University of Alberta

Maintaining the mission: A comparative case study of two youth-serving, nonprofit agencies in Edmonton, Alberta

by

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A thesis submitted to the Faculty of Graduate Studies and Research

in partial fulfillment of the requirements for the degree of Master of Arts

Department of Sociology

Fall, 2011

Edmonton, Alberta

Abstract

This study explores the impact of social, economic, and political environments on social service nonprofit and voluntary organizations in Edmonton and Alberta. Using comparative case-study methodology, the research examines how two youth-serving nonprofit agencies in Edmonton experience and respond to existing trends and challenges in the Edmonton and Alberta voluntary sectors. The student researcher conducted sixteen in-depth, semi-structured interviews with local nonprofit advocates and staff members from the participating youth agencies. Agency statements, publications, and annual financial reports were also reviewed. Analysis of collected data was guided by the institutional perspective in organizational theory. The research identified various trends in Edmonton and Alberta's nonprofit and voluntary sector and highlighted internal and external factors that influence the organizational environment of each youth-serving agency. The findings of the study suggest that organizational experience and response to pressure are closely connected to agency funding structure and political, social, and economic conditions of the external environment.

Acknowledgements

I would like to express my gratitude to the following individuals for their guidance and support throughout my graduate work. This thesis has hugely benefited from the knowledge and expertise of my thesis supervisor, Dr. Harvey Krahn, and graduate committee members, Dr. Alison Taylor and Dr. Sara Dorow. Since the earliest stages of this project, their feedback has been instrumental in helping me through the researching and writing process.

I must also thank my parents, brother, and close friends for their ongoing encouragement and de-stressing capabilities when things got 'tough' at the university. A very special thank you goes to Drew, my long time partner who has kept me focused and sufficiently caffeinated during my studies. Thanks!

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CHAPTER ONE: INTRODUCTION

a. Introduction to the Study

Nonprofit and voluntary organizations play a vital role in Canadian society. The nonprofit and voluntary sector in Canada consists of approximately 161,000 organizations working in the areas of sports and recreation, religion, social service, arts and culture, housing and development, business or professional associations, education and research, healthcare, environment, law, politics, and international relations (Statistics Canada, 2005). The nonprofit and voluntary sector is widely recognized for its goals to "build community, address collective needs and work for the benefit of the public" (Statistics Canada, 2005, p. 10). Nonprofit and voluntary organizations are structurally diverse and often frame their missions according to the unique needs and interests of the populations they serve. Not only do nonprofit and voluntary organizations contribute to community and quality of life, they also offer individuals extended social support networks that are not provided by the government or private sector (Statistics Canada, 2005).

Nonprofit and voluntary organizations are experiencing a range of challenges in achieving their missions and delivering services. Many of these challenges arise in response to changing conditions in the broader external environment and have direct implications for organizational performance and capacity. Changes in funding practices, government support and regulation of human services and availability of resources in the nonprofit and voluntary sector have generated a number of capacity issues for organizations. These issues include declining and unpredictable sources of revenue, administrative preoccupation with reporting and searching for funds, as well as difficulties with recruiting and retaining paid staff and volunteers (Hall et al., 2003; Statistics Canada, 2005).

Existing strains in the nonprofit and voluntary sector have fuelled concerns that nonprofit and voluntary organizations are not maximizing their cultural, economic, and political contributions to Canadian society (Hall et al., 2003; Statistics Canada, 2005). A growing body of literature focusing on the current problems in the nonprofit and voluntary sector has drawn attention to the fact that organizations are stretched to the limit as they attempt to provide services with fewer resources (Barr, Brownlee, Lasby, and Gumulka, 2005; Hall et al., 2003; Statistics Canada, 2005). Hence, an important area for research involves investigation of how nonprofits experience and respond to conditions in their external environment. Using comparative case study methodology, this study explores how two youth-serving organizations in Edmonton, Alberta manage the impact of changing environmental conditions on their programs. The study also examines how trends or changes in the environment influence organizational capacity to make decisions and fulfill mission goals.

