

Nonprofit MANAGEMENT

Principles and Practice

Michael J. Worth | 4th Edition



Nonprofit MANAGEMENT

Principles and Practice

Fourth Edition

Michael J. Worth
The George Washington University



Los Angeles | London | New Delhi
Singapore | Washington DC



Los Angeles | London | New Delhi
Singapore | Washington DC

FOR INFORMATION:

SAGE Publications, Inc.
2455 Teller Road
Thousand Oaks, California 91320
E-mail: order@sagepub.com

SAGE Publications Ltd.
1 Oliver's Yard
55 City Road
London EC1Y 1SP
United Kingdom

SAGE Publications India Pvt. Ltd.
B 1/1 Mohan Cooperative Industrial Area
Mathura Road, New Delhi 110 044
India

SAGE Publications Asia-Pacific Pte. Ltd.
3 Church Street
#10-04 Samsung Hub
Singapore 049483

Acquisitions Editor: Maggie Stanley
Associate Editor: Abbie Rickard
eLearning Editor: Katie Bierach
Editorial Assistant: Nicole Mangona
Production Editor: Libby Larson
Copy Editors: Diane DiMura and Melinda Masson
Typesetter: Hurix Systems Pvt. Ltd.
Proofreader: Dennis W. Webb
Indexer: Jeanne Busemeyer
Cover Designer: Candice Harman
Marketing Manager: Ashlee Blunk

Copyright © 2017 by SAGE Publications, Inc.

All rights reserved. No part of this book may be reproduced or utilized in any form or by any means, electronic or mechanical, including photocopying, recording, or by any information storage and retrieval system, without permission in writing from the publisher.

Printed in the United States of America

Library of Congress Cataloging-in-Publication Data

Names: Worth, Michael J., author.

Title: Nonprofit management : principles and practice / Michael J. Worth.

Description: Fourth edition. | Los Angeles : SAGE, [2017] | Includes bibliographical references and index.

Identifiers: LCCN 2015040089 | ISBN 9781483375991 (pbk. : alk. paper)

Subjects: LCSH: Nonprofit organizations—Management.

Classification: LCC HD62.6 .W675 2017 | DDC 658/.048—dc23
LC record available at <http://lcn.loc.gov/2015040089>

This book is printed on acid-free paper.



SFI label applies to text stock

16 17 18 19 20 10 9 8 7 6 5 4 3 2 1

Acknowledgments

Writing a book is a collective enterprise, even when the book has one author. Any author builds on the work of others, and this text reflects the wisdom of the many scholars and practitioners who are cited throughout it.

I am grateful to my SAGE editor, Maggie Stanley, who encouraged me to undertake this fourth edition. I am grateful as well to the following reviewers, whose frank comments have added immeasurably to this revision:

Ann Marie Kinnell, University of Southern Mississippi

Becky J. Starnes, Austin Peay State University

Beth Gazley, Indiana University

Catherine E. Wilson, Villanova University

Chandra Commuri, California State University, Bakersfield

Christine W. Cugliari, High Point University

Christopher Klingeman, Southern Illinois University

David A. Coplan, University of Pittsburgh

Deborah Harley-McClaskey, East Tennessee State University

Eunice V. Akoto, North Carolina Central University

Jessica E. Sowa, University of Colorado Denver

John Conahan, Kutztown University

Lynn W. Clemons, Mercer University

Marilyn L. Grady, University of Nebraska-Lincoln

Marjorie Carlson Hurst, Liberty University

Robert Dibie, Indiana University Kokomo

Robert C. Teitelbaum, State University of New York, Empire State College

Sylvia Ramierz Benatti, University of the District of Columbia

Thomas L. Winter, Abilene Christian University

Tory S. Vornholt, Agnes Scott College

I have learned immensely from my students at The George Washington University, from my faculty colleagues, and from the many nonprofit executives who have participated in various classes of mine over the years. I thank them for the education they have provided me and hope that they will find this book

to be a useful contribution to the field. I am grateful to Gretchen Wieland, my graduate assistant at The George Washington University during 2015–2016, who provided invaluable assistance to me in producing this fourth edition. Finally, I express my deepest gratitude to my family and friends for their patience over the months of my effort with this project, as I have undertaken the many revisions that are encompassed in this fourth edition.

