.15937	.15448	-.46446	.14571

## 6.6.2 Anticipatory accountability

Regarding anticipatory accountability, advocacy-focused NPOs showed higher commitments in all sub-indicators compared to service-focused NPOs. Advocacy-focused NPOs demonstrated a statistically significant level of higher accountability obligation in changing social norms and public policies ( $t(209)=-4.286, p=.000$ ), educating citizens ( $t(227)=-3.501, p=.000$ ), and providing government policy alternatives ( $t(227)=-5.571, p=.000$ ) than service-focused NPOs.

In particular, the magnitude of the effect was greater in items that measured the accountability in counter-government than in counter-citizens. In other words, the accountability perception of these two groups of NPOs reveals a greater gap in dealing with government agencies than with citizens. This might reflect the development history of the South Korean nonprofit sector, which is characterized by advocacy-focused nonprofit groups' confrontations with the government and their response to serve as government alternatives.

**Table 60 Group statistics for T-test: perception on anticipatory accountability**

	Service	N	Mean	Std. Deviation	Std. Error Mean
Changing social norms and public policies	>= 50.00	149	4.5772	1.57335	.12889
	< 50.00	62	5.5645	1.39814	.17756
Educating citizens	>= 50.00	165	4.5879	1.60406	.12488
	< 50.00	64	5.3750	1.30323	.16290
Providing government policy alternatives	>= 50.00	165	4.7212	1.59873	.12446
	< 50.00	64	5.9375	1.12511	.14064

**Table 61 T-test result: perception on anticipatory accountability**

		Independent Samples Test									
		Levene's Test for Equality of Variances		t-test for Equality of Means						95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper	
Changing social norms and public policies	Equal variances assumed	.745	.389	-4.286	209	.000	-.98733	.23037	-1.44148	-.53319	
	Equal variances not assumed			-4.500	127.618	.000	-.98733	.21941	-1.42149	-.55318	
Educating citizens	Equal variances assumed	4.135	.043	-3.501	227	.001	-.78712	.22480	-1.23008	-.34417	
	Equal variances not assumed			-3.835	140.197	.000	-.78712	.20526	-1.19293	-.38132	
Providing government policy alternatives	Equal variances assumed	15.684	.000	-5.571	227	.000	-1.21629	.21832	-1.64648	-.78610	
	Equal variances not assumed			-6.476	162.122	.000	-1.21629	.18780	-1.58714	-.84543	

### 6.6.3 Discretionary accountability

Regarding discretionary accountability, advocacy-focused NPOs showed higher commitments to the resource allocation appropriate to their organizational mission ( $t(227)=-.916$ ,  $p=.361$ ) and the increase in project effectiveness ( $t(227)=-2.116$ ,  $p=.035$ ), but only the latter was statistically supported. Service-focused NPOs demonstrated a higher commitment to providing quality programs and it was only accepted with a decision rule of alpha equal to .10 ( $t(227)=1.781$ ,  $p=.076$ ).

These results showed that the research hypothesis of service-focused NPOs placing more emphasis on discretionary accountability is only partly supported by data. It turned out that the

service-focused and advocacy-focused NPOs have different priorities and focuses in embracing discretionary accountability. Advocacy-focused NPOs place more emphasis on project effectiveness, whereas service-focused NPOs emphasize improving the quality of their programs and services. However, both groups of NPOs agreed that the importance of mission appropriateness of resource allocation should not be disregarded.

**Table 62 Group statistics for T-test: perception on discretionary accountability**

	Service	N	Mean	Std. Deviation	Std. Error Mean
Resource allocation appropriate to organization's mission	>= 50.00	165	4.8182	1.36271	.10609
	< 50.00	64	5.0000	1.30931	.16366
Increasing project effectiveness	>= 50.00	165	5.3212	1.19953	.09338
	< 50.00	64	5.6875	1.11091	.13886
Providing quality programs	>= 50.00	165	5.5636	1.38498	.10782
	< 50.00	64	5.2031	1.34730	.16841

**Table 63 T-test result: perception on discretionary accountability**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Resource allocation appropriate to organization's mission	Equal variances assumed	1.692	.195	-.916	227	.361	-.18182	.19852	-.57300	.20936
	Equal variances not assumed			-.932	118.993	.353	-.18182	.19504	-.56801	.20438
Increasing project effectiveness	Equal variances assumed	.175	.676	-2.116	227	.035	-.36629	.17312	-.70742	-.02516
	Equal variances not assumed			-2.189	123.187	.030	-.36629	.16734	-.69753	-.03505
Providing quality programs	Equal variances assumed	.235	.629	1.781	227	.076	.36051	.20243	-.03837	.75939
	Equal variances not assumed			1.803	117.637	.074	.36051	.19997	-.03550	.75652



## **6.7 FINDINGS AND DISCUSSIONS ON THE EFFECTS OF DUALITY IN THE SOUTH KOREAN NPO SECTOR**

### **6.7.1 Summary of the analytical results**

This study explored and confirmed that the duality prevails in the South Korean nonprofit sector by illustrating stakeholder dimensions and testing hypotheses on the stakeholder priorities, accountability obligations, and the main impulses' impacts on their management of both service-focused and advocacy-focused NPOs.

The hypotheses about stakeholder priorities by both groups of NPOs were partly supported by the results from the repertory grid interviews and the stakeholder organizational survey. Advocacy-focused NPOs turned out to give higher priorities to individual members, academia, and media, whereas service-focused NPOs emphasized clients/service users, government agencies, and companies.

The tests on the mean difference between service-focused and advocacy-focused NPOs in their accountability obligation produced the following results. First, as for the impact of NPOs' legal accountability, this study found that the service-focused NPOs showed a statistically significant level of higher commitment to compliance with administrative guidance than advocacy-focused groups. In contrast, advocacy-focused NPOs demonstrated a higher commitment to compliance with bylaws and transparency in financial management although these were not

statistically significant. Second, regarding anticipatory accountability, the advocacy-focused NPOs showed higher commitments in all sub-indicators compared to service-focused NPOs. Third, regarding discretionary accountability, advocacy-focused NPOs showed higher commitments to the resource allocation appropriate to their organizational mission and the increase in project effectiveness, whereas service-focused NPOs demonstrated a higher commitment to providing quality programs.

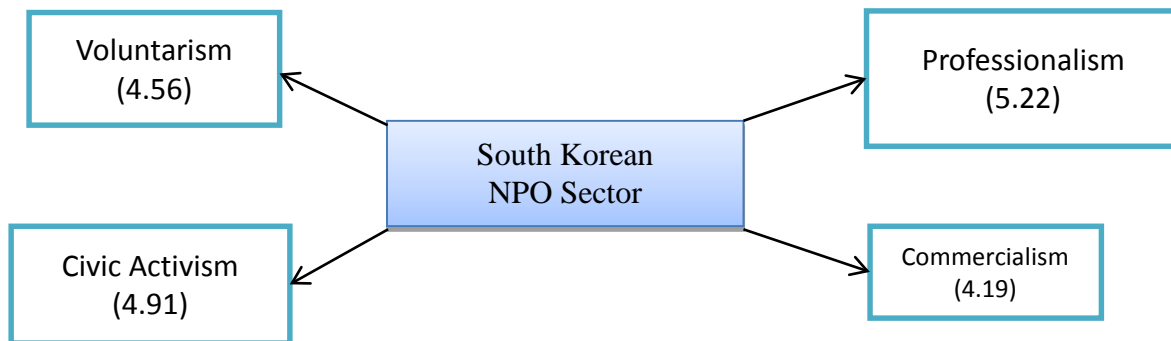
The analyses on the effects of main impulses on NPOs suggested the following findings. First, advocacy-focused NPOs showed more favorable attitudes toward voluntarism than service-focused NPOs. Second, service-focused NPOs showed a higher preference for professionalism than advocacy-focused NPOs. Third, service-focused NPOs showed higher evaluation and preference toward a commercialism impulse than advocacy-focused NPOs. Fourth, advocacy-focused NPOs showed a statistically significant preference toward civic activism compared to service-focused NPOs.

### **6.7.2 Discussions on the effects of duality in the South Korean NPO sector**

This study examined main impulses in the South Korean NPO sector. This section focused on examining the differences between service-focused NPOs and advocacy-focused NPOs in order to investigate the duality of the South Korean NPO sector.

This discussion section aims to overview the South Korean NPO sector and to compare the two sub-sectors from the stand-point of the impacts of Salamon’s major impulses: voluntarism, professionalism, commercialism, and civic activism.

The figure below demonstrates the prevalence and visibility of Salamon’s each impulse in the South Korean NPO sector.<sup>23</sup> The professionalism impulse obtained the highest average score of 5.22, whereas the commercialism impulse obtained the lowest score of 4.19. The civic activism impulse received a relatively high score of 4.91. The voluntarism impulse scored 4.56, which is a little bit lower than the civic activism impulse. This figure insinuates that the South Korean NPO sector is characterized as high levels of professionalism and civic activism and a low level of commercialism. As mentioned in the main section of the survey analysis of this study, an elitism element exists given that social activist-led downward social movements are more prevalent than volunteer-led upward social movement in the South Korean NPO sector.



**Figure 30 Main impulses in the overall South Korean NPO sector**

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<sup>23</sup> The values in parentheses are based on this study’s organizational survey on major impulses. This section in particular used the data from the survey question on performance standards in respective impulses. For the demonstration of these figures, this section employed the average index value of respective impulses.

The two figures below aim to compare service-focused NPOs and advocacy-focused NPOs in South Korea, providing five points of interest.<sup>24</sup> First, social movement impulses (civic activism and voluntarism) were more visible in the case of advocacy-focused NPOs, whereas entrepreneurial management impulses (professionalism and commercialism) were more visible in the case of service-focused NPOs.

Second, professionalism demonstrated its high influence in both sectors. Although service-focused NPOs showed a higher level of professionalism than advocacy-focused NPOs, the difference between service-focused NPOs (5.28) and advocacy-focused NPOs (5.18) was minimal.

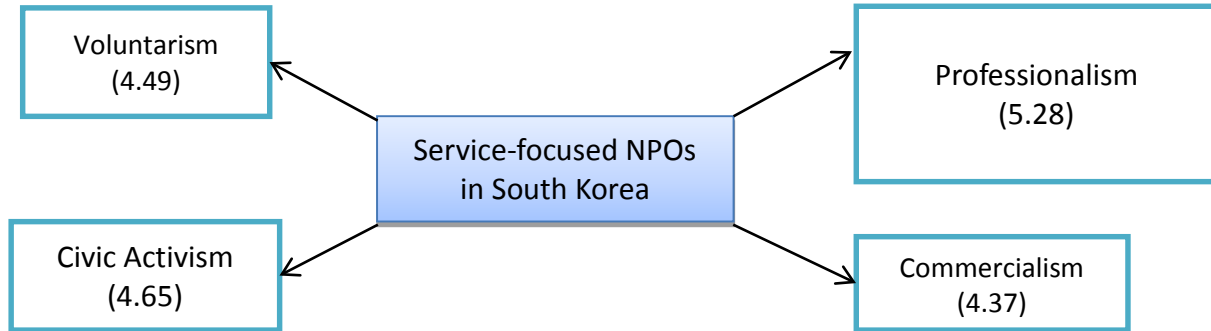
Third, commercialism revealed the lowest level of influence regardless of the mission and focus of respondent NPOs. Commercialism scored lowest with a score of 4.37 for service-focused NPOs and 3.99 for advocacy-focused NPOs. However, in the case of service-focused NPOs, the level of commercialism (4.37) is almost close to that of voluntarism (4.49) in terms of its influence. This implies that commercialism has a potential to increase its prevalence and influence, more for service-focused NPOs than for advocacy-focused NPOs.

Fourth, civic activism in advocacy-focused NPOs showed the highest level of 5.40. This score is higher than any other impulses including both sectors. This finding implies that advocacy-focused NPOs are leading the social movement impulse in South Korean society.

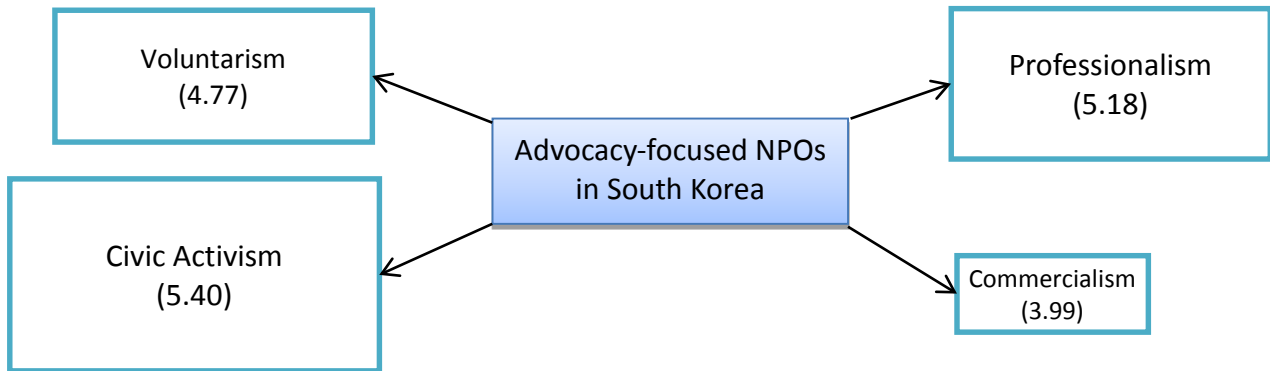
Fifth, voluntarism, in both sectors, was less prevalent than civic activism. This is consistent with the finding from the general overview of the South Korean NPO sector.

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<sup>24</sup> This dissection is based on the categorization of respondent NPOs based on their service work proportion. The respondent NPOs were categorized as advocacy-focused NPOs if they answered that their proportion of service work was less than 50%. The respondent NPOs were categorized as service-focused NPOs, if the proportion of service work was 50% or more.



**Figure 31 Main impulses and service-focused NPOs in South Korea**



**Figure 32 Main impulses and advocacy-focused NPOs in South Korea**

## 7.0 CONCLUSION: SUMMARY AND IMPLICATIONS

My dissertation attempted to identify the major societal and strategic forces shaping the South Korean nonprofit sector. The reflection of Lester Salamon's theoretical framework for American NPOs may serve as a point of reference from which we can observe South Korea's NPO sector, but it cannot replace the framework to represent the stakeholder environment of the South Korean NPO sector since the origins and history of respective civil society differ greatly in South Korea. The stakeholder environments of NPOs are the byproducts of both the development history of the whole civil society and the individual NPOs themselves. For this reason, this dissertation's study started by examining the perception of nonprofit leaders on their organization's stakeholder environments. This approach utilized ground theory and contributed to revealing the uniqueness of the South Korean NPO sector's stakeholder accountability environments.

Through my observation and examination of the South Korean NPO sector, I postulate that the South Korean NPO sector has been a vehicle which has carried the entire country through industrialization, democratization, and newly facing post-industrialization and post-democratization agendas. This vehicle runs with two wheels: social movement and strategic management impulses.

As one of the two main wheels of the South Korean NPO sector, social movement agenda and obligations have dominated the entire sector and throughout its evolutionary history. Leaders of South Korean NPOs demonstrated that they recognize their fundamental obligation as social activists who have led social change throughout the country's democratization process. Leaders of both service-focused NPOs and advocacy-focused NPOs emphasized social movement as the main

source of their organizational legitimacy. For this reason, the relation factor has been regarded as more significant to NPO organizational management than resource factors. In other words, leaders in South Korean NPOs pay more attention to who they will work with than whom they will get resources from. NPO leaders believe that this is the bottom line of their organizational legitimacy. This intrinsic value component has strengthened the internal control in the organization's accountability.

As the other wheel of the South Korean NPO sector, the strategic management impulse has, over time, increased its significance as a task for individual NPOs to respond to expectations from outside stakeholders and to build internal capacity to continue its activities. NPO managers must secure both financial and nonfinancial sources within financial constraints. Individual NPOs have to seek opportunities for collaboration to achieve organization's goals and realize its visions. Individual NPOs scan the environment to pinpoint opportunities and threats and identify their own strengths and weaknesses. South Korean NPO leaders have been forced to become more strategic, flexible, and realistic in the program operations and organizational management in order to best deal with the ever changing environment.

In the South Korean context, the reinforcing influence and countervailing interchange between the social movement and strategic management impulses have been more significant and tangible compared to the US. These inter- and counter-actions of these two main impulses have been shaping the NPO sector with an overtime change in the predominance of one over the other impulse. In the next section, I will summarize the detailed findings from the multi-stage and multi-methods research.

## 7.1 RESEARCH SUMMARY

My dissertation raised two research questions: first, what are the impulses shaping the South Korean NPO sector; and second, what accountability obligations do NPO leaders consider toward the stakeholders with respect to the identified impulses? The first research question involved an exploratory process eliciting tensions and forces affecting managers and employees in South Korean NPOs. My second question examined how accountability practices in individual NPOs respond to the identified impulses. Further, this study focused on how South Korean NPOs have responded to the identified impulses in an accountability environment, where accountability is defined as the management of the diverse expectations of its stakeholders (Kearns, 1996).

As a research framework, my dissertation gained insights from Salamon's theoretical framework on the driving impulses of America's nonprofits, including voluntarism, civic activism, professionalism, and commercialism. As a theoretical prism to assess the main impulses and a link to the practices in the field, this study employed an accountability environment framework. This accountability environment framework will help peruse South Korean NPOs' interpretation of the variety of environmental forces derived from the demands that NPOs have to satisfy, the mission they are committed to, the mandates they should comply with, and tasks they must address.

In phase I, the Repertory Grid Technique was employed to elicit perceptions and assumptions that NPO leaders have regarding the expectations of accountability held by various stakeholders. I incorporated the reflections from field practitioners in South Korea including NPO leaders and managers employing Repertory Grid Method.

In phase II, an organizational survey was conducted by incorporating constructs elicited from the grid interviews in Phase I of the study. This organizational survey asked respondent



NPOs to prioritize their main stakeholders, to evaluate the impulses from a perspective of accountability, and to assess their accountability mechanisms and strategies (e.g. to whom they are accountable; and for what they are accountable) that correspond to the identified impulses.