To set the context for the study, this introductory chapter will define and describe nonprofit and voluntary organizations and the nonprofit and voluntary sector, as well as provide background information about its size, scope and significance in Canada and the province of Alberta. It highlights current trends in and challenges to nonprofits in each of these settings to foreground a discussion of the main research problem and questions, the rational for the study, and its main contributions to the field of nonprofit studies and the sector as a whole. Finally, the chapter ends with a breakdown and description of the remaining thesis chapters.

b. Background to the Study

i. Terms and Definitions

Before engaging in a more in-depth discussion of the above issues, it is important to first delineate key terms that will be used throughout this thesis. This section will also provide a

conceptual framework for understanding nonprofit and voluntary organizations and social service organizations, and the institutional environment in which they operate.

The field of nonprofit and voluntary organizations is an interdisciplinary and relatively new area of study that has developed over the past two decades. Nonprofit studies have been influenced by various intellectual traditions, including sociology, economics, and political science, which has resulted in a range of conceptual and taxonomical tools for defining and describing the nonprofit and voluntary sector (Anheier, 2005). In both mainstream and scholarly discourses, nonprofit and voluntary organizations are interchangeably referred to as non-governmental organizations (NGOs), charities, and community-based organizations. The nonprofit sector is alternatively referred to as civil society, the independent sector, third sector, or tax-exempt sector[1] (Anheier, 2005; Hall and Banting, 2000; Febbraro, Hall, and Parmegianni, 1999; Salamon and Anheier, 1997 and 1992).

Each term emphasizes (and overlooks) particular aspects of nonprofit organizations. For instance, the term 'voluntary' has roots in sociology and highlights the importance of donations and volunteerism in nonprofit work. While many organizations are run entirely by volunteers, the contributions of paid professionals and staff members are underplayed by this term. In contrast, the 'nonprofit' label originates in the study of economics. This term draws attention to the lack of profit generated by organizations, but it does not account for organizations that do earn some degree of income by selling memberships, services or products (Hall and Banting, 2000; Anheier, 2005; Salamon and Anheier, 1992).

[1] For further discussion about the intellectual roots of nonprofit terminology, see Anheier, H. (2005). Nonprofit organizations: Theory, management, policy. New York, NY: Routledge.

While ‘nonprofit’ and ‘voluntary’ labels are not without certain assumptions, these terms emphasize the human resource and financial functions of organizations- two themes that figure strongly in the present study. Additionally, these terms are commonly used in research focusing on the Canadian sector. In keeping with the scope of this study and established literature, this thesis will make reference to ‘nonprofit and voluntary organizations’ and ‘the nonprofit and voluntary sector’.

Some further conceptual clarification is needed to describe and characterize the nonprofit and voluntary sector. According to the International Classification of Nonprofit Organizations developed by Salamon and Anheier (1997), the nonprofit and voluntary sector is comprised of collectives of organizations that are:

- *Organized*, i.e. institutionalized and structured formally by way of policies, procedures, meetings, etc.;
- *Non-governmental*, i.e. operate outside of direct government control;
- *Nonprofit-distributing,* i.e. any earned profit is given back to the organization and is not distributed to the agency’s owners or directors;
- *Self-governing,* i.e. have full autonomy and governance over their activities and decisions; and,
- *Voluntary*, i.e. to some degree rely on volunteered hours and financial contributions from donors to maintain operations (p. 33-34).

This structural-operational definition identifies shared characteristics among nonprofit and voluntary organizations across the sector; however, organizations are also distinct from one

another based on their missions and the populations they serve. Salamon (1995) distinguishes four types of nonprofit and voluntary organizations that differ along these dimensions. There are 1) *funding agencies*, such as foundations of fundraising groups that do not directly offer programs or services, but allocate resources to those who do; 2) *member-serving organizations*, such as labour unions or mutual insurance companies where only members can receive goods and services; 3) *public benefit organizations* that exist to serve the needs and welfare of the general public; and 4) *religious organizations* that carry out faith related functions (p. 53-54).

Of the various types of organizations that exist across the sector, the present study will focus on those that benefit the public and embody the nonprofit and voluntary criteria outlined above. More specifically, the study is concerned with public benefit organizations that exist for social welfare or community improvement purposes. This subsection of the nonprofit and voluntary sector, referred to here as social service organizations, provide "a range of services for children, youth, family, immigrants, refugees, the elderly, the disabled, the homeless, the poor, and others" (Barr, Brownlee, Lasby, and Gumulka, 2005, p. iv). Social service organizations provide income support and assistance with accessing basic material needs (food, shelter, transportation); welfare, daycare, self-help and counselling programs, as well as emergency relief and prevention services (Salamon and Anheier, 1997). This study concentrates on youth-serving organizations in particular.