Michael J. Worth
Professor of Nonprofit Management
The George Washington University
Washington, DC

Preface

The first edition of *Nonprofit Management: Principles and Practice* was published by SAGE in 2009, the second edition in 2012, and the third edition in 2014. It is striking how much the landscape of the nonprofit sector has continued to change over the years, requiring frequent updates to stay current with the state of the field in nonprofit management.

Changes reflected in this fourth edition of the book include, most obviously, certain data, but also trends, new concepts and research, and new cases that have drawn attention since the third edition was completed. The inevitable lag between research and writing and publication often means that readers should be alert to changes that may have occurred during the process of updating the book. Thus, even this fourth edition may have some obsolescence by the time it reaches the reader. There are reminders of this reality throughout the book, and it is recommended that students consult referenced websites and other resources on points that seem subject to change.

It is, of course, impossible to know what economic conditions will prevail when this book reaches its readers. The recession that began in 2007, what some people called the Great Recession, took a significant toll on many nonprofit organizations, resulting in decreased financial resources at a time when the demand for services was increasing. By 2015, the economy had recovered by many measures. Perhaps by the time this fourth edition reaches its readers, the economy will have continued to grow. Or, perhaps, it will again have slipped into recession. It is impossible to predict. In any case, effects of the financial crisis that occurred at the end of the preceding decade are likely to linger. It produced a heightened awareness of financial uncertainty, the need for nonprofits to use resources efficiently and effectively, and the importance of achieving diverse revenue sources to weather various economic scenarios. Those lessons have brought permanent change to our thinking about the management of nonprofit organizations. It seems likely the nonprofit sector will continue to face new opportunities and challenges in the years ahead.

New to This Edition

This fourth edition includes a number of changes from the third. First, chapter topics continued from the previous edition all have been updated to reflect new data, new research, and recent events. For example, new principles and standards released by Maryland Nonprofits in 2014 and by Independent Sector in 2015 are reflected in the chapters concerning governance (Chapter 4) and accountability (Chapter 6). In response to reviewer comments, some topics from the previous edition have been reorganized and expanded. For example, new material has been included on managing governing boards, including board development and the role of board professionals; the use of social networks and social media in marketing; fundraising on the Internet; risk management; crisis communications; human resource management; and employment law, among other topics.

The chapter on developing strategy and building capacity (Chapter 7) brings together topics that appeared in various sections of the third edition. In addition, coverage of those topics has been thoroughly updated and expanded. This reorganization provides a more even flow to the text. A new chapter (Chapter 8) discusses collaboration, partnerships, and mergers among nonprofits, reflecting the growing importance of such relationships. Among new material in this chapter is an expanded discussion of cross-sector collaborations

and collective impact. The chapter on financial management (Chapter 12) has been relocated earlier in the text, consistent with the order in which some reviewers cover the topic in their courses. Chapters on social entrepreneurship and innovation (Chapter 16) and on international and global organizations (Chapter 17) have been substantially revised from the third edition. The chapter on social entrepreneurship has been expanded to include a discussion of how existing nonprofit organizations can develop and maintain a culture of continuous innovation. Learning objectives related to each chapter are a new feature in this edition.

New cases have been developed for this fourth edition, encompassing recent events and new approaches. New cases related to specific chapters include Brian Gallagher's leadership of change at United Way; the merger of N Street Village and Miriam's House; the Corcoran Gallery of Art and Corcoran School of the Arts and Design; and Aspire CoffeeWorks. Cases retained from the third edition all have been updated to reflect new developments. Some reviewers of the third edition suggested including longer cases that could be used in discussions that would cut across chapters. In response to that useful idea, a new feature in this edition is an Appendix that includes three longer, more comprehensive case studies regarding organizations in different subsectors: New York City Opera, Share Our Strength, and the Y (YMCA).