In its final stage of the analysis, this study added some statistical examination on the impacts of duality on the South Korean NPO sector. I paid special attention to the South Korean NPO sector's duality, referring to its split between advocacy-focused NPOs and service-focused NPOs, since this feature was highlighted in existing literature and confirmed in the two phases of fieldwork of this study. This study examined hypotheses on the influence of mission focus—advocacy and service—on stakeholder priorities, perception on accountability obligations, and forcing impulses.

Through the Repertory Grid interview, this study found that South Korean NPOs most frequently chose the construct *relationship (collaboration versus confrontation)*, when they construe the expectations and demands from their main stakeholders. Many South Korean NPOs also selected the construct *shared accountability* as a basis in their pursuit of organizational mission and implementation of their activities. South Korean NPO leaders and senior managers also seemed to place a strong emphasis on their perception of whom they consider as a partner in their work, compared to whom they strategically work with or get resources from. South Korean NPO leaders and senior managers placed an equivalently large amount of emphasis on both social management-orientation and professional management requirement.

In the Repertory Grid interview, this study observed that all of Salamon's impulses from American NPOs exist in the South Korean sector. However, the extent to which those impulses affect the South Korean NPO sector was somewhat different. For example, social movement and strategic management impulses take greater precedence in South Korea than they do in the United

States. The organizational survey on stakeholder significance identified that board members, staff members, and government agencies are the top three stakeholders in terms of their influence on the respondent NPOs' decision making processes. However, in the overall assessment of stakeholders, clients and service users ranked third, pushing government agencies to fourth place.

In the organizational survey question on NPOs' perception of main impulses, the professionalism impulse and the civic activism impulse scored high in terms of their influence. Commercialism showed the lowest prevalence. Additionally, voluntarism showed a lower significance than civic activism, but higher than commercialism.

The organizational survey on NPOs' accountability obligations shows that accountability obligations which assure the NPO's professional integrity and legitimacy received a relatively higher score (e.g. financial transparency, budget reporting at the general assembly, compliance to bylaws, transparency in decision-making process, open communication, and vision sharing), compared to obligations that focus on the increase in program effectiveness itself.

Factor analysis on the accountability obligation measures generated some new types of accountability obligation-affiliated components. Whereas NPOs' obligations to meet the professional integrity seem to belong to a traditional category, components of civic engagement, alternative network, and governance partnership can be considered as non-traditional constructs in terms of NPOs' accountability obligations.

Finally, the statistical analysis on the impact of the South Korean NPO sector's dual structure generally confirmed that duality prevails in the South Korean nonprofit sector in terms of the accountability obligations' and the main impulses' impacts on service-focused and advocacy-focused NPOs. Regarding NPOs' perception on their accountability obligations, both types of NPOs do not disregard any types of accountability obligations (legal, anticipatory, and

discretionary). However, advocacy-focused NPOs showed a higher commitment to anticipatory accountability than service-focused NPOs, while service-focused NPOs showed a higher compliance to the administrative guidelines from the government agencies than advocacy-focused NPOs.

Regarding NPOs' perception on the effects of main impulses, the duality structure was consistently observed. Advocacy-focused NPOs showed a more favorable attitude toward civic activism and voluntarism than service-focused NPOs, whereas service-focused NPOs showed a more favorable attitude toward professionalism and commercialism. However, there was some commonality in that both types of NPOs were skeptical about leaning on commercialism for their organizational operation. Both civic activism and professionalism gained a high recognition by both types of NPOs.

## **7.2 RESEARCH IMPLICATION**

My dissertation first contributes to furthering the understanding of the tensions nonprofit managers and civic leaders face when operating South Korean NPOs. Further, it helps to comprehend the South Korean NPO sector in terms of how it positions itself with respect to the main impulses.

Second, it extends Salamon's framework by highlighting both the universalities and particularities of the tensions facing the South Korean NPO sector. This study functions as a comparative case that demonstrates both the universal impulses that are common to both the U.S. and South Korea, and the distinctive impulses that are more intimately intertwined with Korean NPOs' own historical development process. For example, the duality within South Korean civil

society—the clear distinction between advocacy-focused and service-focused NPOs—may increase the necessity of paying attention to the contrast between social movement and entrepreneurial management impulses.

Third, it gives practical policy implications regarding managing the various and sometimes conflicting expectations from diverse stakeholders surrounding South Korean NPOs. In other words, this research contributes to synthesizing the whole set of management issues that are derived from stakeholder expectations. For example, how NPO managers deal with the government regulations, how South Korean NPOs utilize corporate donations, how managers of South Korean NPOs respond to the needs of the community, how board members communicate with the staff members within the NPOs, and how the managers involve volunteers in their work, are all important issues in actual organizational management.

Fourth, this research has a policy implication in terms of its educational focus. It highlights the ethics and practical skills of managers, which are becoming increasingly significant. This research helps demonstrate which aspects of nonprofit management should be weighted in terms of their organizational goal, strategy, and management style. For example, it helps characterize the leadership that addresses the issues and challenges facing the South Korean nonprofit organizations and provide models for building up desirable leadership in managing NPOs.

Finally, it contributes to the curriculum development in Korean Universities to prepare students to involve themselves in the NPO sector. By understanding the main impulses shaping South Korean NPO sector, the schools can figure out what parts of academic disciplines and knowledge sources benefit most the potential leaders and managers in the field. The theoretical exploration of the main impulses in NPOs, the comprehensive examination of stakeholder

expectations, and the thorough investigation into accountability environment using case studies help build a series of interdisciplinary curricula in public policy and management schools.

### **7.3 VALIDITY & RELIABILITY ISSUES AND THEIR CONTROL**

This study has carefully taken into account the issues of research validity including external validity, content validity, construct validity, and context validity. This research has also reviewed its reliability issues since it employs a survey instrument and measurement index. Lastly, measurement error should be taken into account to recognize and overcome limitations of a quantitative survey research.

#### ***External validity***

There is an issue of external validity regarding the representativeness of selected respondent NPOs both in organizational surveys and repertory grid interviews. In order to combat this, my study has made efforts to attain representativeness by employing judgmental and quota sampling in the repertory grid interview and random sampling in the organizational survey. However, securing the representativeness could still be considered to be a potential threat to the external validity. There are two possible threats in terms of securing external validity. First, there is no unified official population list of South Korean NPOs as the concept of nonprofit organizations has recently emerged as an academic research theme. With the introduction of several nonprofit related government acts (e.g. Nonprofit Organization Assistance Act), the presence and visibility of the NPO sector in South Korea has substantially increased. However, it

is still a challenging task to gauge the actual size of the sector and number of organizations within this sector. The reference book *Directory of South Korean NPOs* published by the Civic Movement Information Center (2011) and used in this study is the largest and extensive NPO list among all lists that currently exist in South Korea. By using this sample frame, this study intended to gain the highest feasible level of representativeness.

Second, it is not possible to take into account all the criteria and dimensions for the generalization of the sample. As Cook and Campbell (1979) noted, generalizing to across organizations, persons, settings, and times at the same time is a challenging goal. It is a matter of degree, rather than a presence, of representativeness. This study intended to generalize the findings from this research and minimize possible external validity threats by using random sampling methods.

### ***Content validity***

In this study, the conceptual and operational definitions of NPO sector, service and advocacy work, and stakeholder contain issues of content validity such as what <sup>25</sup> types of organizations should be included as a nonprofit organization. The operationalization of service work and advocacy work also include the task of obtaining content validity. This operationalization task itself requires advice from experts and professionals in the field and academia. . To control the content validity issues, such as who should be included as main stakeholders of the NPO sector, I examined the mainstream literature on nonprofits in both the United States and South Korea, and then consulted with nonprofit sector experts to ensure content

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<sup>25</sup> Content validity refers to how much a measure covers the originally intended part of the concept (Babbie, 2001).

validity. In addition, I conducted pre-interviews with practitioners in the field to finalize the main stakeholders of NPOs to obtain content validity.

### ***Construct and context validity***

The theoretical relationship between the concept of duality and accountability may raise some issues of construct validity.<sup>26</sup> This study is built upon theoretical association between impulses and accountability of NPOs. The theoretical relationship between the duality and accountability constitutes one of the main themes of this paper. For example, what portion of the main impulse concept can be accounted for by the concept of accountability? What portion and which element of the duality structure explain the variance in accountability? These answers are directly related to how you measure the abstract concept of accountability. Accountability is an abstract and elusive theoretical concept so any definition is expected to be diverse and varied. This study adopts the strategic definition of accountability, which is broader than conventional definition of accountability. This broad definition views accountability as managing the diverse expectations from NPOs' varied stakeholders. This strategic definition also features the expansion of the scope of public authority and criteria for assessment. The determination of the range and scope of the accountability concept is associated with a system of theories in nonprofit management and public administration. This is why the measurement of the accountability concept can be seen as an issue of construct validity.

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<sup>26</sup> Construct validity refers to the extent to which a measure relates to other variables as expected by a system of theoretical relationship (Babbie, 2001; Kerlinger & Lee, 2000).

Measuring the concept of impulses raises an issue of context validity. Impulse itself is a new concept that has not been discussed in academia. This concept of impulse will be immensely influenced by the context where the practices are implemented. Therefore, obtaining context validity is a challenging task regarding the definition and measurement of impulses. This study tried to minimize its threat by employing a ground theory approach that reflects the perceptions of senior managers and leaders in South Korea. In other words, I intended to ensure the context validity of the research by reflecting the perceptions of practitioners.

How the researcher defines and measures the dual structure of the NPO sector is also related to contextual validity. For instance, service and advocacy focuses may exist on one continuum, or may coexist in a parallel manner ranging varied activity areas (e.g. education, health, environment, human service, human rights, peace, foreign aid, alternative society, etc). In other words, one NPO can be regarded as advocacy-focused in one sector, and at the same time as service-focused NPO in another sector since a substantial number of NPOs are covering multiple areas in the South Korean context. Therefore, dividing NPOs into two groups under the duality structure might cause some contextual validity issue.

### ***Reliability***

As this study employed a survey research method, it is mandatory to check the reliability of the survey instrument. This study checked the reliability by using Chronbach's alpha. Additionally, this study also checked the reliability of the newly generated components in the exploratory factor analysis (See Appendix for detailed results of all the following reliability tests).

The internal consistency reliability test (Chronbach's Alpha) results of the impulse measurement scale from the performance criteria are as follows. The voluntarism subscale



consisted of 3 items ( $\alpha = .848$ ), the civic activism subscale consisted of 3 items ( $\alpha = .878$ ), the professionalism subscale consisted of 6 items ( $\alpha = .894$ ), and the commercialism subscale consisted of 5 items ( $\alpha = .839$ )

The internal consistency reliability test results of the impulse measurement scale from the stakeholder stand point are as follows. The voluntarism subscale consisted of 3 items ( $\alpha = .690$ ), the civic activism subscale consisted of 4 items ( $\alpha = .801$ ), the professionalism subscale consisted of 5 items ( $\alpha = .805$ ), and the commercialism subscale consisted of 4 items (.816).

The internal consistency reliability test results of the accountability obligation measurement scale are as follows. The legal accountability subscale consisted of 3 items ( $\alpha = .664$ ), the discretionary accountability subscale consisted of 3 items ( $\alpha = .779$ ), and the anticipatory accountability subscale consisted of 3 items ( $\alpha = .763$ ).

The internal consistency reliability test results of the newly generated components in the exploratory factor analysis on the accountability obligations are as follows. The component 1 (professional integrity) consisted of 8 items ( $\alpha = .904$ ), the component 2 (civic engagement) consisted of 8 items ( $\alpha = .865$ ), the component 3 (networked alternative) consisted of 5 items ( $\alpha = .804$ ), and the component 4 (governance partner) consisted of 4 items ( $\alpha = .769$ ).

### ***Measurement Error***

For a variety of reasons, measurement errors could occur during the survey process of measuring accountability obligations and NPOs' attitudes on main impulses. Measurement errors could occur because of improper translation of terms and concepts, improper question wording, and imperfect scales. Although the researcher made efforts to minimize measurement errors by conducting back-translation, two preliminary surveys, and expert reviews, the risk of measurement

error cannot be completely removed. The scores in NPOs' perception on accountability obligation and performance might have been inflated. Since the accountability concept is associated with social norms and ethics, interviewees might have given answers affected by social desirability consideration. Another possibility in measurement error stems from the discrepancy of the research objects and actual respondents. To investigate and control measurement errors, it is required to conduct a confirmatory factor analysis or structural equation modeling analysis in the next stage of this research.

## **APPENDIX A**

### **REPERTORY GRID TECHNIQUE PROTOCOL**

Below is the procedure for the Repertory Grid Technique for construct generation.

- The researcher made a list of stakeholders to present to the respondents.

Staff, board members, individual members, volunteers, clients/service users, citizens/local residents, government agencies, corporate donors, academia, media, other domestic NPOs, and international NGOs.

- The researcher prepared index cards that describe the meaning and coverage of each stakeholder term.
- Respondents were asked to enumerate stakeholders themselves.
- If there were differences between the list prepared and the enumerated list by the respondents, make notes for the further reference and findings.
- Respondents were presented with three randomly selected cards that reveal the main stakeholders of South Korean NPOs.
- The following questions were asked to respondents.

Here are three groups of stakeholders identified as important to South Korean NPOs. With respect to the obligations you feel toward them, how are two alike and different from the third?

- Which two are alike and in what way?

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- Once the respondents have generated a construct, the interviewer wrote it down on a blank sheet.
- The researcher repeated the construct generation process until no other constructs were generated.
- Once the generation process has ended, the researcher showed respondents the constructs generated to verify the accuracy and whether the record reflected their perceptions they have on stakeholders regarding the impulse with a link to NPO accountability issues.
- The researcher asked respondents to rate the generated constructs on each stakeholder using 7 score Likert scale.

	Stakeholder 1	Stakeholder 2	...	Stakeholder 11	Stakeholder 12
Construct 1					
Construct 2					
Construct 3					
Construct 4					

**APPENDIX B**

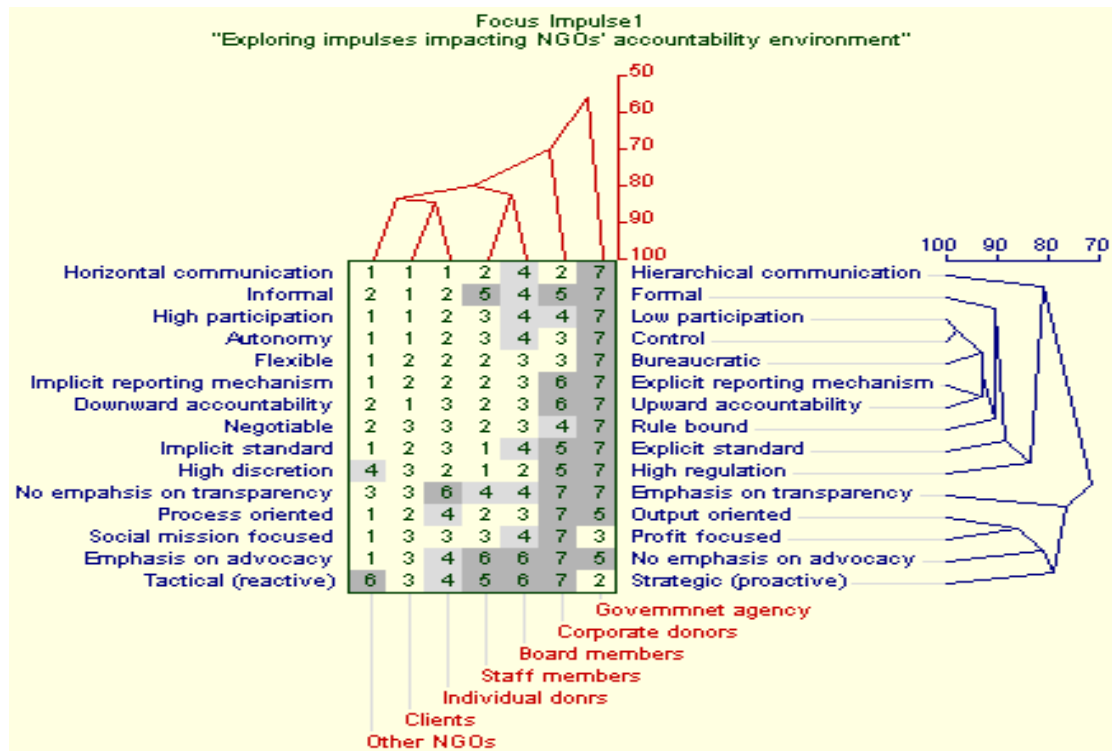
**ANALYSES AND ILLUSTRATIONS FROM REPERTORY GRID INTERVIEWS**

**USING SOFTWARE REP IV**

This section is to illustrate how the grid method can be used to map a person's reference frame. This part in particular shows focus cluster analysis and principal component analysis by employing a software Rep IV. Rep IV is a software application that intends to conduct Kelly's Grid Technique Interviews and analyze data from it.

This cluster analysis sorts the grid to bring closely matching elements together, and closely matching constructs together (Gaines & Shaw, 2005; Shaw, 1980). The element and construct "matches" are shown as a percentage of the maximum possible match (Center for Person Computer Studies, 2009).

The figure below demonstrates the result of a focus cluster analysis based on hypothetical data, illustrating that some constructs cluster together. For example, the constructs of output orientation, profit focus, strategic approach, and no emphasis on advocacy cluster showing about 76% matches. The constructs of formality, low participation, control, bureaucratic characteristics, explicit reporting mechanism, upward accountability, and rule-bound demonstrate about 90 percent matches.