The next section describes the nonprofit and voluntary sectors in Canada and Alberta. Wherever possible, information about social service organizations is emphasized.

ii. The Canadian Nonprofit and Voluntary Sector

Until recently, little was known about the relative size, scope, and significance of the Canadian nonprofit and voluntary sector. In 2003, a group of research, policy, and nonprofit focused

organizations began to address this knowledge gap by initiating the first National Survey of Nonprofit and Voluntary Organizations (NSNVO) (Statistics Canada, 2005). This research unfolded over two phases and involved both quantitative and qualitative assessments of the character of the Canadian nonprofit and voluntary sector and the challenges it faces in terms of resource capacity and mission fulfillment. The following sections draw largely from the findings of this research and will provide the necessary foundation and background for the present study.

The NSNVO clearly highlights the importance of nonprofit and voluntary organizations and their role in encouraging individual connections and participation in community life (Statistics Canada, 2005). The sector employs over 2 million people and is supported by over $8 billion in donations and 2 billion volunteer hours each year. The vast majority of organizations offer services locally in a neighbourhood, city, town, or rural area. As mentioned earlier, the Canadian nonprofit and voluntary sector provides services to individuals in a range of areas, including "Sports and recreation (21% of all organizations), Religion (19%), Social services (12%), Grant-making, fundraising, and voluntarism promotion (10%), Arts and culture (9%), and Development and housing (8%)" (p. 10).

The programs and services of Canadian nonprofit and voluntary organizations are supported by a variety of financial sources (Scott, 2003). The government, particularly at the provincial level, has historically been the largest financial contributor to nonprofit and voluntary initiatives. The government provides funds directly to organizations by way of grants, contributions, or contracts. Organizations may also generate their own income by charging administration, registration, or membership fees, selling goods and services, or receiving return on investments. Fundraisers are another traditional and major source of income for nonprofit and voluntary organizations. Revenue

generated from "provincially sponsored gambling, such as lotteries, casinos, video lottery terminals, and slot machines" have been a more recent source of support for nonprofit and voluntary activities. Corporate philanthropy and sponsorship is a small, but growing funding source for organizations (Scott, 2003, p. 22). Finally, nonprofit and voluntary organizations are partly funded by charitable foundations and grant-giving institutions that manage, prioritize, and disperse large endowments and money from investments across the sector (Scott, 2003).

Just under half (or 80,000) of Canadian voluntary and nonprofit organizations are federally registered charities (Statistics Canada, 2005). Registered charitable status enables organizations to provide tax receipts to donors, who can claim tax credits for their contributions. This designation also allows organizations to waive income tax or property tax payments. In order to maintain charitable status, registered organizations are expected to direct most of their income and resources toward agency goals and activities, submit information to the Canadian Revenue Agency on an annual basis, and avoid participating in any form of advocacy that supports a political party or candidate. Generally, registered charities attract more funding from donors, have higher revenues, and garner more volunteers compared to non-registered charities.

The nonprofit and voluntary sector is also a major economic contributor to Canadian society. In 2007, the sector contributed $35.6 billion (2.5%) to the Canada's gross domestic product (GDP) [2]. During the 1997 to 2007 period, economic activity in the nonprofit sector nearly doubled, exceeding growth patterns of other major industries in the Canadian economy. In particular, the social service sector was one of the fastest growing areas (Haggar-Guennet, Hamdad, Laronde-Jones, Pan, and Yu, 2009).

[2] Revenue generated from hospitals, universities, and colleges are not included in this calculation.

The 19,000 social service organizations in the Canadian nonprofit and voluntary sector collectively generate $11.1 billion revenues, employ over 297,000 Canadians, and rely on over 214 million hours of volunteer support. Approximately three quarters (72%) of all social service organizations are federally registered charities. Social service organizations are predominately public serving. Of the 86% of organizations that provide good and services directly to the public, the majority of services are offered to children and younger people (37%) and the general public (24%). Fewer social service organizations target their services to people with disabilities or special needs (16%), elderly people (11%), parents and families (9%), social disadvantaged and impoverished groups (9%), and ethnic and cultural groups (8%)(Barr et al., 2005).