Philosophy of This Book

A Balanced Approach

Students reading this book are likely to have varied backgrounds. Some may be undergraduates who do not yet have substantial work experience and perhaps wish to explore nonprofit management as a possible career direction. Others may be graduate students who have an interest in nonprofit careers but have not previously studied management. Still others might have studied management but may have limited knowledge of the unique values, characteristics, and circumstances of the nonprofit sector or how the management principles they know can be applied in the nonprofit environment. Yet others may be individuals with considerable experience working in nonprofit organizations who are pursuing further study to increase and broaden their understanding and professional skills.

Some students reading this book may be undergraduates taking a course that is an introduction to the nonprofit sector. Others may be enrolled in a program leading to a master's degree in nonprofit management. Some may be pursuing a master's degree in business, social work, public administration, or public policy, with a concentration in nonprofit management. Still others may be taking only one course in nonprofit management as an elective in their undergraduate or graduate degree program, seeking only a broad and general orientation to the field.

Given this diversity of backgrounds and goals often found among students taking a course in nonprofit management, a textbook that seeks to provide an overview of the field must include both theoretical concepts and practical applications; it must cover some basics as well as intellectually stimulating issues; it must be both rigorous and accessible to students of varied academic backgrounds; and it must provide both a foundation of knowledge that may serve as a springboard to more advanced study and a comprehensive overview for those students whose one experience with the field will consist of a single course.

This book strives to address all these diverse needs and interests, with the author's humble recognition that it may not succeed in meeting all of them for all students. It attempts to provide a comprehensive exposure to topics relevant to the field of nonprofit management, but it obviously must be selective in its discussion of those topics. This intended balance between comprehensiveness in topics and selectivity in their treatment may frustrate some readers. Some may find their appetites whetted but unsatisfied by the quick tour provided in some parts of the book. It is possible that others may find that some chapters include ideas they have seen before in other courses.

Students are encouraged to tailor their use of the book to their own interests and backgrounds. Readers who, for example, already have studied some of the organizational and management theories we will discuss are encouraged to read relevant sections as a refresher but to pay closer attention to material that is new to them. Those to whom the theories are new, and who find their discussion in this book to be too brief, are encouraged to explore the additional resources suggested throughout the book. In sum, it is hoped that this book may provide a kind of comprehensive menu, from which students may select the topics or approaches on which they wish to “click” for more information. Both novices and more experienced individuals may find it a foundation on which they can build, seeking appropriate avenues for further information and learning. And, in all likelihood, professors also will elaborate on some topics and skip lightly over others, as they sense the tempo of their individual classes.

Focus on Charitable Nonprofits

As will be discussed in Chapter 2, the nonprofit sector encompasses an amazing array of organizations with different characteristics, structures, and purposes. This book focuses primarily on that category known as charitable nonprofits and, in particular, those that provide services, such as education and research, health care, arts and cultural programs, and social and legal services. The following chapters also will sometimes mention member-serving organizations—for example, trade and professional associations—but primarily as points of contrast with charitable nonprofits. Religious congregations make up a significant component of the overall nonprofit sector, but religion is the subsector that is the least professionalized—that is, it employs relatively few professional managers. Thus, this book does not devote significant discussion to the management of churches, synagogues, mosques, or other religious congregations. We will discuss foundations, but primarily as sources of support for service-providing nonprofits; we will not discuss the management of foundations per se. This book does not exclude, but also does not emphasize, those nonprofits that are primarily advocacy organizations, also known as social welfare organizations. While they are nonprofits, they are also different from charitable nonprofits in important ways, as we will discuss further in Chapter 2. Of course, some principles of governance, leadership, and management discussed in this book apply to all nonprofits and will be of relevance to students intending to work in any component of the nonprofit world.