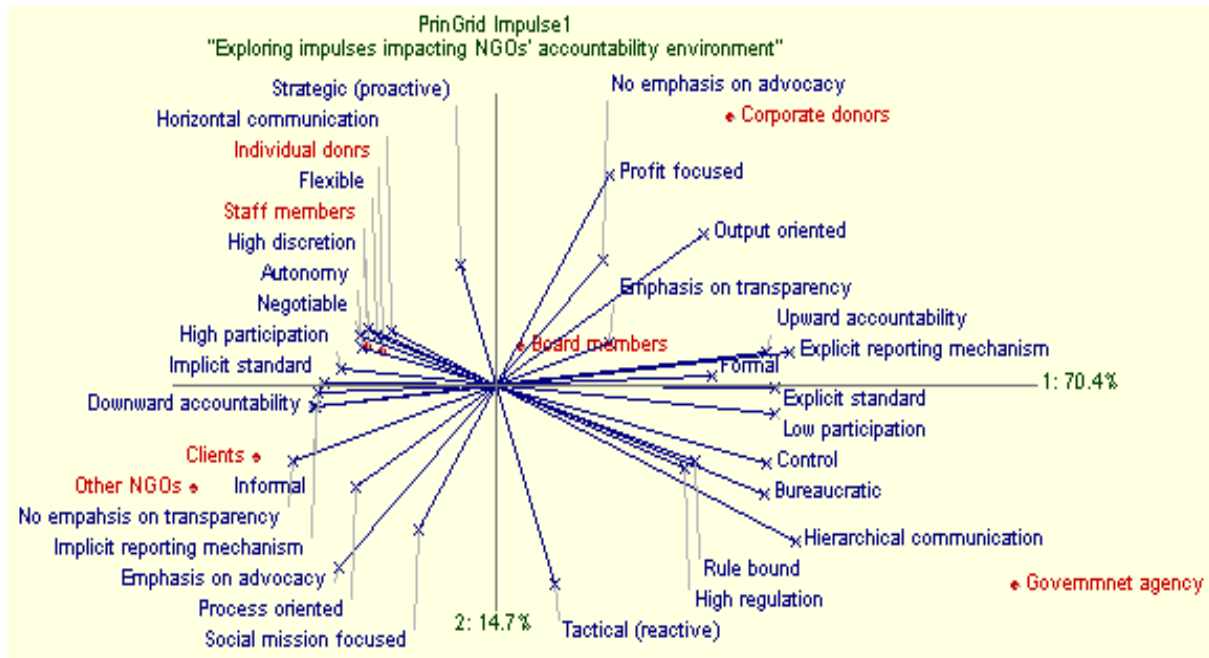


**Figure 33 Focus cluster analysis of the grid (Hypothetical)**

Principal Components Analysis (PCA) was conducted for the elicitation of the main factors that explain the variance in the rating of the stakeholders in terms of the link with NPO accountability. PCA creates n-dimensional space defined by constructs with axes centered on the means of the elements. The data is rotated to spread the elements out in a 2-dimensional plot (Gaines & Shaw, 2005).

The following figure illustrates a hypothetical output based on principal components analysis (PCA). If only the horizontal axis is taken into account, corporate donor and government are located on the same side of the spatial configuration of accountability constructs (see figure 5). This may be construed as professionalism or commercialism impulses. On the other hand, individual donors, clients and other NPOs are positioned on the other side of the spatial configuration, which can presumably be construed as voluntarism or civic activism impulses.





**Figure 34 Principal component analysis of the grid (Hypothetical)**

In summary, we can use this method to see if the the responses cluster naturally along the four types of impulses described by Salamon. Through the elicitation, accumulation, and cross-checks of tensions, I finalize the most significant impulses that have been influencing the South Korean NPO sector. The Repertory Grid Method was also used to construct the questionnaire for the organizational survey with individual NPOs.

## **[NPO Case Studies from the Repertory Grid Interviews using software REP IV]**

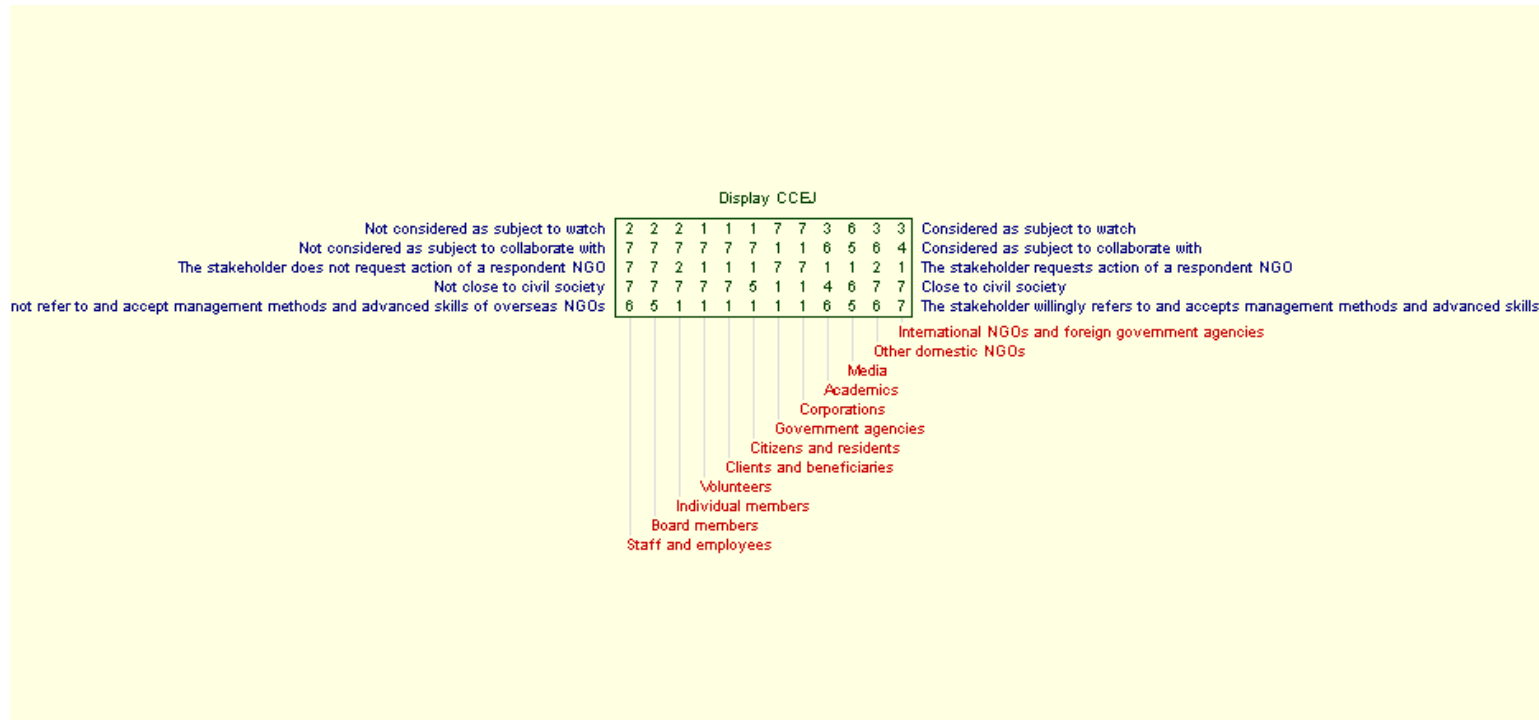
In this part, I will analyze four cases from the repertory grid interviews. There are three selection criteria. First, I considered whether an individual NGO is a representative case in terms of its role and function in South Korean civil society and its development history. Second, I considered the balance between central and local NGOs, as well as their significance in the sector. Third, I intended to include both advocacy-centered and service-centered NGOs. Four cases are: Citizens' Coalition for Economic Justice, People's Solidarity for Participatory Democracy, and Korea Federation for Environmental Movements (Jeonbuk Province), and Senior Welfare Center (Pusan- Don-gu).

### ***Case 1: Citizens' Coalition for Economic Justice (CCEJ)***

The CCEJ played a significant role in the early stages of South Korean civil society from the late 1980s through the early 1990s. The CCEJ was established in 1989 in response to the unjust economic structure of Korean economic life. Since 1989, the CCEJ's movement has expanded to the areas of environmental protection, democratic development and national reunification. The CCEJ has been evaluated as standing at the forefront of leading the development of the South Korean civil society.

The figure below shows the evaluation of element for each construct generated by the manager of the CCEJ. Five constructs generated by the respondent follow: whether a stakeholder is considered as a subject to be overseen; whether a stakeholder is considered

as a subject to collaborate with; whether a stakeholder is positioned close to the civil society; and whether a stakeholder willingly refers to and accepts advanced management skills and methods of overseas NGOs.



**Figure 35 Repertory Grid display: elements and constructs of CCEJ**

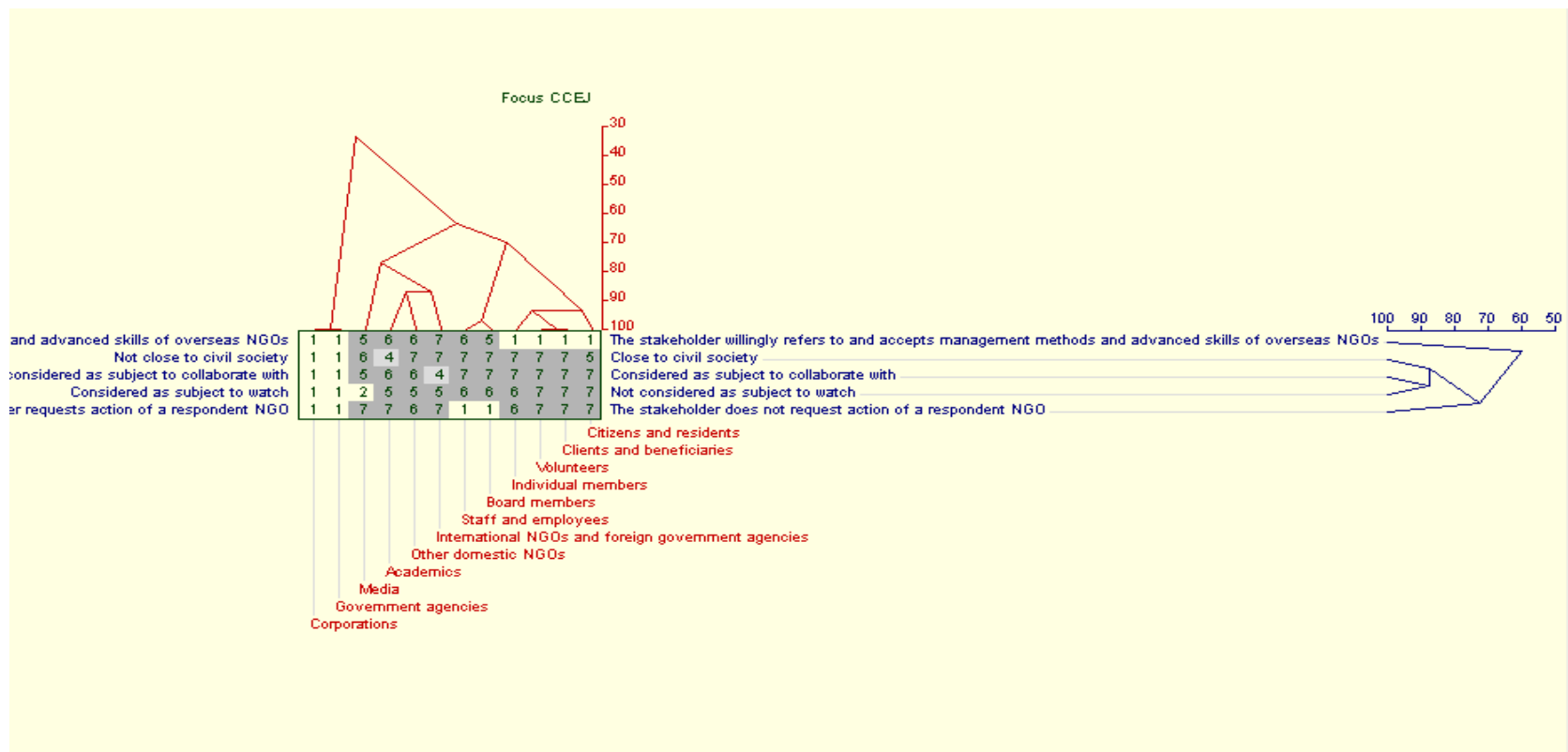
The figure below demonstrates the result of a focus cluster analysis based on the interview with the manager of the CCEJ. It shows some construct cluster and the degree of matches. For example, the following four constructs demonstrate 72% matches: the degree to which a stakeholder is located close to the civil society. The constructs are: the closeness to civil society, the extent to which

a stakeholder is considered as a subject to collaborate with, the extent to which a stakeholder is not considered as a subject to watch, and the degree to which a stakeholder does not request specific action of a respondent NGO. In the same way, the construct of not being considered as subject to watch and the construct of being considered as a subject to over collaborate with demonstrate 89% matches.

Regarding the elements, volunteers and clients and beneficiaries are perfectly correlated – that is they are ranked identically on the constructs, which implies that the manager of CCEJ considers these two stakeholders as equivalent in terms of accountability environment. Board members and staff members also show the high matching rate of 95%. An interesting finding is that government agencies and corporations are regarded as the same type of stakeholders. The perception seems to be that government agencies and corporations are similar in that they represent political power and market power respectively.<sup>27</sup> This perception is confirmed by the evaluation on the construct of the distance from civil society. The ratings of government agencies and corporations are rated one, while individual members and volunteers are rated seven.

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<sup>27</sup> In an interview with one senior manager of the People's Solidarity for Participatory Democracy (PSPD), government agencies and big corporations were categorized into a power group which has to be "observed" and "watched." They were understood as a subject of confrontation rather than collaboration. (Interview, March 2<sup>nd</sup>, 2011)



**Figure 36 Focus cluster analysis of CCEJ**

The following figure illustrates the result of the principal component analysis of the grid based on the interview with CCEJ's manager. If only the horizontal axis is taken into account, government agencies and corporations are located on the same side of the spatial configuration of accountability constructs. In another finding, board members, staff members, other domestic/international

NGOs, volunteers, clients, individual members, and citizens are positioned on the other side of the spatial configuration, which can presumably be construed as voluntarism or civic activism impulses.

The fact that government agencies and corporations are located in the same dimension might be related to professionalism or commercialism impulses. It could also be conjectured as being the reflection of a confrontational relationship between civil society and political/market power. It becomes clear that professionalism is mainly explained by the vertical axis, rather than the horizontal axis. Given that the construct asking about the willingness to adopt advanced management skills from overseas NGOs is a proxy variable on professionalism, the vertical axis makes this distinction by the spectrum of professionalism impulses. In this sense, board members, staff members, academics, and international NGOs seem to contribute more to the professional development of NGOs.

It is noteworthy that the horizontal axis explains 56.4 percent of variances, while the vertical axis explains 22.7 percent of variances. This implies that, at least so far, the construct on confrontational perception derived from power dynamics has prevailed in the South Korean NGO sector or the civil society sector, compared to professionalism impulses. This may be another reflection of the concept of the duality structure in the South Korean NGO sector mentioned in one previous comparative study.