Despite the important economic presence and social contribution of the nonprofit and voluntary sector in Canadian society, organizations are struggling to maintain resource capacity and achieve their mission objectives (Statistics Canada, 2005). According to the NSNVO, the most serious challenges for organizations have to do with obtaining funding from the government, corporations, foundations, and individual donors and recruiting and training volunteers. There is a shortage of available volunteers in the sector and organizations tend to lack enough resources and paid staff to recruit and train individuals, especially for board member positions.

Demographic change in Canada has also created challenges for the nonprofit and voluntary sector (Imagine Canada, 2010c). In the next few decades, the number of seniors is expected to grow significantly. Aging populations will require greater access to health, well-being, and independent living services to help sustain individual quality of life. Another major demographic trend in Canada is its increasing diversity through immigration and newcomer settlement in urban areas. Aboriginal youth represent another fast growing population in Canada. According to Imagine Canada (2010c),

this group requires additional educational, cultural and social supports to help them overcome structural barriers and access more life opportunities. Undoubtedly, these demographic shifts will impact nonprofit and voluntary organizations and their capacity to provide accessible services, respond to changing population needs, and deliver high quality programs to Canadians.

Financial matters of nonprofit and voluntary organizations are further complicated by the changing funding climate in the Canadian nonprofit and voluntary sector. A study by the Canadian Council on Social Development (CCSD) (Scott, 2003) outlines a number of key shifts in the ways organizations are funded. The study suggests that funding has become increasingly targeted and funders are less likely to collaborate with organizations to determine community needs and funding priorities. In other words, funders are narrowing the scope of their support and have taken an even larger role in determining the conditions of funding and who will receive it. This allows for more bias in funding selection and creates a pattern where some nonprofit and voluntary groups are marginalized or underfunded compared to other groups that address more popular topics or issues.

Funders are also more likely to fund specific programs or services of organizations, rather than the core operations that serve organizational missions (Scott, 2003). This transition from “core” to “project-based” funding has significantly reduced organizational autonomy over where and how funds are used (p. 38). Another limitation of project-based funding is that it is usually unstable and short-term compared to core-funding, which tends to be longer term and more predictable in nature. The shift toward project-based funding has been accompanied by greater interest among funders to monitor and enhance the accountability of nonprofit and voluntary organizations by focusing on particular areas of the organization, rather than observing how the programs work as a whole. Consequently, certain activities that are critical for overall operation management, such as

human resources, leadership and governance, and staff/volunteer coordination, can be under resourced.

Project-based funding initiatives that aim to improve efficiency and accountability of nonprofit and voluntary organizations have typically taken the form of contract agreements with reporting requirements (Scott, 2003). In order to secure funding, organizations are required to rigorously monitor and evaluate their productive and financial activities to meet the demands of contracts. This is an ongoing process that is labour intensive, time consuming and costly for organizations. Scott (2003) suggests that preoccupation with meeting funder obligations can have the unintended consequence of compromising organizational responsiveness and accountability to communities that rely on programs and services, and can effectively prevent organizations from realizing their mission goals.

A final point on the changing funding environment in the nonprofit and voluntary sector is the push for nonprofit and voluntary organizations to model practices and behaviours seen in the commercial or for-profit sector (Scott, 2003). Funders increasingly encourage nonprofit and voluntary organizations to operate in a self-sufficient, lean, and competitive manner. Given that there are fewer financial and human resource opportunities in the sector, these pressures are having a lasting impression on the work and decisions of nonprofit and voluntary organizations. Scott concludes that while organizations are making adjustments to accommodate changes in the funding environment, these shifts are ultimately changing the character of the nonprofit and voluntary sector.

Trends in the Canadian economy have further intensified organizational challenges in the nonprofit and voluntary sector. A series of Sector Monitor reports released by Imagine Canada

(2010a; 2010b, 2011) have highlighted the impact of changing economic conditions on nonprofit mission fulfillment and service delivery. The recent economic recession and slow recovery has left many organizations struggling to live up to their mission goals, as well as respond to increasing demands for service. In most cases, organizational revenue has declined or remained unchanged while operational costs and need for resources has been steadily increasing. Consequently, nonprofit and voluntary organizations report varying degrees of organizational stress and express concerns about long term viability and risk of program closure.