Focus on U.S. Nonprofits

This book includes a chapter on nonprofits in the global environment, but it primarily addresses the management of nonprofit organizations in the United States. The American nonprofit sector is the largest in the world; it operates under unique cultural, economic, and legal circumstances. It is where most American students of nonprofit management will pursue their careers. In addition, as governments around the world seek to reduce their expenditures and devolve many functions to nonprofit organizations, many also are looking to relevant aspects of the American model in developing their own nonprofit sectors. Thus, even for students primarily interested in working on the international stage, an understanding of nonprofit management in the United States is both relevant and useful. Indeed, I have been gratified to learn that previous editions of this book were adopted by professors in countries outside of the United States.

Overview of the Book

The first three chapters of this book provide an orientation to the nonprofit sector and a theoretical foundation for the more applied topics considered later. Chapter 1 provides an introduction to nonprofit management, both as a profession and as an academic field of study, and offers a justification for studying the topic as distinct from management in government or business. Chapter 2 offers a look at the structure,

boundaries, and characteristics of the nonprofit sector and establishes some basic definitions. Chapter 3 expands our understanding of the nonprofit sector by reviewing theories that explain its existence and its role in relation to government and business. That chapter also examines selected theories that describe the nature of nonprofit organizations and explain their behavior.

The next two chapters, Chapters 4 and 5, consider the roles and responsibilities of governing boards and nonprofit chief executive officers (CEOs) and the ways in which these two vital actors interact in leading organizations. The nonprofit governing board has functional, moral, and legal responsibilities. Nonprofit chief executives, whether titled “executive director,” “president,” “CEO,” or something else, lead their organizations in a complex and dynamic environment that will be described. The partnership between the CEO and the board is critical to a well-operating and effective organization.

The next six chapters focus on applied aspects of nonprofit management. Chapter 6 reviews the increasing demands for nonprofit accountability and various approaches to measuring the performance of nonprofit organizations. Chapter 7 discusses the development of organizational strategy and the tools of strategic planning and strategic management now employed by many nonprofits. Strategic planning is often the first step in the larger undertaking of building the organization’s capacity or its ability to achieve the goals identified in the plan; thus capacity building also is considered in this chapter. Chapter 8 explores collaborations and partnerships among nonprofit organizations and those that cross the sectors. In addition, recent years have brought mergers of nonprofit organizations, a topic that is also considered in Chapter 8. Chapter 9 discusses both the theory and the practice of human resource management in nonprofit organizations. One of the significant differences between many nonprofits and business or government is the substantial employment of volunteers to provide the organization’s core services. Management of an unpaid workforce requires an understanding of human motivation and skill in managing effective relationships between an organization’s volunteers and its paid professional staff. Chapter 10 considers the management of programs for communication and marketing, essential for organizations that are highly interactive with and dependent on the world around them. This section concludes with Chapter 11, which discusses advocacy and lobbying, important activities for many nonprofit organizations that seek to affect social change.

The next section of the book, encompassing four chapters, is concerned with the acquisition and management of resources. The securing of revenue and the management of financial resources are interrelated activities. Like many of the topics covered in this book, financial management is large, complex, and important. Chapter 12 provides a few basic concepts and directs students to additional sources from which they can obtain the more detailed understanding they may seek. Chapter 13 discusses principles of raising philanthropic funds from individual, corporate, and foundation donors. Chapter 14 explores the subject of nonprofits’ earned income—that is, efforts to generate revenue through activities other than traditional philanthropy. That chapter explores the myriad and growing commercial partnerships between nonprofit organizations and corporations, including cause-related marketing, sponsorships, licensing agreements, joint ventures, and others. It also considers nonprofit business ventures, the development of revenue-generating activities that provide a stream of revenue to support mission programs. Chapter 15 considers principles involved in securing and managing grants and contracts from government, a significant source of revenue for many nonprofits.