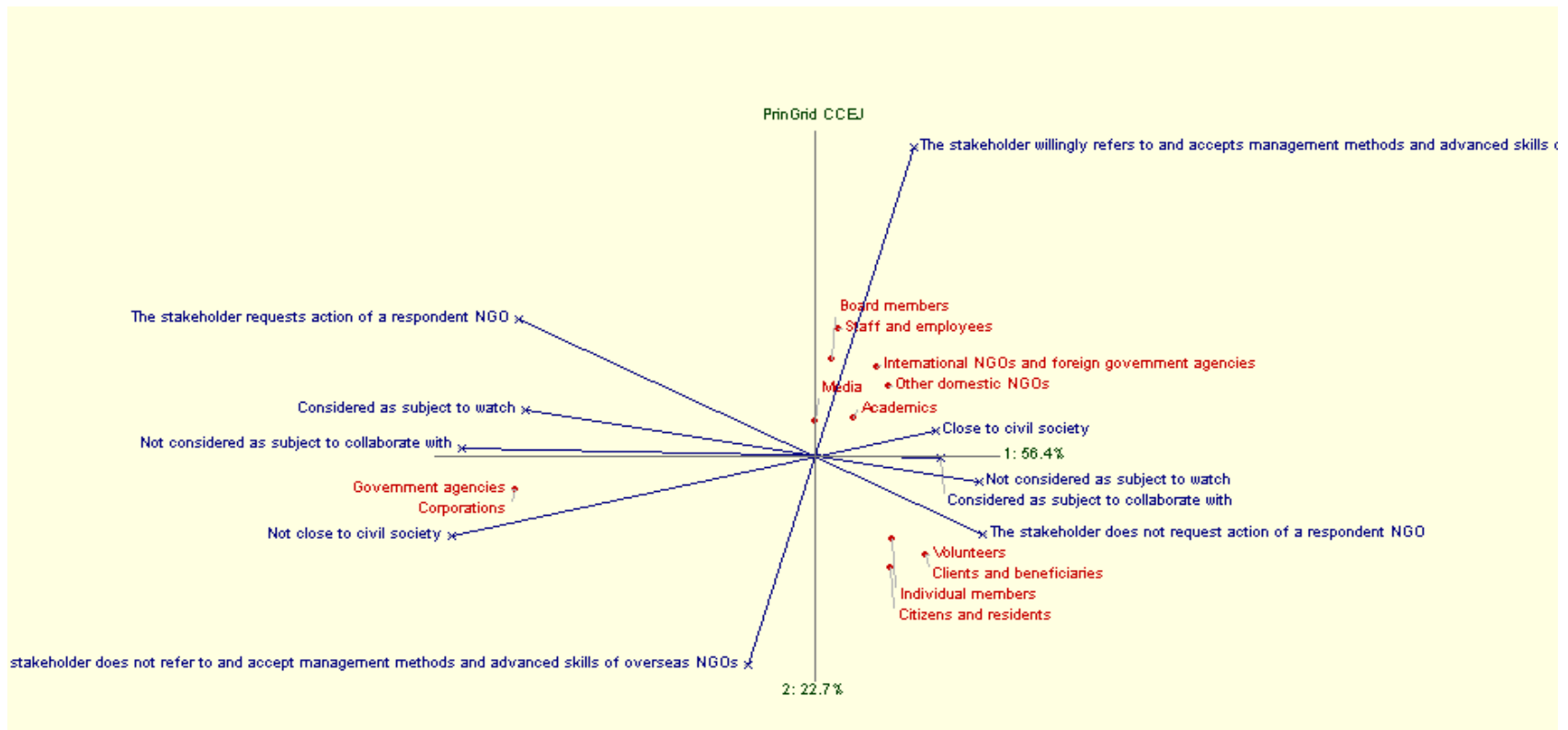


Figure 37 Principal component analysis of the grid: the case of CCEJ

## *Case 2: People's Solidarity for Participatory Democracy (PSPD)*

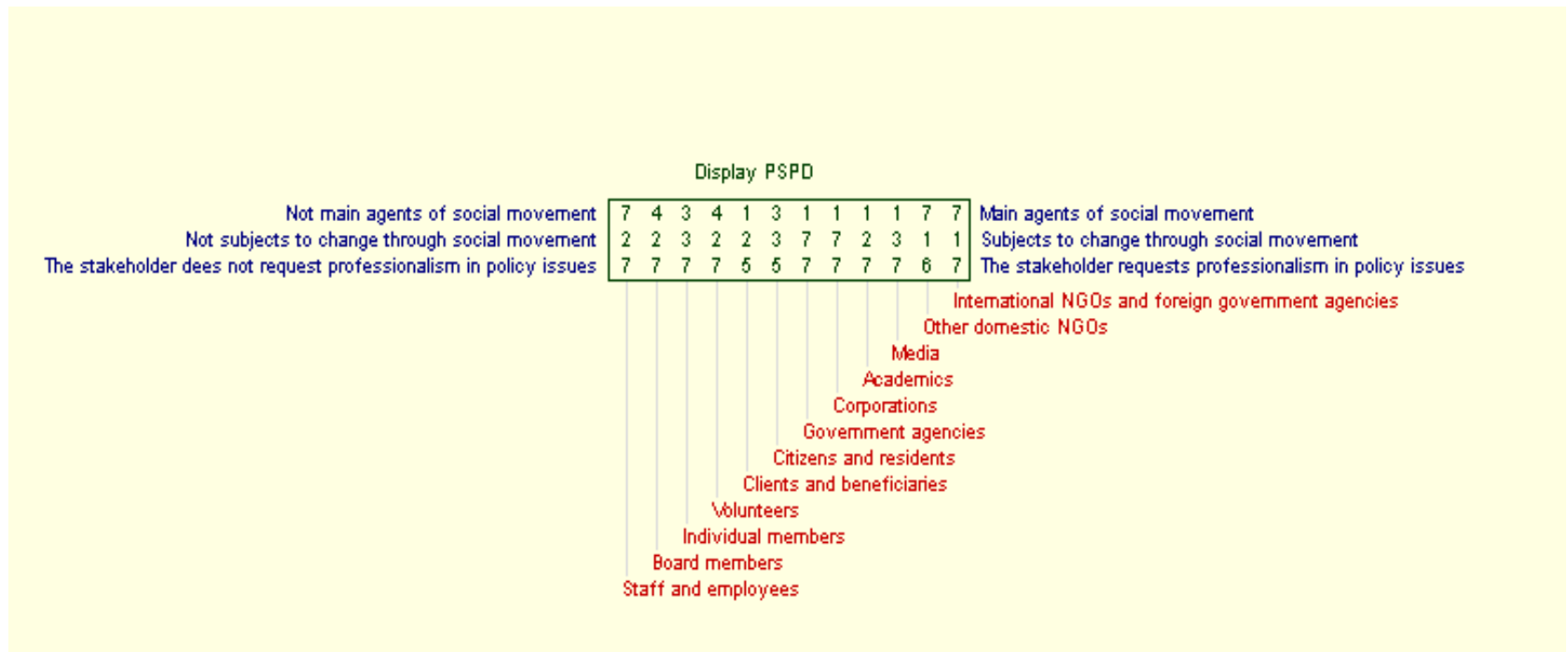
It is meaningful to look into the stakeholder environment of PSPD, because this organization has been regarded as a leader of the next generation after CCEJ since the mid-1990s. Founded in 1994, PSPD has worked on promoting justice and human rights in Korean society through the participation of the people. It emphasizes proactive participation of individual members and general citizens to bring an open structure to civil society. PSPD has focused on its role as a watchdog against the abuse of power. PSPD played a role in bringing justice and democracy to South Korean society. It differentiated its approach from the CCEJ in that it underlined the bottom-up approach by people's participation and its proactive watchdog function against the political and market power. PSPD intended to evoke public awareness through campaigns, questioning social and political activities, filing administrative and public litigations, and petitioning legislation.<sup>28</sup>

The figure below demonstrates the element evaluation on each construct elicited by the manager of the PSPD. Three constructs were generated: whether a stakeholder is regarded as the main agent of social movement; whether a stakeholder is regarded as a subject to change through social movement; and whether a stakeholder requests professionalism to the respondent NGO.

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<sup>28</sup> Accessible at <http://www.peoplepower21.org/> Accessed September 28, 2011



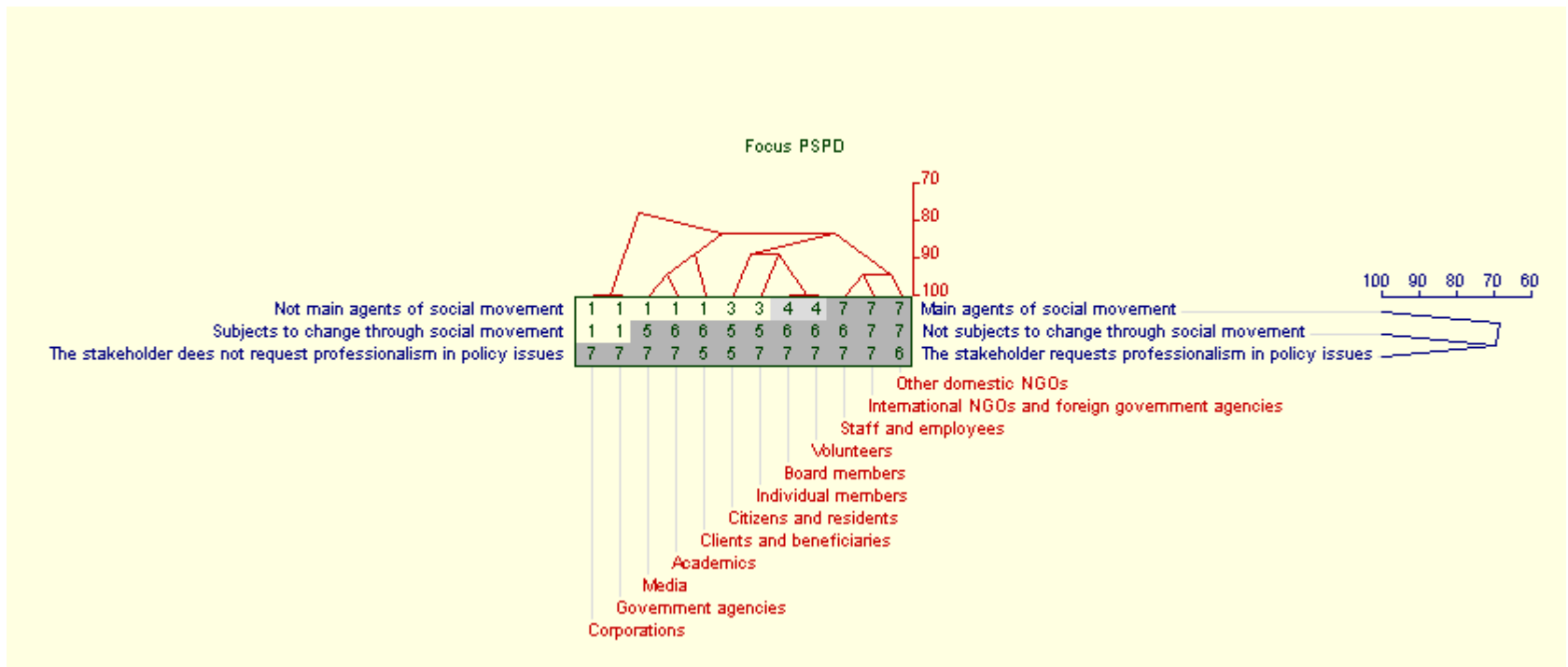


**Figure 38 Repertory Grid display: elements and constructs of PSPD**

The figure below shows the result of a focus cluster analysis derived from the interview with a senior manager of PSPD. This cluster analysis clearly demonstrates that professionalism is not directly linked to the social movement or social activism. While the evaluation scores on social movement of each stakeholder vary from one through seven, the evaluation scores on professionalism show less variation, from five to seven. In other words, the professionalism impulses exist evenly and compatibly with main actors for social movement (staff members, and international/domestic NGOs) and with subjects to change (government agencies, corporations, and

media). Through this table, we can also confirm that the manager of PSPD perceives staff members and NGOs (either domestic or international) as main agents for social change.

On the other hand, government agencies, corporations, media, and academia were evaluated as containing weak elements of social movement. Interestingly, the manager's perceptions show the gap in PSPD's announced vision of using a bottom-up approach through participation. This evaluation score on social movement reveals that the individual members (3), citizens (3), and volunteers (4) were assessed as having a medium level of social movement impulses. Clients and beneficiaries were evaluated as having the lowest degree (1) of social movement element.



**Figure 39 Focus cluster analysis of PSPD**

The figure below confirms that the variation in professionalism impulses is small (about 18.3 percent), whereas the variation in social movement impulses is large (76.8 percent). In this figure, the horizontal axis can be regarded as the proxy for social movement impulses, while the vertical axis is seen as the proxy for professionalism impulses. This may imply that professionalism in South Korean NGOs is still in its initial stage and has much room for improvement. However, to what extent and how fast professionalism will be enhanced in South Korean NGOs cannot be conjectured at this moment, given that social movement impulses still dominate the South

Korean NGO sector. It is also clearly confirmed that the NGO managers and activists are considered the main agents for social change. Another interesting finding is that civic activism and voluntarism are incorporated under the same umbrella impulse of social movement. In this figure, volunteers and social activists are located on the side of social movement impulses.

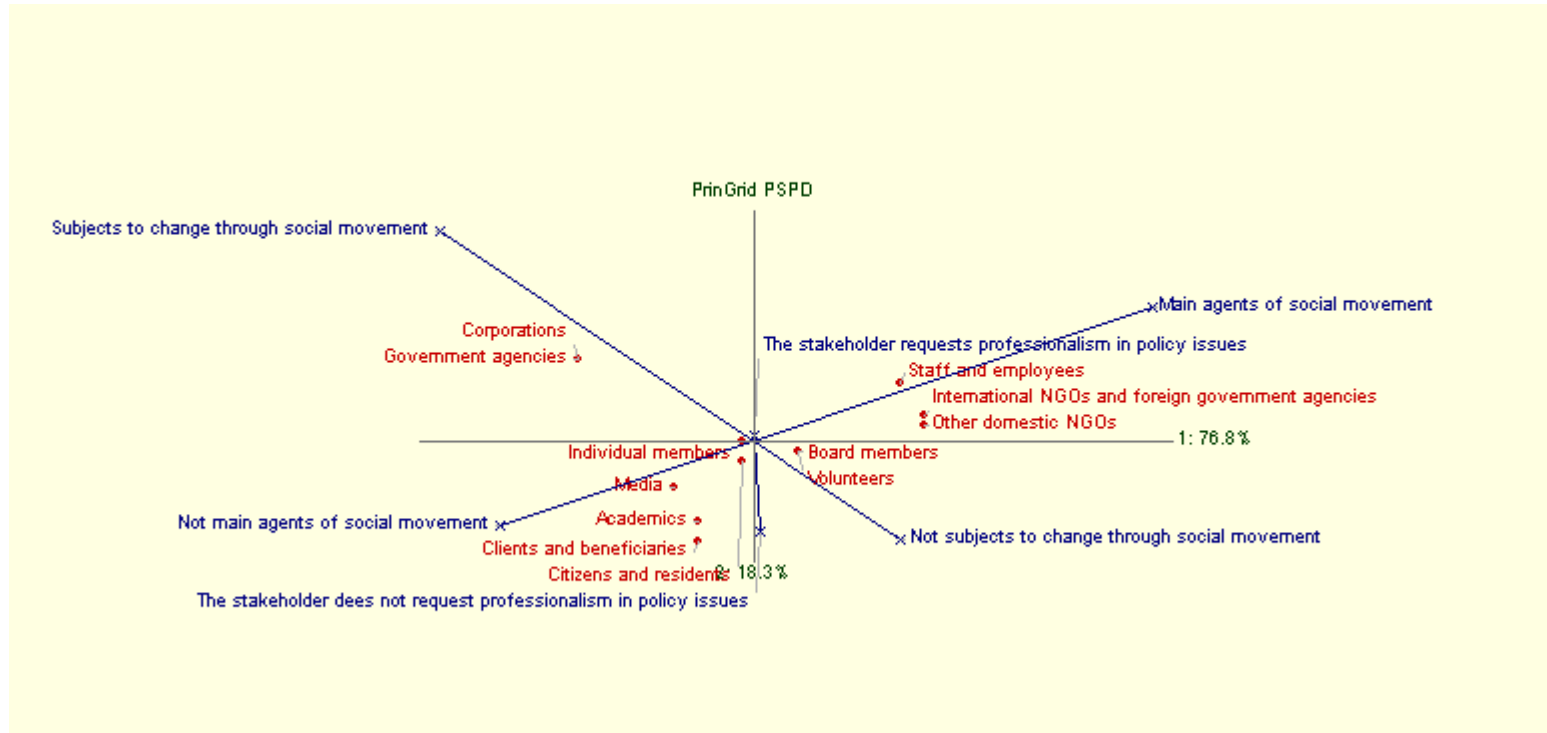
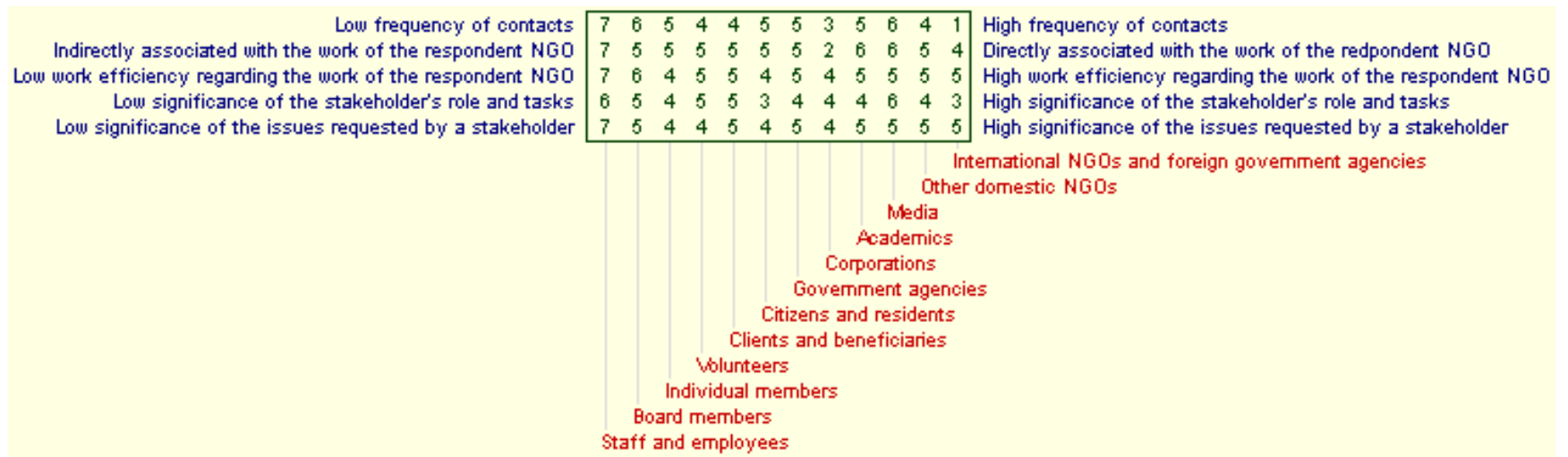


Figure 40 Principal component analysis of the grid: the case of PSPD

### **Case 3: Korea Federation for Environmental Movements (KFEM) - Jeonbuk Province**

KFEM-Jeonbuk was chosen for analysis because the environmental issue has become the next-generation agenda for the South Korean civil society sector as much as it has been in other societies. The local organization, instead of the central one, was selected for closer examination because the geographical location must be an influential factor that affects the resources and activities of civil society organizations in South Korea.

The table below shows the constructs that the interviewees generated regarding the accountability obligations of KFEM-Jeonbuk. There were four constructs uncovered: the frequency of contacts, whether a stakeholder has a direct association with the work of the respondent NGO, whether a stakeholder works efficiently regarding the work of the respondent NGO, whether stakeholder's role and tasks are considered significant, and whether issues requested by a stakeholder are considered significant.



**Figure 41** Repertory Grid display: elements and constructs of KFEM

The figure below illustrates the result of a focus-cluster analysis of KFEM-Jeonbuk. It shows that the frequency of contacts in the work process is associated with work efficiency and issue significance in general. However, slight incongruencies exist between work efficiency (or issue significance) and the frequency of contacts. For example, volunteers and other domestic NGOs were relatively low in terms of contacts with the NGO (4), and their work efficiency and issue significance were highly evaluated (5). On the other hand, individual members and general citizens showed higher rate of contacts (5), and their work efficiency and issue significance received lower scores (4) than volunteers' and other NGOs' scores (5). However, the differences are so small that it is not easy to conclude that this difference is statistically significant.

Another finding is that the contact with corporations showed the lowest score, which may reflect the challenges of local NGOs involved in seeking financial support. However, it requires more rigorous comparison to determine whether this low level of business contact is unique to local NGOs and whether it signifies financial challenges to local NGOs.