The final section of the book includes two chapters that expand our perspective. Chapter 16 examines social entrepreneurship and social innovation. As discussed later in the text, this topic is not necessarily synonymous with the generation of earned income revenue or even with the adoption of business methods by nonprofit organizations. Nor is it always synonymous with the founding of new organizations. Rather, by the definition used in this book, it includes innovations that lead to “wide-scale change at the systemic level” (Leviner, Crutchfield, & Wells, 2006, p. 89). In other words, social entrepreneurship is related to social innovation, regardless of the specific methods or financial sources that may be involved. Chapter 17 looks beyond the United States to discuss the work of nonprofit organizations internationally. The Conclusion offers some of my final reflections and observations.

Students may observe that the book does not include a chapter on nonprofit law. Nonprofits are subject to a large and growing body of law at the local, state, and federal levels. However, I decided to discuss aspects of nonprofit law in the various chapters where they are most relevant rather than in a separate chapter. The book provides references to other resources for students who may want to know more. The book also does not include a separate chapter on ethics; rather, ethical issues are addressed at relevant points throughout the text, for example, in the discussion of Chapter 6 concerning accountability and in the ethical scenarios proposed for discussion at the end of Chapter 13 on philanthropic fundraising. At least one reviewer of the third edition suggested adding a chapter on risk management, an important topic in nonprofit management. Given the limitations of length, it was not practical to do so, but a discussion of risk management is included in relevant sections of other chapters.

Again, all the following chapters draw on the theoretical and academic literature as well as the writing of experienced practitioners and consultants. Key points are illustrated with actual cases, some drawn from the daily headlines. Students are encouraged to include the cases in their reading of each chapter, to consider the questions suggested for discussion of the cases, to consider the broader Questions for Discussion provided at the end of each chapter, and to think about the relevance of what they are reading to any nonprofit organizations with which they may have personal experience. Most also will find that the daily news within the span of almost any semester or academic year includes stories that relate to nonprofit organizations and provide real-time cases that illustrate points discussed in this book.

Ancillaries

Ancillary materials further support and enhance the learning goals of the fourth edition of *Nonprofit Management*. These ancillary materials include:

Instructor Resources

- Test banks with multiple choice, true/false and essay questions for each chapter
- Editable chapter-specific PowerPoint slides
- Sample course syllabi
- Chapter outlines
- Case activities
- Discussion questions for each chapter

Student Resources

- Video and multimedia links
- EXCLUSIVE! Access to certain full-text SAGE journal articles that have been carefully selected for each chapter

Visit study.sagepub.com/worth4e to access the support materials for *Nonprofit Management*, Fourth Edition.

Brief Contents

Acknowledgments xvii

Preface xix

PART I. Understanding Nonprofit Management, the Nonprofit Sector, and Nonprofit Organizations 1

1. Nonprofit Management as a Profession and a Field of Study 3
2. Overview of the Nonprofit Sector 19
3. Theories of the Nonprofit Sector and Nonprofit Organizations 49

PART II. Governing and Leading Nonprofit Organizations 73

4. Nonprofit Governing Boards 75
5. Executive Leadership 107

PART III. Managing the Nonprofit Organization 133

6. Ensuring Accountability and Measuring Performance 135
7. Developing Strategy and Building Capacity 171
8. Collaborations, Partnerships, and Mergers 201
9. Managing Staff and Service Volunteers 227
10. Marketing and Communications 259
11. Advocacy and Lobbying 285

PART IV. Obtaining and Managing Resources 303

12. Financial Management 305
13. Philanthropic Fundraising 333
14. Earned-Income Strategies 371
15. Government Grants and Contracts 397

PART V. Special Topics 409

16. Social Entrepreneurship and Innovation 411

17. Governing and Managing International and Global Organizations 429

Conclusion 445

Appendix: Cases for Discussion 449

1. New York City Opera 449

2. Share Our Strength 455

3. The Y 464

References 471

Index 495

About the Author 511

Detailed Contents

Acknowledgments xvii

Preface xix

PART I. Understanding Nonprofit Management, the Nonprofit Sector, and Nonprofit Organizations 1

1 Nonprofit Management as a Profession and a Field of Study 3

- A Revolution in Management 4
- A Distinct Profession 5
- Nonprofit Management as a Field of Study 8
- Toward a Balanced Approach 11
- Proceeding With Realism and Pride 13
- Chapter Summary 14
- Key Terms and Concepts 15
- Questions for Discussion 15
- Suggestions for Further Reading 15
 - Books/Journals* 15
 - Articles* 16
 - Websites* 16

2 Overview of the Nonprofit Sector 19

- America's Nonprofit Sector: A Historical Overview 21
- Searching for a Common Vocabulary 23
- Alternatives to *Nonprofit* 23
- Size of the U.S. Nonprofit Sector 25
- Differentiating the Nonprofit Sector 26
 - National Taxonomy of Exempt Entities* 26
 - IRS Classifications* 27
 - Salamon's Anatomy* 35
 - The Spectrum of Organizations* 36
- Emerging New Models 38
- Commercialization and Tax Exemption 41
- Implications for Nonprofit Managers 42
- Chapter Summary 43
- Notes 44

Key Terms and Concepts 44

■ Case 2.1. A Hybrid Organization: The GlobalGiving Foundation and ManyFutures Inc. 44

■ Case 2.2. A Double Bottom Line: Ben & Jerry's 45

Questions for Discussion 46

Suggestions for Further Reading 47

Books 47

Articles 47

Websites 47

3 Theories of the Nonprofit Sector and Nonprofit Organizations 49

Explaining the Nonprofit Sector 49

Nonprofit Theory Across the Disciplines 49

The Failure Theories 51

Market and Government Failure 52

Nonprofits as Gap Fillers 53

Supply-Side Theories 54

Theories of Altruism and Giving 54

Theory of the Commons: An Interdisciplinary Approach 55

Changing Definitions of Private, Public, and Common 56

Explaining Nonprofit Organizations 58

Characteristics of Nonprofit Organizations 58

Nonprofits as Open Systems 60

Resource Dependency 62

Isomorphism 64

Explaining Nonprofit Organizational Structures 65

Organizational Culture 66

Chapter Summary 67

Note 68

Key Terms and Concepts 68

■ Case 3.1 The Smithsonian Institution and the Catherine B. Reynolds Foundation 68

■ Case 3.2 The National Trust for Historic Preservation 71

Questions for Discussion 72

Suggestions for Further Reading 72

Books 72

Articles 72

PART II. Governing and Leading Nonprofit Organizations 73

4 Nonprofit Governing Boards 75

Types of Governing Boards 76

Elected Boards 76

Self-Perpetuating Boards 77

Appointed and Hybrid Boards 78

Advisory Boards and Councils 78

The Governing Board's Responsibilities	80
<i>The Governing Board's Legal Responsibilities</i>	80
<i>The Governing Board's Functional Responsibilities</i>	83
The Board and the CEO	87
<i>Carver's Policy Governance Model</i>	88
<i>Chait, Ryan, and Taylor: Governance as Leadership</i>	90
<i>Herman and Heimovics: Psychological Centrality and Board-Centered Leadership</i>	92
<i>Explaining Board Behavior</i>	93
Managing Nonprofit Boards	94
<i>Role of the Chair</i>	94
<i>Governance Committee</i>	94
<i>Board Professionals</i>	95
Nonprofit Board Effectiveness	95
<i>Critics of Board Performance</i>	96
<i>The Search for Best Practices</i>	96
The Challenge of Nonprofit Governance	98
Chapter Summary	100
Note	101
Key Terms and Concepts	101
■ Case 4.1 The American University	102
■ Case 4.2 The Hershey Trust	103
Questions for Discussion	104
Suggestions for Further Reading	104
<i>Books</i>	104
<i>Websites</i>	104