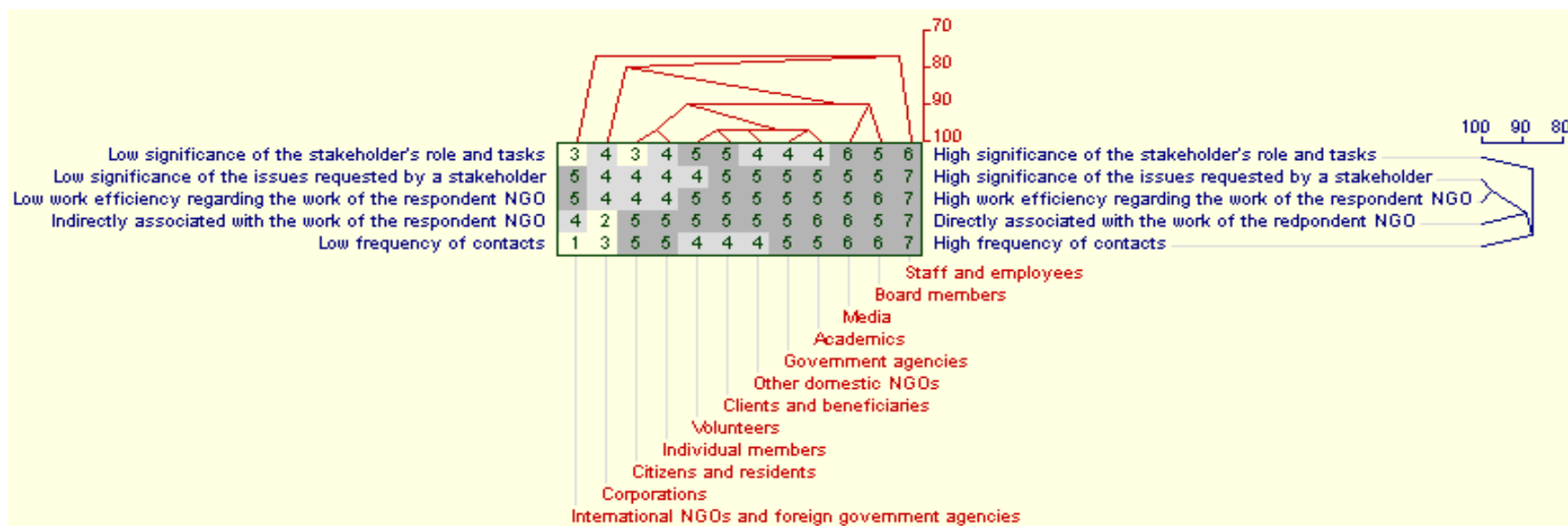


Figure 42 Focus cluster analysis of KFEM

The figure below reveals that even in the case of local NGOs, the perception that the staff and activists are superior to volunteers and individual members, in terms of work efficiency and issue significance, exists just as it does in central NGOs.

For example, volunteers, citizens, and individual members are located on the left side of the horizontal axis. Staff and employees are located on the upper-right side of the axis. This is somewhat inevitable, because the volunteers and individual members are not

organized and professional. However, given that these volunteers and individual members have voluntarism impulses, which imply self-motivation and potential to grow as proactive activists, it will be necessary to prevent these kinds of perceptions from suppressing the voluntarism impulse to exert its full potential.

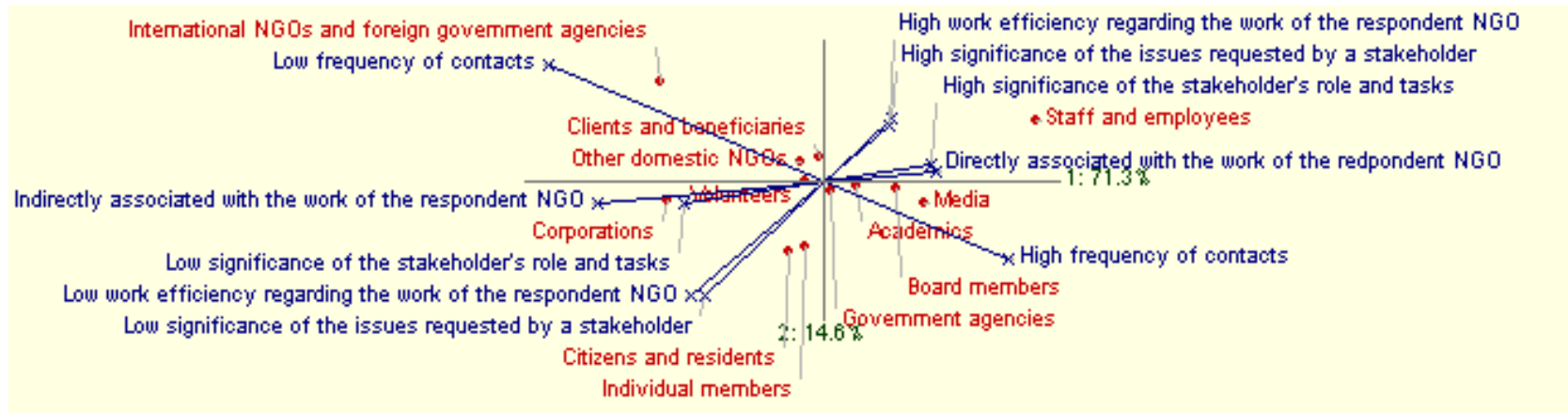


Figure 43 Principal component analysis of the grid: the case of KFEM



#### **Case 4: Senior Welfare Center – Pusan Dong-gu**

Senior Welfare Center – Pusan Dong-gu was included to examine the accountability environment of a service-oriented NGO. This senior welfare center is known for its professional management and service delivery, not only in the Pusan area but also nationwide. Pusan Senior Welfare Center – Pusan Dong-gu was established in 2000, and it expanded its projects and programs. This center was evaluated at the best level in the evaluation by the Ministry of Health and Welfare and ranked first place among the Pusan region in 2009.<sup>29</sup>

The figure below shows the constructs that are considered to maintain accountability at this senior welfare service center. Seven constructs were used: whether a stakeholder is an internal actor or external actor; whether a stakeholder is included in the support networks of the respondent NGO; whether a stakeholder is included in the system of service delivery of the respondent NGO; whether a stakeholder provides direct support and resources to the respondent NGO; whether a stakeholder meets face-to-face when service is delivered; whether a stakeholder provides tangible resources; and whether a stakeholder participates in the process directly and in person.

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<sup>29</sup> Available at [http://www.hyojason.or.kr/intro\\_04.php](http://www.hyojason.or.kr/intro_04.php) Accessed October 28, 2011.

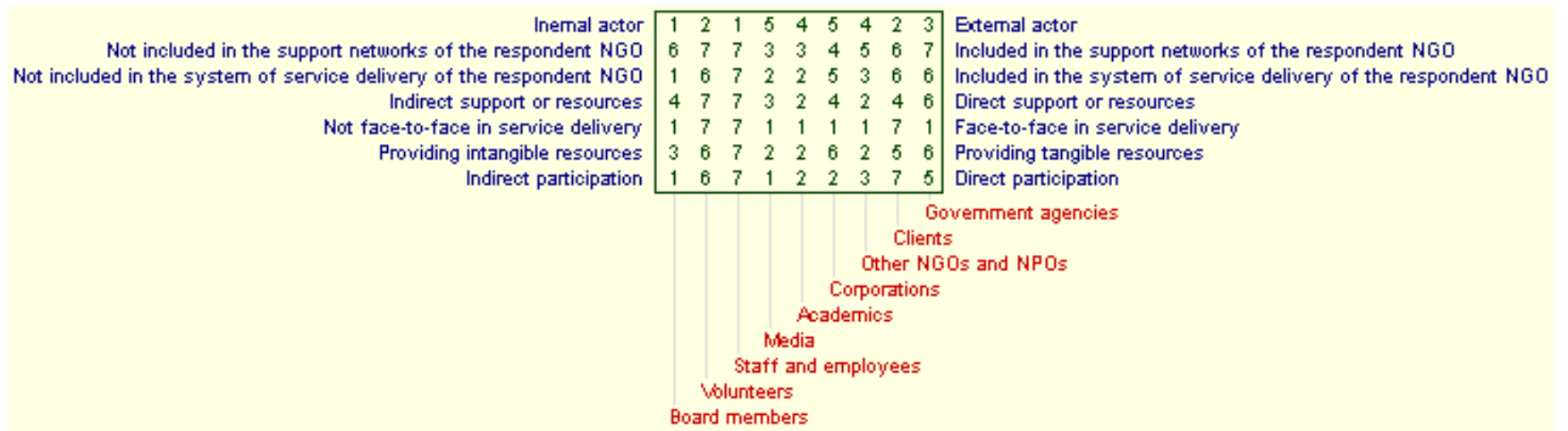
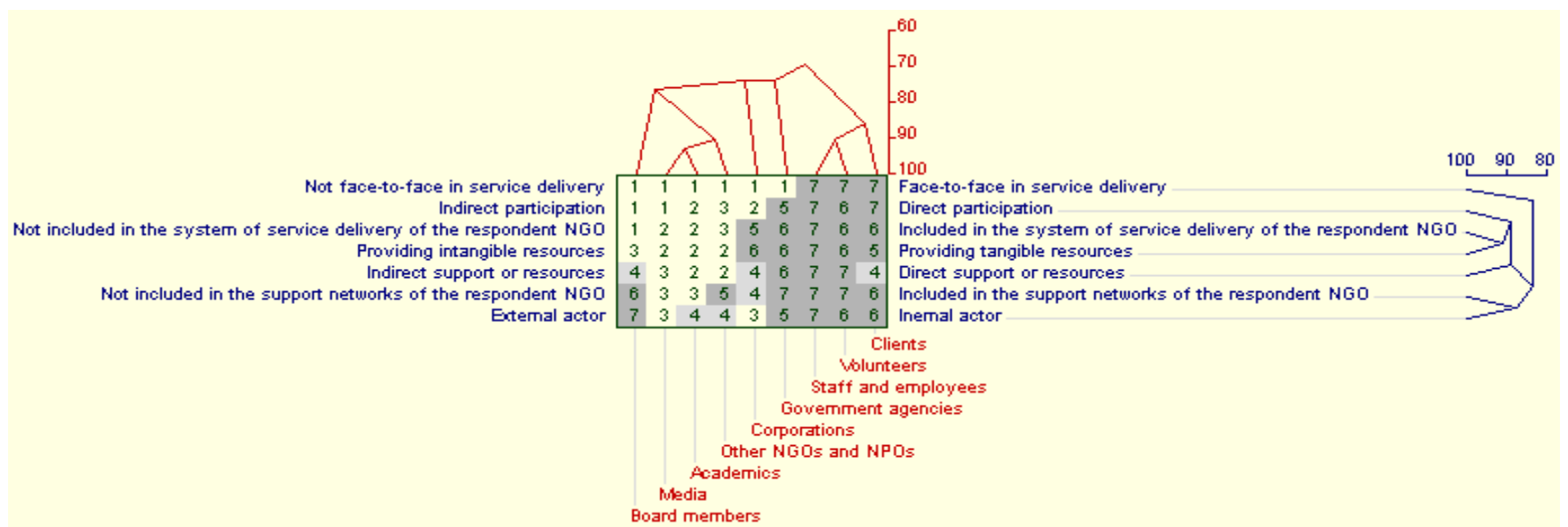


Figure 44 Repertory Grid display: elements and constructs of KFEM

The figure below shows the results of a focus cluster analysis of the Senior Welfare Center.

It shows that the tangibility of resources and the inclusion of service delivery systems match more than 90%. It also demonstrates that whether a stakeholder is an internal or external actor is determined by whether he or she is included in the support networks of the respondent NGO (with about a 90% matching rate).

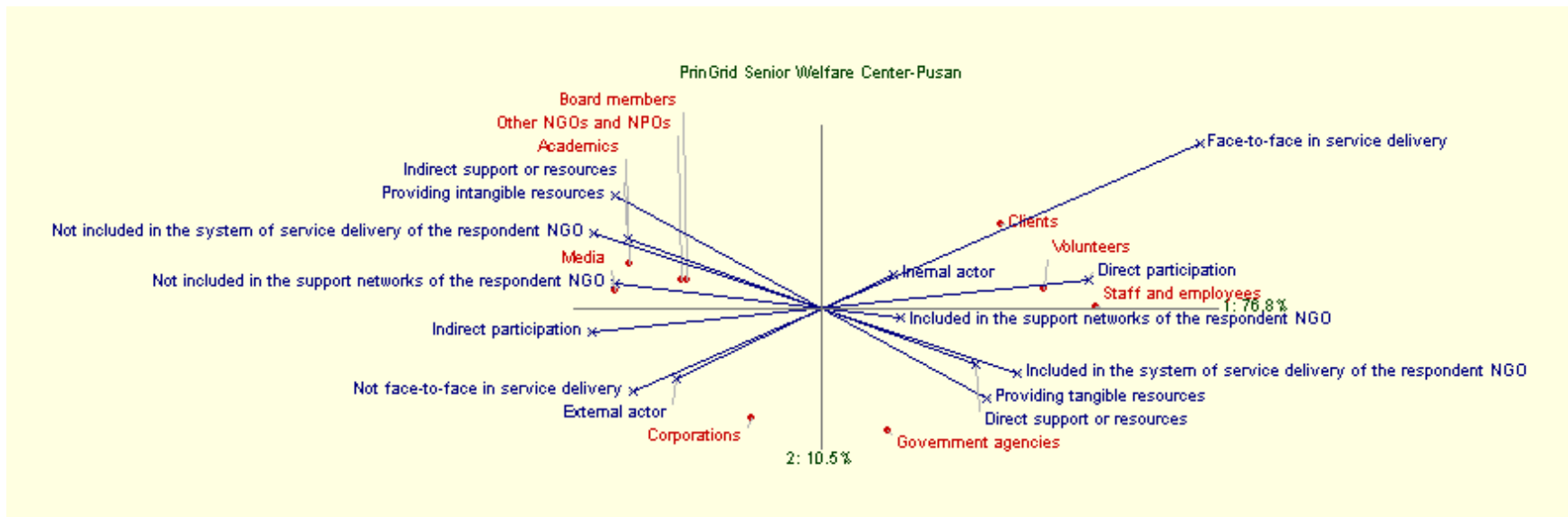
In the case of stakeholders, volunteers and staff members (or employees) showed a 90% match. This reveals a big difference compared to civil society organizations or advocacy-centered NGOs. As demonstrated in the previous three cases, volunteers and staff members are either located in a different dimension or imply different impulses (civic activism versus voluntarism impulses). However, in the case of service-centered NPOs, volunteers and staff members are situated in the same position. In other words, the role of volunteers and staff members must be fundamentally the same. The only difference will be found in the degree of professionalism and direct involvement. Media, academics, other NGOs, and corporations were categorized as external actors. Interestingly, government agencies were included as internal actors rather than external actors. Other NGOs or NPOs scored four, whereas government agencies scored five in the internal-versus-external-boundary evaluation. This may be in the same line of thought that determines whether a stakeholder is an internal or external actor by whether he or she is included in the support networks of the respondent NGO. Since most service-centered NPOs received financial and institutional support from government agencies, they may consider the government as one of the actors in their service delivery system. The last finding is that the weak link between media and academia is another characteristic of a service-centered NPO.



**Figure 45 Focus cluster analysis of KFEM**

The figure below demonstrates the accountability environment of a service-centered NPO. The most interesting finding is that government agencies are located on the same side as clients, volunteers, and staff members. Government agencies are included in the system of service delivery of the respondent NGO, and are being evaluated as providing tangible resources and direct support. This finding confirms the duality structure of South Korean civil society. In contrast to this close distance between the respondent NGO and government agencies, other NGOs and NPOs are located quite far from the respondent NPO. This may reflect the reality of competition between NPOs rather than collaboration in times of financial distress.

It also may imply that professional impulses should function and fit better with service-centered NPOs, than with advocacy-centered NGOs. Professionalism may be sustained or even be enhanced apart from solidarity and social movement impulses.



**Figure 46 Principal component analysis of the grid: the case of KFEM**

**APPENDIX C**

**NPO ORGANIZATION SURVEY**

**Title:**

**Organizational Survey on South Korean NPOs' Accountability Environment  
and Their Key Impulses**

September 20, 2012

Dear managers or activists in private organizations,

I am writing this letter to support the fieldwork of Mr. Jeong, a doctoral candidate in the Graduate School of Public and International Affairs (GSPIA) at the University of Pittsburgh. As a professor at GSPIA and the Chair of Mr. Jeong's dissertation committee, I am confident that this study will provide useful findings and policy implications for managers and leaders in NGOs in South Korea.

Mr. Jeong has been focusing on nonprofit management and civil society/NGO through his doctoral program at the University of Pittsburgh. He has kept a deep interest in the civil society sector in South Korea. His dissertation intends to examine the way NGO leaders construe their stakeholders in terms of their accountability obligations. This research will further identify the major societal forces that are shaping the development of South Korea's nongovernmental sector as perceived by NGO leaders and managers in South Korea. I look forward to a study contributing to both South Korean academia and the field of nonprofit management.

I would greatly appreciate if you could take the time to respond to Mr. Jeong's interview and survey questions. He will return your favor by writing a dissertation that is beneficial to managers and leaders in the field. Thank you for your cooperation and willingness to help advance his study.

Kevin Kearns

Professor and Dissertation Chair  
Graduate School of Public and International Affairs  
University of Pittsburgh

September 7, 2012

Dear Respondent,

I am writing to ask for your help with research I am conducting at the University of Pittsburgh's Graduate School of Public and International Affairs. This research aims to identify the major societal and strategic forces that are shaping the development of South Korea's nongovernmental sector.

The goal of this research is to contribute to synthesizing management and policy issues that are derived from stakeholder expectations; and to give practical policy implications regarding the management of NGOs in the South Korean context. Your answers to this survey will be very helpful and important for this study. The survey questionnaire will ask you about the driving forces impacting their accountability environments, and the ways that you are responding to these forces, as well as your background (e.g., age, position in the organization, year of work experiences) and your organization's background (e.g. year of founding, number of employees, and main sectors and activities).

The responses you provide will be confidential and will not be revealed to anyone except to the principal investigator. Your participation is voluntary, and you may withdraw from this research at any time. I would be very grateful if you would return this survey by your earliest convenience. Completing the survey will take approximately 15 minutes.

This study is approved by the University of Pittsburgh Institutional Review Board (IRB). This study is primarily being conducted by Bokgyo Jeong. Please do not hesitate to contact me at [boj3@pitt.edu](mailto:boj3@pitt.edu). I am very grateful for your cooperation.

Sincerely,

Bokgyo Jeong

Ph.D. Candidate  
Graduate School of Public and International Affairs  
University of Pittsburgh



Part I. This part asks about your organization's general information and main activities.

1. What is your organization's name?

2. In what year was your organization established?

3. What is your organization's legal status? Please check all that apply.

<input checked="" type="checkbox"/>	Registered nonprofit corporation
<input type="checkbox"/>	Corporate aggregate
<input checked="" type="checkbox"/>	(Juridical) foundation
<input type="checkbox"/>	Social welfare corporation
<input checked="" type="checkbox"/>	Unregistered nonprofit organization
<input type="checkbox"/>	Educational corporation
<input checked="" type="checkbox"/>	Medical corporation
<input type="checkbox"/>	Other (Please write it down below)

4. If you answered that your organization is a registered nonprofit corporation, which central government agencies or local government agencies is your organization registered with?

5. What is the main sector in which your organization works? Select all that apply.

<input checked="" type="checkbox"/>	Civil society in general
<input type="checkbox"/>	Law, administration, and politics
<input checked="" type="checkbox"/>	Economy
<input type="checkbox"/>	Consumers' rights
<input checked="" type="checkbox"/>	Youth
<input type="checkbox"/>	Women
<input checked="" type="checkbox"/>	Culture
<input type="checkbox"/>	Social welfare
<input checked="" type="checkbox"/>	Religion
<input type="checkbox"/>	Environment
<input checked="" type="checkbox"/>	Education and academy

<input type="checkbox"/>	Health and medical care
<input type="checkbox"/>	Local autonomy
<input type="checkbox"/>	International
<input type="checkbox"/>	Laborers
<input type="checkbox"/>	Farmers and fisheries
<input type="checkbox"/>	Others (Please write it down below)

6. If you make distinction between service and advocacy functions within your organization's activities, what is the proportion of each function? (Please answer as a percentage that totals 100).

Service provision		%
Advocacy work		%

Part II. This part asks about your organization's stakeholders. Stakeholders refer to actors who are engaged in your organization's operation, either directly or indirectly, collaboratively or competitively, and inside and outside of your organization.

7. Please select your organization's top three stakeholders among the given options in terms of their influence on your organization's main decisions.

Staff	
Board members	
Individual members	
Volunteers	
Clients/service users	
Citizens/local residents	
Government agencies	
Corporate donors	
Academia	
Media	
Other domestic NPOs	
International NGOs	

8. Please assess the significance of each stakeholder in terms of influence the following stakeholders have on your organizational decision making. (1: lowest ~ 7: highest)

	1	2	3	4	5	6	7
--	---	---	---	---	---	---	---

Staff							
Board members							
Individual members							
Volunteers							
Clients/service users							
Citizens/local residents							
Government agencies							
Corporate donors							
Academia							
Media							
Other domestic NPOs							
International NGOs							

Part III. This part asks about your organization’s actual practice and performance in varied accountability obligations.

9. To what extent does your organization actually practice and focus on the following accountability obligations? (1: lowest ~ 7: highest)

	1	2	3	4	5	6	7
Ensuring the transparency of organization’s decision-making							
Responding to internal opinions and feedback in organization’s operation							
Observing nonprofit organization-related laws, operational principles, bylaws, and articles of association							
Enhancing efficiency in organization’s operation							
Budget reporting at the general assembly							
Abiding by administrative guidance of government including general reporting duty to the government agencies							
Sharing the organizational vision with staff and employees							
Increasing and facilitating active participation of members and general citizens							
Encouraging the client as active participant from passive beneficiary							
Giving and maintaining motivation of volunteers							
Educating citizens/local residents about organization’s main focuses							
Making recommendations and generating alternative strategies for improving services and solving social problems							
Establishing professional standards in planning and implementing services to members and clients using scientific and evidence-based approach							

Executing roles as a participant in public policy-making processes in government-led committees							
Executing professional roles in policy-related work or social service provisions assigned by government agencies							
Establishing professional management of volunteers using human resource management							
Offering only services advancing the mission of organizations and allocating resources that are relevant to organization's mission							
Providing accurate information							
Increasing the organizational outcomes through its activities and projects							
Formation and maintenance of collaborative partnership with government agencies							
Formation and maintenance of collaborative partnership with companies							
Formation and maintenance of collaborative partnership with other NPOs							
Formation and maintenance of collaborative partnership with academia							
Ensuring transparency in managing membership fees, donations, and subsidies							
Providing quality service programs							

Part IV. This part asks about the main impulses facing the South Korean NPO sector from the perspective of NPO accountability.

10. To what extent do you think your organization is accountable for the following performance expectations? (1: the least likely – 7: the most likely).

	1	2	3	4	5	6	7
Providing a vehicle for the expression of values							
Embracing, or at least accommodating value-based explanations of social problems and issues							
Transforming the lives of individuals							
Accomplishing the mission via logic models derived from professional standards							
Results and outcomes that are empirically validated							
Continuous organizational learning and improvement							
Meeting professional guild standards of individual performance (e.g., certification, licensing)							
Meeting industry standards of organizational performance (e.g., accreditation)							

Meeting standards of good governance, efficiency, ethical management (e.g., codes), and financial probity.							
Growing the organization's market share, sales, vouchers, financial sustainability,							
leveraging external investments and generation of community wealth							
Social return on investment							
Exploitation of niche markets and leveraging the comparative advantage of the organization							
Spawning the entrepreneurial culture through replication, franchising, or other growth strategy							
Changing the allocation of valued goods in society and the rules by which those goods are allocated							

11. To what extent do you think your organization is accountable to the following stakeholders?  
(1: lowest ~ 7: highest)

	1	2	3	4	5	6	7
Value-based communities (e.g. advocacy groups or religious groups)							
Volunteers							
Individual donors							
Professional staff							
Clients who have professional knowledge of the service provided							
Institutional donors							
Professional associations							
Government funding agencies							
Social entrepreneurs							
Service users							
Marketplace							
Strategic partners and investors							
Coalitions and partner organizations sharing same ideals							
Beneficiaries, including future generations							
Citizens and citizen supporters seeking social change							
Staff and leaders of nonprofits who are seeking social change as social activists							

Part V. This part asks about your organization's profile information including budget and personnel.

12. What is the annual budget of your organization in 2011?

13. What percentage of budget does your organization obtain from the following sources?

Fee	
Company Sponsorship	
Government subsidies	
Other donation and sponsorship	
Revenue	
Others	

14. How many full-time workers did your organization have as of July 2012?

Full-time workers	
Part-time workers	

15. How many people paid membership dues to your organization in the year 2011?

16. How many volunteers worked with your organization in the year 2011?

Part VI. This part asks about your personal profile information.

17. Which department or division do you work in your organization?

18. What is your position in your organization?

[REDACTED]

19. How long have you been working in your organization? (Total years and months)

[REDACTED]

20. How long have you been working in the nonprofit sector? (Total years and months)

[REDACTED]

21. What is your age?

<input type="checkbox"/>	Less than 20	[REDACTED]
<input type="checkbox"/>	20s	[REDACTED]
<input type="checkbox"/>	30s	[REDACTED]
<input type="checkbox"/>	40s	[REDACTED]
<input type="checkbox"/>	50s	[REDACTED]
<input type="checkbox"/>	60s or more	[REDACTED]

22. What is your gender?

<input type="checkbox"/>	Male	[REDACTED]
<input type="checkbox"/>	Female	[REDACTED]

## **APPENDIX D**

### **RANDOMIZED CARD SELECTION PROCESS IN THE REPERTORY GRID**

#### **INTERVIEW**

The researcher separately prepared an excel sheet containing a list of 100 randomly generated sequences of three natural numbers between 1 and 12 (See Appendix for this list). These random sequence numbers were generated using the random number generation function of the Microsoft Excel 2010 software program.<sup>30</sup>

In the beginning of the interview, the researcher shuffled the 12 index cards and assigned integer numbers from 1 to 12 respectively to each card. To decide which sets of stakeholder groups to use for the interview, the interviewee was asked to choose one of the numbers between 1 and 100. The researcher used this number to pick the first set among the 100 randomly generated sequence sets. After using the sequence numbers in the selected set, the researcher used the next sets in the order of the random sequence number list for the re-iteration of repertory grid interviews. For example, if the interviewee picked the number 36, the researcher started his

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<sup>30</sup> The researcher conducted the following process to generate three randomized sequence numbers. First, in column A, the researcher wrote down numbers from 1 to 12. Second, in cell B1, the researcher typed the "=rand ()" command. Third, the researcher dragged the formula in B1 to the last row of B12. Fourth, the researcher changed the calculation option mode from automatic to manual. Fifth, for every new run of calculations to generate randomized sequence numbers, the researcher hit the F9 key. Sixth, after the recalculation, the researcher sorted both A and B based on column B. From each run of recalculation, the researcher obtained four sets of three sequence numbers. Seventh, the researcher repeated this recalculation process until he obtained one hundred sets of three sequence numbers.



repertory grid interview with stakeholders that fall under index cards of number 7, 6, and 9 that were designated by the set 36 (See the table below for random sequence sets). The researcher continued interviews with set 37, 38, 39, 40, and so on. Interviews continued until there were no new constructs being produced by the interviewee.

**Table 64 Randomized Sequence Numbers**

<b>Set number</b>	<b>Sequence numbers</b>			<b>Set number</b>	<b>Sequence numbers</b>		
<b>1</b>	5	12	2	<b>51</b>	5	2	12
<b>2</b>	3	2	1	<b>52</b>	8	1	10
<b>3</b>	1	9	3	<b>53</b>	3	7	6
<b>4</b>	10	1	11	<b>54</b>	9	11	4
<b>5</b>	7	5	11	<b>55</b>	11	10	9
<b>6</b>	9	6	8	<b>56</b>	7	6	3
<b>7</b>	6	5	4	<b>57</b>	5	4	8
<b>8</b>	10	4	2	<b>58</b>	1	12	2
<b>9</b>	9	8	7	<b>59</b>	12	4	9
<b>10</b>	12	11	10	<b>60</b>	2	5	1
<b>11</b>	4	7	3	<b>61</b>	10	8	7
<b>12</b>	12	6	8	<b>62</b>	11	6	3
<b>13</b>	6	5	9	<b>63</b>	10	2	8
<b>14</b>	8	12	2	<b>64</b>	6	5	4
<b>15</b>	11	1	4	<b>65</b>	3	12	9
<b>16</b>	7	10	3	<b>66</b>	7	1	11
<b>17</b>	4	2	6	<b>67</b>	8	6	12
<b>18</b>	5	8	10	<b>68</b>	3	4	7
<b>19</b>	9	11	1	<b>69</b>	2	1	10
<b>20</b>	12	3	7	<b>70</b>	11	5	9
<b>21</b>	5	4	10	<b>71</b>	11	1	5
<b>22</b>	9	3	1	<b>72</b>	10	7	3
<b>23</b>	7	8	12	<b>73</b>	4	9	6
<b>24</b>	11	2	6	<b>74</b>	2	12	8
<b>25</b>	5	1	2	<b>75</b>	6	2	4
<b>26</b>	7	12	4	<b>76</b>	11	10	12
<b>27</b>	10	8	9	<b>77</b>	1	5	9
<b>28</b>	6	11	3	<b>78</b>	3	7	8
<b>29</b>	8	10	12	<b>79</b>	1	7	2

<b>30</b>	5	6	4	<b>80</b>	6	5	9
<b>31</b>	11	9	3	<b>81</b>	4	12	10
<b>32</b>	2	1	7	<b>82</b>	8	3	11
<b>33</b>	5	4	12	<b>83</b>	6	10	4
<b>34</b>	8	3	1	<b>84</b>	3	7	9
<b>35</b>	2	10	11	<b>85</b>	2	1	12
<b>36</b>	7	6	9	<b>86</b>	8	5	11
<b>37</b>	11	8	9	<b>87</b>	12	10	5
<b>38</b>	5	10	2	<b>88</b>	6	9	4
<b>39</b>	6	7	4	<b>89</b>	1	7	2
<b>40</b>	12	3	1	<b>90</b>	3	8	11
<b>41</b>	8	3	11	<b>91</b>	6	7	10
<b>42</b>	5	6	1	<b>92</b>	2	12	9
<b>43</b>	7	9	12	<b>93</b>	3	8	4
<b>44</b>	4	10	2	<b>94</b>	5	11	1
<b>45</b>	8	10	12	<b>95</b>	3	10	7
<b>46</b>	7	6	11	<b>96</b>	6	11	2
<b>47</b>	9	2	5	<b>97</b>	4	5	9
<b>48</b>	3	4	1	<b>98</b>	1	8	12
<b>49</b>	5	2	12	<b>99</b>	3	5	1
<b>50</b>	8	1	10	<b>100</b>	6	9	7

## APPENDIX E

### DESCRIPTION OF UNIQUE CONSTRUCTS

**Table 65 Description of Unique Constructs (All Items)**

Construct	Definition	Extractions from interviews	Frequency
Relationship – Collaboration/confrontation	The extent to which a stakeholder collaborates with or confronts the respondent NPO	"Possibility of collaborating and working with the respondent" "Collaborative relationship -- Surveillance relationship" "Subjects to collaborate with" "Subjects to communicate and collaborate with proactively" "The necessity of mutual cooperation" "Collaboration to pursue values -- Confrontation or surveillance to pursue values" "Tensional relationship -- Symbiotic relationship" "Subjects that the respondent NPO has to watch and observe" "Supporter of activities -- subjects to watch and check" "The extent to which a stakeholder assumes the role of surveillance concerning the activities of the respondent NPO" "The request for networking and collaboration with other organizations"	24

Shared accountability	The extent to which a stakeholder shares the accountability with the respondent NPO	<p>"Fundamentals of the respondent NPO"</p> <p>"Representativeness of the respondent NPO"</p> <p>"Sources of accountability"</p> <p>"Share of accountability regarding the activities of respondent NPO"</p> <p>"Subjects who should assume accountability in solidarity"</p> <p>"Pro-activeness in solidary activities"</p> <p>"Characteristics of accountability (Whether they share the responsibility)"</p> <p>"The degree of solidarity"</p> <p>"Subjects who should be granted opportunities to participate"</p> <p>"Extent to which the NPO is accountable to the request"</p> <p>"Subjects who take the lead on projects"</p>	21
Transparency – Operations and finance	The extent to which a stakeholder requests transparency and efficiency in organization operation and budget implementation	<p>"The extent to which a stakeholder requests transparency in organization operation and budget implementation"</p> <p>"Emphasis on transparency in the budget process"</p> <p>"Interest in enhancing transparency"</p> <p>"Strict accounting management through accounting firms"</p> <p>"Interest in transparent operation and allocation of donated money"</p> <p>"Performing a controlling function on budget process as an NPO's foundation"</p> <p>"Emphasis on financial accountability"</p> <p>"The efficiency in the work of the respondent NPO"</p>	15
Satisfying demands	The extent to which the given NPO responds to requests from a stakeholder and/or local needs	<p>"Focusing on development of regional vision and communication in a local community"</p> <p>"Subject that the respondent NPO has to make suggestions to regarding the need of local residents"</p> <p>"Responsibility to organize and represent local needs"</p>	15

Participating in decision making	The extent to which a stakeholder participates and involves in major policy decisions of the respondent NPO	<p>"Main agent who affect major decisions of the respondent NPO"</p> <p>"Shared vision and participation in the policy production"</p> <p>"The extent to which a stakeholder influences agenda formation"</p> <p>"Participation in the policy making process"</p> <p>"Whether a stakeholder has authority to participate in the internal decision making process of the respondent NPO"</p>	14
Mission for social movement	The extent to which a stakeholder focuses on the mission for social movement	<p>"Containing characteristics of social movement"</p> <p>"Social elements- Protection of social minority"</p> <p>"Driving forces for change"</p> <p>"Main agents who request change"</p> <p>"Focusing on the mission for social movement"</p> <p>"Target to intervene"</p> <p>"The closeness to civil society"</p>	12
Service provision	The extent to which a stakeholder is engaged in service production and/or provision process	<p>"Whether a stakeholder is included in the system of service delivery of the respondent NPO"</p> <p>"The location of stakeholders in the project implementation stage"</p> <p>"Subjects who get benefits from the service that the respondent NPO provides"</p> <p>"The respondent NPO assumes responsibility of providing services for given stakeholders"</p> <p>"The role/location of the given stakeholder in the process of human services"</p> <p>"Whether the given stakeholder offers help to the respondent NPO -- Whether the given stakeholder receives help from the respondent NPO"</p> <p>"Characteristics as a producer (Passive - Proactive)"</p> <p>"Service provider -- Service receiver"</p>	12

Enhanced professionalism	The extent to which a stakeholder requests professionalism in policy issues	<p>"The extent to which a stakeholder requests professionalism in policy issues"</p> <p>"The extent to which a stakeholder expects the participation of professions"</p> <p>"The extent to which a stakeholder places emphasis on enhancing professionalism"</p> <p>"Request for the norms and standards for performing international projects"</p> <p>"The extent to which a stakeholder requests concrete actions and alternatives"</p> <p>"Emphasis on planning on the operation"</p> <p>"The stakeholder is responsible for professionalized and specialized parts"</p> <p>"Taking charge in human services on behalf of government agencies"</p> <p>"Institutional contact as the director of the agency -- Non-institutional contact as an individual"</p>	12
Management of conflicting values	The extent to which a stakeholder reveals differences in values	<p>"Whether a stakeholder has a different stances on major social issues compared with the respondent NPO"</p> <p>"The extent to which a stakeholder shows differences in values"</p> <p>"Difference in the alternative society that a stakeholder pursues"</p> <p>"Difference in the role of stakeholders (Pursuing abstract values -- Practical management of conflicting values)"</p>	10
Determining organizational boundary	The extent to which a stakeholder is regarded as internal actor by the respondent NPO	<p>"Internal actor -- External actor"</p> <p>"Internal member -- Target of external activities"</p> <p>"Daily and regular combination -- Non-daily and irregular combination"</p> <p>"External information exchange -- Internal information exchange"</p>	10

Client-centeredness	The extent to which the respondent NPO assumes responsibility toward the clients	"Clients of a respondent NPO to serve or be responsible for" "Groups who claim responsibility" "The extent to which the respondent NPO assumes responsibility toward the stakeholder" "Responsibilities in providing services to the member organizations and individuals" "The extent to which a stakeholder emphasizes the safety of the clients" "The extent to which a stakeholder has interest in providing service which is tailored to the local needs" "Distance from the field"	9
Public interest-focus	The extent to which a stakeholder seeks public interests	"The extent to which a stakeholder seeks public interests" "The extent to which a stakeholder acts consistently with interests of citizens" "Main agents who pursue public interests and publicity" "Privateness -- Publicity" "Seeking private interests -- Seeking publicity" "Universal need -- Particularistic need"	9
Mission-centeredness	The extent to which a stakeholder demonstrates a faithful commitment to the mission of the given NPO	"Request for a faithful commitment to the organizational mission" "Placing emphasis on activities or mission implementation" "Emphasis on organizational activities and goals"	9
Communication and promotion	The necessity that the respondent NPO inform the chosen stakeholder about social issues and promote its programs/activities	"Subjects that the respondent NPO has to report about its activities -- Subjects that the respondent NPO has to communicate with about necessary information" "Subjects that the respondent NPO has to promote its mission" "The necessity that the respondent NPO helps the chosen stakeholder have positive perception on the activities of the organization" "The extent to which a stakeholder has to inform about social issues"	9