5 Executive Leadership 107

The CEO's Job	107
Management and Leadership	109
Overview of Leadership Theories	110
<i>Transformational Leadership</i>	112
<i>Charismatic Leadership</i>	114
The Effective Nonprofit CEO	116
<i>Focus on Mission</i>	117
<i>Focus on the Board</i>	117
<i>Focus on External Relationships</i>	118
<i>Share Leadership and Empower Others</i>	118
<i>Focus on Key Roles and Priorities</i>	118
<i>Use the "Political Frame"</i>	119
<i>Right Person, Right Place, Right Time</i>	119
Founder Syndrome	120
Executive Transitions	122
Leading Change	124
Chapter Summary	125
Note	126
Key Terms and Concepts	126
■ Case 5.1 A Change in Leadership at Habitat for Humanity	127
■ Case 5.2 Challenge and Change at United Way	128
Questions for Discussion	130

Suggestions for Further Reading 130

Books 130

Article 131

Websites 131

PART III. Managing the Nonprofit Organization 133

6 Ensuring Accountability and Measuring Performance 135

Defining and Ensuring Accountability 135

Mechanisms for Accountability 136

Requirements of Law 136

Self-Regulation: Standards and Accreditation 138

Transparency 146

Measuring Performance 147

Financial Ratios 148

Benchmarking 150

Outcomes 151

Common Indicators 156

Balanced Scorecard 157

Social Return on Investment 158

Blended Value 159

Performance Measurement: The Continuing Debate 161

Chapter Summary 162

Key Terms and Concepts 163

■ Case 6.1 Greg Mortenson and the Central Asia Institute 163

■ Case 6.2 Youth Villages 165

Questions for Discussion 167

Suggestions for Further Reading 167

Books 167

Articles/Report 167

Websites 168

7 Developing Strategy and Building Capacity 171

Understanding Strategy 171

Strategic Planning and Strategic Management 172

The Strategic Planning Process 173

Planning to Plan 175

Defining Mission, Values, and Vision 176

Assessing the Situation 178

Identifying Strategic Issues 180

Setting Goals 180

Developing Strategies 181

Setting Objectives 184

Writing the Strategic Plan 185

Developing an Operational Plan 185

Benefits and Limitations of Strategic Planning	185
Building Organizational Capacity	186
Defining and Understanding Capacity	187
Capacity Building in Action	188
A Model for Capacity Building	189
Capacity and Organizational Life Cycles	191
Capacity Building Evaluated	193
Chapter Summary	193
Key Terms and Concepts	194
■ Case 7.1 New Hope Housing Strategic Plan 2011–2016	195
Questions for Discussion	197
Suggestions for Further Reading	198
<i>Books/Brochure</i>	198
<i>Websites</i>	198

8 Collaborations, Partnerships, and Mergers 201

Growing Interest in Collaboration	202
A Continuum of Relationships	203
Exploring Collaborations and Mergers	205
Drivers of Collaborations and Mergers	206
Obstacles to Collaboration and Merger	207
<i>Motivations</i>	208
<i>Culture</i>	208
<i>Egos</i>	209
<i>Brand Identity</i>	209
<i>Community or Political Objections</i>	209
<i>Costs</i>	210
Conditions for Success	210
<i>Driven by Mission</i>	210
<i>Commitment From Top Leadership</i>	210
<i>Trust</i>	210
<i>Relatedness</i>	211
<i>Process</i>	211
Collaborations and Mergers Within National Nonprofits	212
<i>Cross-Sector Collaboration</i>	214
<i>A Continuum of Cross-Sector Collaboration</i>	214
<i>Advantages and Disadvantages of CSCs</i>	215
<i>Obstacles and Conditions for Success</i>	216
Achieving Collective Impact	217
Chapter Summary	219
Key Terms and Concepts	220
■ Case 8.1 N Street Village and Miriam's House	220
Questions for Discussion	224
Suggestions for Further Reading	224
<i>Books</i>	224
<i>Articles/Report</i>	225
<i>Websites</i>	225
<i>Notes</i>	225