Credible information source	The extent to which a stakeholder places emphasis on the credibility of information provided by the respondent NPO	<p>"The extent to which a stakeholder places emphasis on the credibility of information provided by the respondent NPO"</p> <p>"Placing emphasis on delivering accurate facts"</p> <p>"The extent to which the respondent NPO is responsible of satisfying the right-to-know of the given stakeholder"</p> <p>"The stakeholder provides information to support the activities of the respondent NPO -- The stakeholder receives information from the respondent NPO"</p> <p>"The stakeholder provides information that helps the decision of the board of the given respondent NPO"</p>	7
Resource provider	The extent to which a stakeholder provides resources to the respondent NPO or receives resources from the respondent NPO	<p>"Providing resources to the respondent NPO -- Receiving resources from the respondent NPO"</p> <p>"Whether a stakeholder provides in-kind materials to the respondent NPO (Tangible resources -- Intangible resources)"</p>	6
Policy environment/ policy actor	The extent to which a stakeholder functions as an element of policy environment or as a main actor in policy process [ i.e. indirect influence versus direct influence]	<p>"Direct participation -- Indirect participation"</p> <p>"Main agent that makes policies and institution -- Main agent that formulates public opinion"</p> <p>"Whether a stakeholder has a direct relationship with the respondent NPO -- Whether a stakeholder has an indirect relationship with the respondent NPO"</p> <p>"A stakeholder that holds the respondent NPO accountable and makes the NPO implement its policies based on the stakeholder's requests -- A stakeholder that has limitations in affecting the activities of the respondent NPO"</p>	6
Involvement in project implementation	The extent to which a stakeholder holds responsibility in participating in the project/program implementation of the respondent NPO	<p>"Main agent who has the execution capabilities"</p> <p>"The extent to which a stakeholder holds responsibility to facilitate the activities and operation of the respondent NPO"</p> <p>"Main agents for action and implementation"</p> <p>"Stakeholder as a policy implementer -- Stakeholder as a holder of direct stakes or interests"</p>	6



Strength of collaboration	The frequency and duration of collaboration between a stakeholder and a respondent NPO	"Partner for a temporary collaboration -- Partner for a consistent or permanent collaboration" "Permanency -- Temporariness/ single instance" "Frequency of contacts"	4
Spirit of pure volunteerism	The extent to which a stakeholder centers on pure voluntarism	"Whether a stakeholder receives remuneration" "Centered on voluntarism -- Centered on specific goals other than voluntary contribution" "Based on voluntarism -- Based on high level of institutionalization or professionalization"	4
Power dynamics	The closeness of stakeholders to political or market power	"Political power - Market power " "The closeness to political power" "To what degree a stakeholder holds power"	3
Mobilizing stakeholder participation	The extent to which a respondent NPO has to motivate a stakeholder to participate in the NPO's program/project activities	"Target to organize and motivate for the activities of the respondent NPO" "The extent to which a respondent NPO has to motivate a stakeholder to participate in the [program] activities" "The extent to which a respondent NPO has to uncover the meaning of its activities and motivate a stakeholder to get involved in the activities"	3
Stakeholder education	The extent to which a stakeholder is regarded as subject to be educated by the given NPO	"Subject to teach and educate" "The necessity of teaching clients [or citizens]following the education philosophy of a given stakeholder"	3
Short-term response/ long-term response	The immediateness and the time frame [long-term or short term] in the response of a stakeholder to environmental change	"Short-term response to the social issues -- Long-term response to social issues" "Short-term response centered -- Long-term response centered"	3
Reputation monitoring	The extent to which a stakeholder shows interests in the reputation of the respondent NPO	" Interest in the reputation of the respondent NPO" "Expectation of the novelty of the brand of the respondent NPO"	2
Strategy differentiation	The differences in the strategies of organizational management and social movement	"Production of vision/strategy -- Implementation of vision/strategy" "Differences in the strategies of social movement (Non-institutional/non-organizational strategies toward citizens -- Institutional/organizational strategies linked with public agencies)"	2

Program quality-focused	The extent to which a stakeholder has interest in increasing the quality of social welfare services	"Interest in program quality" "The extent to which a stakeholder has interest in increasing the quality of social welfare services"	2
Program effectiveness-focused	The extent to which a stakeholder has interest in the effectiveness of sponsored projects	"Interest in the effectiveness of sponsored projects" "Agents who have interest in the effectiveness of the sponsored projects"	2
Practicality	The extent to which a stakeholder focuses on practical [or theoretical] supports to the given NPO	"Agents who provide technical supports and help -- Agents who provide the direction of projects and the foundation for their activities" "The practical aspects of accountability -- The theoretical aspects of accountability"	2
Information disclosure	The extent to which a stakeholder requests that a respondent NPO disclose information about its processes as well as results in service provision and delivery	"Interests in the transparency of information" "The extent to which a stakeholder requests that a respondent NPO disclose information about processes as well as results"	2
Stance on government regulation	The stance of a stakeholder on government regulations (Prefer more regulation -- Prefer less regulation)	"Private or citizen-initiated -- Public or government-related" "Stance on government regulations (Prefer more regulation -- Prefer less regulation)"	2
Faith-based elements	The extent to which a stakeholder places emphasis on religious belief regarding the activities of respondent NPO	"The extent to which a stakeholder places emphasis on religious belief regarding the activities of respondent NPO" "Placing emphasis on delivering religious meaning"	2
Administrative supervision	The extent to which a stakeholder requests the respondent NPO to follow administrative supervision	"Administrative supervision" "The extent to which a stakeholder requests the respondent NPO report to the public authorities"	2
Self-realization and welfare of staff	The extent to which a stakeholder places emphasis on the welfare and self-realization of staff members and activists in the given NPO	"The extent to which a stakeholder emphasizes self-realization of activists" "The extent to which a stakeholder places emphasis on improving work conditions and welfare"	2

Image making strategies	The strategies of the respondent NPO to access and appeal to a given stakeholder	"The strategy of the respondent NPO to appeal to a given stakeholder (Making delivered images and messages more attractive -- Making delivered information of a greater depth)"	2
Avoiding stereotyping	The extent to which a stakeholder perceives social phenomena free from stereotyping and accepts a change in its ways of thinking regarding social issues or actors	"Tendency of stereotyping of perception -- Free from stereotyping of perception" "Stakeholders' willing to change their perception and understanding of social issues"	2
Legal accountability focus	The extent to which a stakeholder emphasizes legal accountability	"Emphasizing legal accountability" "Legal accountability in the operation of a nonprofit organization (Low - High)"	2
Performance/Process	The extent to which a stakeholder emphasizes the performance [or process] of the projects/programs of a given NPO	"Performance- and result- centered accountability -- Process- centered accountability"	1
Establishing organizational culture	The extent to which a stakeholder focuses on establishing a communication culture	"The extent to which a stakeholder focuses on establishing communication culture"	1

## APPENDIX F

### DESCRIPTIVE TABLES OF RESPONDENT NPOS

#### A) Budget of respondent NPOs

**Table 66 Budget of Respondent NPOs (all cases included)**

	Frequency	Percent	Valid Percent	Cumulative Percent
.00	4	1.3	1.6	1.6
.20	1	.3	.4	2.1
.30	1	.3	.4	2.5
1.00	5	1.6	2.1	4.5
1.20	1	.3	.4	4.9
1.50	2	.6	.8	5.8
1.80	1	.3	.4	6.2
2.00	5	1.6	2.1	8.2
2.40	1	.3	.4	8.6
2.50	1	.3	.4	9.1
2.60	1	.3	.4	9.5
2.70	1	.3	.4	9.9
3.00	16	5.1	6.6	16.5
3.50	3	1.0	1.2	17.7
4.00	5	1.6	2.1	19.8
5.00	12	3.8	4.9	24.7
6.00	4	1.3	1.6	26.3
7.00	6	1.9	2.5	28.8
8.00	3	1.0	1.2	30.0
8.10	1	.3	.4	30.5

8.20	2	.6	.8	31.3
9.00	2	.6	.8	32.1
10.00	16	5.1	6.6	38.7
11.00	2	.6	.8	39.5
12.00	11	3.5	4.5	44.0
13.00	3	1.0	1.2	45.3
14.00	1	.3	.4	45.7
15.00	12	3.8	4.9	50.6
16.00	2	.6	.8	51.4
16.50	1	.3	.4	51.9
16.90	1	.3	.4	52.3
17.00	1	.3	.4	52.7
18.00	2	.6	.8	53.5
18.70	1	.3	.4	53.9
20.00	16	5.1	6.6	60.5
25.00	5	1.6	2.1	62.6
30.00	17	5.4	7.0	69.5
31.00	2	.6	.8	70.4
32.00	2	.6	.8	71.2
35.00	5	1.6	2.1	73.3
40.00	6	1.9	2.5	75.7
42.00	1	.3	.4	76.1
45.00	2	.6	.8	77.0
50.00	4	1.3	1.6	78.6
54.00	1	.3	.4	79.0
60.00	4	1.3	1.6	80.7
65.00	1	.3	.4	81.1
70.00	3	1.0	1.2	82.3
75.00	1	.3	.4	82.7
80.00	4	1.3	1.6	84.4
100.00	6	1.9	2.5	86.8
120.00	3	1.0	1.2	88.1
129.10	1	.3	.4	88.5
137.00	1	.3	.4	88.9
144.00	1	.3	.4	89.3

145.00	2	.6	.8	90.1
160.00	1	.3	.4	90.5
170.00	1	.3	.4	90.9
172.00	1	.3	.4	91.4
190.00	1	.3	.4	91.8
200.00	2	.6	.8	92.6
211.60	1	.3	.4	93.0
260.00	1	.3	.4	93.4
280.00	1	.3	.4	93.8
311.00	1	.3	.4	94.2
350.00	1	.3	.4	94.7
360.00	1	.3	.4	95.1
400.00	1	.3	.4	95.5
458.80	1	.3	.4	95.9
470.00	1	.3	.4	96.3
530.00	1	.3	.4	96.7
650.00	1	.3	.4	97.1
700.00	1	.3	.4	97.5
2800.00	2	.6	.8	98.4
10000.00	1	.3	.4	98.8
12000.00	1	.3	.4	99.2
17000.00	2	.6	.8	100.0
Total	243	77.1	100.0	
Missing System	72	22.9		
Total	315	100.0		

**Table 67 Budget of Respondent NPOs (without outliers)**

	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
.00	4	1.4	1.9	1.9
.20	1	.3	.5	2.3
.30	1	.3	.5	2.8
1.00	5	1.7	2.3	5.1
1.20	1	.3	.5	5.6
1.50	2	.7	.9	6.5
1.80	1	.3	.5	6.9
2.00	5	1.7	2.3	9.3
2.40	1	.3	.5	9.7
2.50	1	.3	.5	10.2
2.60	1	.3	.5	10.6
2.70	1	.3	.5	11.1
3.00	16	5.6	7.4	18.5
3.50	3	1.0	1.4	19.9
4.00	5	1.7	2.3	22.2
Valid 5.00	12	4.2	5.6	27.8
6.00	4	1.4	1.9	29.6
7.00	6	2.1	2.8	32.4
8.00	3	1.0	1.4	33.8
8.10	1	.3	.5	34.3
8.20	2	.7	.9	35.2
9.00	2	.7	.9	36.1
10.00	16	5.6	7.4	43.5
11.00	2	.7	.9	44.4
12.00	11	3.8	5.1	49.5
13.00	3	1.0	1.4	50.9
14.00	1	.3	.5	51.4
15.00	12	4.2	5.6	56.9
16.00	2	.7	.9	57.9
16.50	1	.3	.5	58.3
16.90	1	.3	.5	58.8
17.00	1	.3	.5	59.3

18.00	2	.7	.9	60.2
18.70	1	.3	.5	60.6
20.00	16	5.6	7.4	68.1
25.00	5	1.7	2.3	70.4
30.00	17	5.9	7.9	78.2
31.00	2	.7	.9	79.2
32.00	2	.7	.9	80.1
35.00	5	1.7	2.3	82.4
40.00	6	2.1	2.8	85.2
42.00	1	.3	.5	85.6
45.00	2	.7	.9	86.6
50.00	4	1.4	1.9	88.4
54.00	1	.3	.5	88.9
60.00	4	1.4	1.9	90.7
65.00	1	.3	.5	91.2
70.00	3	1.0	1.4	92.6
75.00	1	.3	.5	93.1
80.00	4	1.4	1.9	94.9
100.00	6	2.1	2.8	97.7
120.00	3	1.0	1.4	99.1
129.10	1	.3	.5	99.5
137.00	1	.3	.5	100.0
Total	216	75.0	100.0	
Missing System	72	25.0		
Total	288	100.0		

B) Revenue sources of respondent NPOs

**Table 68 Revenue sources of Respondent NPOs (all cases included)**

	N	Mean	Std. Deviation
Membership dues	221	33.3986	30.59160
Donation from companies	221	6.5154	11.67062
Government support	221	24.9294	31.20699
Other fundraising	221	16.8014	22.59459



Profit from projects and events	221	13.8466	22.08063
Others	221	4.5086	9.23132

**Table 69 Revenue sources of respondent NPOs (service-focused NPOs)**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Membership dues	134	28.2604	27.41266
Donation from companies	134	7.2022	12.89691
Government support	134	28.3590	32.25499
Other fundraising	134	17.2746	23.14734
Profit from projects and events	134	14.1694	23.77086
Others	134	4.7343	10.16211

**Table 70 Revenue sources of respondent NPOs (advocacy-focused NPOs)**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Membership dues	58	43.6414	32.38095
Donation from companies	58	5.9448	10.46604
Government support	58	14.5914	25.60811
Other fundraising	58	14.8672	19.64147
Profit from projects and events	58	17.5241	21.96002
Others	58	3.4310	6.06720

C) Number of full-time and part-time staff members

**Table 71 Full-time and part-time staff members (all cases included)**

		<b>Full-time staff</b>	<b>Par-time staff</b>
N	Valid	235	177
	Missing	80	138

Mean		30.7149	91.5480
Median		4.0000	1.0000
Mode		3.00	.00
Std. Deviation		151.61938	1127.31926
Variance		22988.435	1270848.715
Skewness		7.724	13.291
Std. Error of Skewness		.159	.183
Range		1600.00	15000.00
Minimum		.00	.00
Maximum		1600.00	15000.00
Sum		7218.00	16204.00
	25	2.0000	.0000
Percentiles	50	4.0000	1.0000
	75	6.0000	3.0000

**Table 72 Number of full-time staff of NPOs**

	Frequency	Percent	Valid Percent	Cumulative Percent
.00	9	2.9	3.8	3.8
1.00	32	10.2	13.6	17.4
2.00	36	11.4	15.3	32.8
3.00	38	12.1	16.2	48.9
4.00	25	7.9	10.6	59.6
5.00	27	8.6	11.5	71.1
6.00	12	3.8	5.1	76.2
7.00	11	3.5	4.7	80.9
8.00	5	1.6	2.1	83.0
Valid 9.00	1	.3	.4	83.4
10.00	2	.6	.9	84.3
12.00	2	.6	.9	85.1
13.00	1	.3	.4	85.5
15.00	2	.6	.9	86.4
16.00	1	.3	.4	86.8
17.00	1	.3	.4	87.2
18.00	1	.3	.4	87.7
19.00	3	1.0	1.3	88.9

21.00	4	1.3	1.7	90.6
23.00	2	.6	.9	91.5
26.00	1	.3	.4	91.9
30.00	1	.3	.4	92.3
34.00	1	.3	.4	92.8
35.00	1	.3	.4	93.2
36.00	1	.3	.4	93.6
42.00	1	.3	.4	94.0
46.00	1	.3	.4	94.5
47.00	1	.3	.4	94.9
50.00	1	.3	.4	95.3
53.00	1	.3	.4	95.7
55.00	1	.3	.4	96.2
110.00	1	.3	.4	96.6
212.00	1	.3	.4	97.0
408.00	2	.6	.9	97.9
450.00	1	.3	.4	98.3
700.00	2	.6	.9	99.1
1200.00	1	.3	.4	99.6
1600.00	1	.3	.4	100.0
Total	235	74.6	100.0	
Missing System	80	25.4		
Total	315	100.0		

**Table 73 Number of part-time staff of NPOs**

	Frequency	Percent	Valid Percent	Cumulative Percent
.00	56	17.8	31.6	31.6
1.00	34	10.8	19.2	50.8
2.00	30	9.5	16.9	67.8
Valid 3.00	17	5.4	9.6	77.4
4.00	6	1.9	3.4	80.8
5.00	10	3.2	5.6	86.4
6.00	3	1.0	1.7	88.1

	7.00	1	.3	.6	88.7
	10.00	4	1.3	2.3	91.0
	15.00	4	1.3	2.3	93.2
	18.00	1	.3	.6	93.8
	20.00	1	.3	.6	94.4
	21.00	1	.3	.6	94.9
	25.00	1	.3	.6	95.5
	28.00	1	.3	.6	96.0
	30.00	1	.3	.6	96.6
	55.00	1	.3	.6	97.2
	70.00	1	.3	.6	97.7
	90.00	1	.3	.6	98.3
	203.00	1	.3	.6	98.9
	300.00	1	.3	.6	99.4
	15000.00	1	.3	.6	100.0
	Total	177	56.2	100.0	
Missing	System	138	43.8		
Total		315	100.0		

## **APPENDIX G**

### **FACTOR ANALYSIS SUPPLEMENTARY TABLES**

**Table 74 Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.239	36.954	36.954	9.239	36.954	36.954	5.301	21.206	21.206
2	2.773	11.094	48.048	2.773	11.094	48.048	4.200	16.801	38.007
3	1.910	7.639	55.687	1.910	7.639	55.687	3.101	12.404	50.411
4	1.607	6.428	62.115	1.607	6.428	62.115	2.926	11.704	62.115
5	.980	3.921	66.036						
6	.868	3.472	69.508						
7	.778	3.112	72.620						
8	.688	2.754	75.374						
9	.639	2.557	77.931						
10	.590	2.360	80.291						
11	.545	2.179	82.470						
12	.525	2.101	84.571						
13	.459	1.835	86.406						
14	.428	1.711	88.117						
15	.410	1.642	89.759						
16	.366	1.464	91.223						
17	.344	1.378	92.601						
18	.301	1.203	93.803						
19	.281	1.123	94.927						
20	.272	1.087	96.014						
21	.247	.990	97.004						
22	.229	.918	97.922						
23	.201	.804	98.725						
24	.184	.737	99.463						
25	.134	.537	100.000						

Extraction Method: Principal Component Analysis.

**Table 75 Rotated Component Matrix**

	Component			
	1	2	3	4
Transparency in decision making	.814	.223	.109	-.094
Transparency in financial management	.804	.195	.056	.017
Compliance with bylaws	.786	.080	.091	.263
Open communication	.770	.297	.163	-.095
Budget report at the general assembly	.751	-.035	.005	.209
Efficiency in operation	.638	.375	.106	.177
Increasing project effectiveness	.573	.453	.248	.169
Providing accurate information	.514	.308	.448	.108
Increasing volunteer motivation	.092	.806	-.009	.068
Making proactive clients	.188	.725	.191	.039
Professional volunteer management	-.042	.691	.055	.375
Enhancing citizen participation	.344	.606	.309	-.061
Resource allocation appropriate to organization's mission	.345	.591	.150	.217
Establishing expertise in human service provision	.276	.543	.220	.324
Vision sharing	.507	.538	.206	-.041
Providing quality programs	.448	.507	.171	.175
Providing government policy alternatives	.027	.177	.828	.029
Partnership with academia	.107	.042	.731	.276
Partnership with civil society organizations	.343	.109	.618	.110
Playing parts in government policy process	-.066	.194	.608	.483
Educating citizens	.269	.452	.571	.025
Partnership with government agencies	.125	.112	.261	.786
Professionally executing government delegated services	.154	.239	.141	.762
Compliance with administrative guidance	.377	.046	-.194	.712
Partnership with companies	-.127	.083	.279	.600

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 7 iterations.

**Table 76 Reproduced Correlations**

	Transparency in decision making	Open communication	Compliance with bylaws	Efficiency in operation	Budget report at the general assembly	Compliance with administrative guidance	Vision sharing	Enhancing citizen participation	Making proactive clients
Transparency in decision making	.733 <sup>a</sup>	.720	.643	.598	.585	.229	.559	.455	.332
Open communication	.720	.716 <sup>a</sup>	.618	.603	.549	.204	.587	.501	.387
Compliance with bylaws	.643	.618	.702 <sup>a</sup>	.588	.643	.469	.449	.331	.233
Efficiency in operation	.598	.603	.588	.590 <sup>a</sup>	.504	.363	.540	.468	.419
Budget report at the general assembly	.585	.549	.643	.504	.610 <sup>a</sup>	.430	.354	.225	.125
Compliance with administrative guidance	.229	.204	.469	.363	.430	.688 <sup>a</sup>	.147	.054	.095
Vision sharing	.559	.587	.449	.540	.354	.147	.590 <sup>a</sup>	.566	.523
Enhancing citizen participation	.455	.501	.331	.468	.225	.054	.566	.585 <sup>a</sup>	.560
Making proactive clients	.332	.387	.233	.419	.125	.095	.523	.560	.598 <sup>a</sup>



Increasing volunteer motivation	.248	.302	.154	.373	.055	.122	.476	.513	.602
Educating citizens	.380	.432	.306	.406	.194	.029	.496	.541	.488
Providing government policy alternatives	.149	.205	.118	.176	.024	-.122	.278	.371	.292
Establishing expertise in human service provision	.340	.379	.366	.461	.257	.317	.464	.472	.500
Playing parts in government policy process	.011	.060	.146	.180	.047	.209	.176	.253	.263
Professionally executing government delegated services	.123	.140	.354	.338	.268	.584	.204	.195	.259
Professional volunteer management	.091	.147	.126	.305	.023	.272	.347	.399	.518

Resource allocation appropriate to organization's mission	.409	.444	.389	.496	.284	.283	.514	.509	.530
Providing accurate information	.526	.549	.498	.510	.400	.198	.513	.495	.409
Increasing project effectiveness	.579	.600	.553	.591	.451	.309	.578	.538	.490
Partnership with government agencies	.081	.097	.337	.288	.255	.561	.145	.143	.185
Partnership with companies	-.110	-.084	.090	.086	.029	.329	.013	.057	.114
Partnership with civil society organizations	.361	.387	.364	.345	.280	.093	.355	.368	.265
Partnership with academia	.151	.188	.227	.210	.140	.097	.216	.272	.201
Transparency in financial management	.702	.684	.657	.595	.601	.313	.523	.411	.304
Providing quality programs	.480	.506	.454	.525	.356	.284	.528	.503	.491

**Table 77 Reproduced Correlations (Continued)**

	<b>Increasing volunteer motivation</b>	<b>Educating citizens</b>	<b>Providing government policy alternatives</b>	<b>Establishing expertise in human service provision</b>	<b>Playing parts in government policy process</b>	<b>Professionally executing government delegated services</b>	<b>Professional volunteer management</b>	<b>Resource allocation appropriate to organization's mission</b>
Transparency in decision making	.248	.380	.149	.340	.011	.123	.091	.409
Open communication	.302	.432	.205	.379	.060	.140	.147	.444
Compliance with bylaws	.154	.306	.118	.366	.146	.354	.126	.389
Efficiency in operation	.373	.406	.176	.461	.180	.338	.305	.496
Budget report at the general assembly	.055	.194	.024	.257	.047	.268	.023	.284
Compliance with administrative guidance	.122	.029	-.122	.317	.209	.584	.272	.283
Vision sharing	.476	.496	.278	.464	.176	.204	.347	.514
Enhancing citizen participation	.513	.541	.371	.472	.253	.195	.399	.509
Making proactive clients	.602	.488	.292	.500	.263	.259	.518	.530

Increasing volunteer motivation	.663 <sup>a</sup>	.386	.139	.483	.177	.257	.579	.522
Educating citizens	.386	.603 <sup>a</sup>	.560	.454	.429	.249	.342	.451
Providing government policy alternatives	.139	.560	.718 <sup>a</sup>	.295	.549	.185	.177	.244
Establishing expertise in human service provision	.483	.454	.295	.524 <sup>a</sup>	.377	.450	.497	.519
Playing parts in government policy process	.177	.429	.549	.377	.644 <sup>a</sup>	.489	.351	.288
Professionally executing government delegated services	.257	.249	.185	.450	.489	.681 <sup>a</sup>	.452	.381
Professional volunteer management	.579	.342	.177	.497	.351	.452	.623 <sup>a</sup>	.484

Resource allocation appropriate to organization's mission	.522	.451	.244	.519	.288	.381	.484	.538 <sup>a</sup>
Providing accurate information	.298	.536	.442	.443	.350	.299	.256	.449
Increasing project effectiveness	.427	.504	.305	.513	.282	.360	.366	.539
Partnership with government agencies	.153	.253	.262	.408	.551	.682	.381	.319
Partnership with companies	.094	.178	.260	.266	.484	.497	.303	.178
Partnership with civil society organizations	.121	.497	.543	.326	.427	.250	.136	.299
Partnership with academia	.055	.472	.623	.303	.579	.340	.168	.231
Transparency in financial management	.232	.337	.103	.346	.027	.191	.111	.404
Providing quality programs	.460	.451	.248	.493	.257	.347	.407	.517

**Table 78 Reproduced Correlations (Continued)**

	<b>Providing accurate information</b>	<b>Increasing project effectiveness</b>	<b>Partnership with government agencies</b>	<b>Partnership with companies</b>	<b>Partnership with civil society organizations</b>	<b>Partnership with academia</b>	<b>Transparency in financial management</b>	<b>Providing quality programs</b>
Transparency in decision making	.526	.579	.081	-.110	.361	.151	.702	.480
Open communication	.549	.600	.097	-.084	.387	.188	.684	.506
Compliance with bylaws	.498	.553	.337	.090	.364	.227	.657	.454
Efficiency in operation	.510	.591	.288	.086	.345	.210	.595	.525
Budget report at the general assembly	.400	.451	.255	.029	.280	.140	.601	.356
Compliance with administrative guidance	.198	.309	.561	.329	.093	.097	.313	.284
Vision sharing	.513	.578	.145	.013	.355	.216	.523	.528
Enhancing citizen participation	.495	.538	.143	.057	.368	.272	.411	.503
Making proactive clients	.409	.490	.185	.114	.265	.201	.304	.491

Increasing volunteer motivation	.298	.427	.153	.094	.121	.055	.232	.460
Educating citizens	.536	.504	.253	.178	.497	.472	.337	.451
Providing government policy alternatives	.442	.305	.262	.260	.543	.623	.103	.248
Establishing expertise in human service provision	.443	.513	.408	.266	.326	.303	.346	.493
Playing parts in government policy process	.350	.282	.551	.484	.427	.579	.027	.257
Professionally executing government delegated services	.299	.360	.682	.497	.250	.340	.191	.347
Professional volunteer management	.256	.366	.381	.303	.136	.168	.111	.407
Resource allocation appropriate to organization's mission	.449	.539	.319	.178	.299	.231	.404	.517
Providing accurate information	.571 <sup>a</sup>	.563	.301	.151	.499	.426	.500	.481

Increasing project effectiveness	.563	.623 <sup>a</sup>	.319	.135	.417	.308	.565	.558
Partnership with government agencies	.301	.319	.714 <sup>a</sup>	.539	.303	.426	.150	.295
Partnership with companies	.151	.135	.539	.462 <sup>a</sup>	.204	.360	-.060	.138
Partnership with civil society organizations	.499	.417	.303	.204	.523 <sup>a</sup>	.523	.334	.334
Partnership with academia	.426	.308	.426	.360	.523	.624 <sup>a</sup>	.140	.242
Transparency in financial management	.500	.565	.150	-.060	.334	.140	.687 <sup>a</sup>	.471
Providing quality programs	.481	.558	.295	.138	.334	.242	.471	.517 <sup>a</sup>



**Table 79 Residual**

	<b>Transparency in decision making</b>	<b>Open communication</b>	<b>Compliance with bylaws</b>	<b>Efficiency in operation</b>	<b>Budget report at the general assembly</b>	<b>Compliance with administrative guidance</b>	<b>Vision sharing</b>	<b>Enhancing citizen participation</b>	<b>Making proactive clients</b>
Transparency in decision making		.093	-.052	-.023	-.028	-.015	-.009	-.055	.030
Open communication	.093		-.016	.027	-.112	-.001	-.021	.000	.014
Compliance with bylaws	-.052	-.016		-.033	-.049	-.021	-.024	.063	.024
Efficiency in operation	-.023	.027	-.033		-.060	-.065	-.004	-.014	-.070
Budget report at the general assembly	-.028	-.112	-.049	-.060		-.054	-.055	.010	.049
Compliance with administrative guidance	-.015	-.001	-.021	-.065	-.054		.078	.026	.044
Vision sharing	-.009	-.021	-.024	-.004	-.055	.078		-.085	-.031
Enhancing citizen participation	-.055	.000	.063	-.014	.010	.026	-.085		.071

Making proactive clients	.030	.014	.024	-.070	.049	.044	-.031	.071	
Increasing volunteer motivation	.031	-.007	.032	-.038	.101	.031	-.071	.001	-.069
Educating citizens	1.285E-05	-.038	.042	-.048	.001	.066	-.070	.008	-.076
Providing government policy alternatives	.032	.007	.028	-.010	.010	.063	.006	-.061	-.009
Establishing expertise in human service provision	-.052	-.048	.005	.008	.030	-.088	-.010	-.092	-.007
Playing parts in government policy process	.052	.042	.028	.043	.053	-.080	.009	-.015	-.033
Professionally executing government delegated services	.026	.023	-.042	-.035	-.012	-.071	-.040	.035	.045
Professional volunteer management	.051	.026	.013	.004	.089	-.012	-.017	-.100	-.092
Resource allocation appropriate to organization's mission	-.005	-.055	-.061	.007	-.002	-.027	.020	-.110	-.098

Providing accurate information	-.107	-.068	.003	-.047	-.054	-.006	.017	-.080	-.068
Increasing project effectiveness	-.052	-.030	-.065	-.020	-.086	-.038	-.064	-.031	-.088
Partnership with government agencies	.049	.040	-.009	-.021	-.073	-.076	.009	.074	.019
Partnership with companies	.038	.055	.012	.046	-.043	-.030	.019	.024	.008
Partnership with civil society organizations	.002	-.055	-.093	-.022	.060	.057	.003	-.036	.030
Partnership with academia	-.032	.008	-.015	.020	.029	.058	.013	.034	.055
Transparency in financial management	-.056	-.091	-.039	-.087	.016	-.043	-.073	.022	.009
Providing quality programs	-.098	-.039	-.024	-.014	-.081	-.015	-.009	-.068	-.081

**Table 80 Residual (Continued)**

	<b>Increasing volunteer motivation</b>	<b>Educating citizens</b>	<b>Providing government policy alternatives</b>	<b>Establishing expertise in human service provision</b>	<b>Playing parts in government policy process</b>	<b>Professionally executing government delegated services</b>	<b>Professional volunteer management</b>	<b>Resource allocation appropriate to organization's mission</b>
Transparency in decision making	.031	1.285E-05	.032	-.052	.052	.026	.051	-.005
Open communication	-.007	-.038	.007	-.048	.042	.023	.026	-.055
Compliance with bylaws	.032	.042	.028	.005	.028	-.042	.013	-.061
Efficiency in operation	-.038	-.048	-.010	.008	.043	-.035	.004	.007
Budget report at the general assembly	.101	.001	.010	.030	.053	-.012	.089	-.002
Compliance with administrative guidance	.031	.066	.063	-.088	-.080	-.071	-.012	-.027
Vision sharing	-.071	-.070	.006	-.010	.009	-.040	-.017	.020
Enhancing citizen participation	.001	.008	-.061	-.092	-.015	.035	-.100	-.110

Making proactive clients	-0.069	-0.076	-0.009	-0.007	-0.033	.045	-0.092	-0.098
Increasing volunteer motivation		.058	-0.044	-0.095	-0.017	-0.068	-0.014	-0.115
Educating citizens	.058		-0.020	-0.029	-0.066	.054	-0.056	-0.037
Providing government policy alternatives	-0.044	-0.020		.022	.033	.048	.053	-0.006
Establishing expertise in human service provision	-0.095	-0.029	.022		.011	.015	-.103	-0.043
Playing parts in government policy process	-0.017	-0.066	.033	.011		.044	.059	-0.008
Professionally executing government delegated services	-0.068	.054	.048	.015	.044		-0.062	-0.057
Professional volunteer management	-0.014	-0.056	.053	-0.103	.059	-0.062		.005
Resource allocation appropriate to organization's mission	-0.115	-0.037	-0.006	-0.043	-0.008	-0.057	.005	

Providing accurate information	-0.041	-0.041	-0.009	.002	-0.036	-0.004	.005	.045
Increasing project effectiveness	-0.036	-0.030	-0.027	-0.015	-0.053	-0.020	-0.020	.040
Partnership with government agencies	.018	.012	-0.026	-0.054	-0.019	-0.011	-0.070	-0.037
Partnership with companies	.057	-0.019	-0.094	-0.058	-0.169	-0.191	-0.063	.029
Partnership with civil society organizations	.105	-0.062	-0.134	-0.090	-0.083	-0.020	.057	.040
Partnership with academia	.070	-0.067	-0.146	-0.002	-0.138	-0.121	.025	-0.018
Transparency in financial management	.008	.008	.003	.024	.012	.010	.035	-0.013
Providing quality programs	-0.074	-0.001	.012	.070	-0.057	.026	-0.101	-0.022

**Table 81 Residual (Continued)**

	<b>Providing accurate information</b>	<b>Increasing project effectiveness</b>	<b>Partnership with government agencies</b>	<b>Partnership with companies</b>	<b>Partnership with civil society organizations</b>	<b>Partnership with academia</b>	<b>Transparency in financial management</b>	<b>Providing quality programs</b>
Transparency in decision making	-0.107	-0.052	.049	.038	.002	-.032	-.056	-.098
Open communication	-.068	-.030	.040	.055	-.055	.008	-.091	-.039
Compliance with bylaws	.003	-.065	-.009	.012	-.093	-.015	-.039	-.024
Efficiency in operation	-.047	-.020	-.021	.046	-.022	.020	-.087	-.014
Budget report at the general assembly	-.054	-.086	-.073	-.043	.060	.029	.016	-.081
Compliance with administrative guidance	-.006	-.038	-.076	-.030	.057	.058	-.043	-.015
Vision sharing	.017	-.064	.009	.019	.003	.013	-.073	-.009
Enhancing citizen participation	-.080	-.031	.074	.024	-.036	.034	.022	-.068
Making proactive clients	-.068	-.088	.019	.008	.030	.055	.009	-.081

Increasing volunteer motivation	-.041	-.036	.018	.057	.105	.070	.008	-.074
Educating citizens	-.041	-.030	.012	-.019	-.062	-.067	.008	-.001
Providing government policy alternatives	-.009	-.027	-.026	-.094	-.134	-.146	.003	.012
Establishing expertise in human service provision	.002	-.015	-.054	-.058	-.090	-.002	.024	.070
Playing parts in government policy process	-.036	-.053	-.019	-.169	-.083	-.138	.012	-.057
Professionally executing government delegated services	-.004	-.020	-.011	-.191	-.020	-.121	.010	.026
Professional volunteer management	.005	-.020	-.070	-.063	.057	.025	.035	-.101
Resource allocation appropriate to organization's mission	.045	.040	-.037	.029	.040	-.018	-.013	-.022
Providing accurate information		.118	.006	-.048	-.080	-.077	-.043	.032



Increasing project effectiveness	.118		.033	.021	-.036	-.021	.007	.002
Partnership with government agencies	.006	.033		-.078	-.020	-.063	-.019	-.040
Partnership with companies	-.048	.021	-.078		-.005	.111	.019	.007
Partnership with civil society organizations	-.080	-.036	-.020	-.005		.007	-.014	-.004
Partnership with academia	-.077	-.021	-.063	.111	.007		.026	-.021
Transparency in financial management	-.043	.007	-.019	.019	-.014	.026		.007
Providing quality programs	.032	.002	-.040	.007	-.004	-.021	.007	

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