Nonprofit and voluntary organizations are not uniformly affected by existing human resource, financial, and economic strains. The unique experiences of social service organizations correspond to their relative size and total annual revenue. Drawing from the 2003 NSNVO and data from the 2000 National Survey of Giving, Volunteering and Participating (NSGVP), Barr et al. (2005) suggest that social service organizations can be separated into three groups that face unique pressures based on income. The majority of social service organizations are smaller scale with annual revenues lower than $250,000. They are less likely to rely on government funds for income and tend to rely heavily on non-governmental project based funding. This group often experiences problems with recruiting volunteers and changing programs in an effort to garner more funding. Mid-sized organizations earn between $250,000 and $999,999 in annual revenues and generally receive at least half of their funding from government sources. Common challenges experienced by mid-sized social service organization relate to reduced government funds and troubles with maintaining, recruiting, and training paid staff and volunteers. Finally, larger social service organizations are those with annual incomes that exceed $1 million. Compared to smaller organizations, larger organizations are mainly government funded and often experience greater demands for service, problems with staff turnover and competition with other organizations for

funds. In general, “social services organizations that depend on government for more than half their revenues are more likely than other social services organizations to report most financial and human capacity challenges” (Barr et al., 2005, p. 53).

iii. The Nonprofit and Voluntary Sector in Alberta

Having described Canada’s nonprofit and voluntary organizations and their challenges, I turn now to a more focused discussion of the case of Alberta. In Alberta there are 19,356 nonprofit and voluntary organizations working in virtually all areas of human service. Compared to the national average, there are slightly more sports and recreation organizations and fewer social service organizations in the province. Similar to national trends, a higher proportion of nonprofit and voluntary organizations in Alberta serve the general public and children and youth populations. Nonprofit and voluntary organizations in this province receive the least amount of government funding compared to all other provinces. When hospitals and post-secondary institutions are excluded, “the average amount of government funding per organization is nearly $37,000 [or 6%] less than the national average” (Roach, 2006, p. 16). Consequently, organizations in Alberta tend to rely more heavily on earned income, and to a lesser degree, on gifts and donations to supplement their revenue. Seventeen percent of nonprofit and voluntary organizations across Canada receive over half of their revenue from government sources, compared to 11% of organizations in Alberta (Roach, 2006).

Similar to other regions in Canada, Alberta’s nonprofit and voluntary sector is experiencing a number of challenges with mission fulfillment and resource capacity. Nonprofit and voluntary organizations in Alberta have experienced an overall decline in annual revenues from all major funding sources. While 25% of organizations in the province report that they are “having to make

do with less", the situation in the Alberta nonprofit and voluntary sector is about the same as other regions, "though slightly better than in British Columbia and the combined areas of Saskatchewan, Manitoba and the Territories" (Roach, 2006, p. 28). Difficulties competing with other nonprofit and voluntary organizations for funding are more prevalent in Alberta's sector, compared to other parts of the country.

Alberta nonprofit and voluntary organizations report significant problems associated with reduced government funding (67% of organizations recognize this a problem), over-reliance on project-based funding and lack of funding for core operations (61%), the perceived need to modify programs and services to garner additional funding (25%) and meeting the reporting requirements of funders (37%). These figures are close to those reported by organizations in all other provinces, though pressures to change programs in order to secure funds are less of an issue for Alberta-based organizations. Challenges in planning for the future, maintaining internal capacity, recruiting and retaining volunteers, and obtaining board members in Alberta organizations are roughly similar to the challenges experienced by the Canadian nonprofit and voluntary sector as a whole (Roach, 2006).

c. Statement of Research Interest and Main Questions

This thesis study explores the current environmental conditions affecting the nonprofit and voluntary sector in Edmonton and Alberta. Specifically, it investigates how two Edmonton-based, youth-serving nonprofit and voluntary organizations experience and respond to sector trends and challenges. The study also aims to determine how sector conditions affect each organization's ability to deliver service and achieve mission goals. Finally, the study explains the relationships

between sector conditions and broader social, political, and economic movements in the province. The study is guided by the following questions:

1. What are the main trends and challenges in the Edmonton and Alberta nonprofit and voluntary sector?

2. How do youth-serving nonprofit and voluntary organizations experience and respond to sector trends and challenges in Edmonton and Alberta?

3. What is the impact of sector trends and challenges on the decision making, program objectives, and core mission of youth-serving nonprofit and voluntary organizations?

The study draws from qualitative data and multiple document sources to address these questions. To identify the existing environmental conditions in Edmonton's and Alberta's nonprofit and voluntary sector, I interviewed five 'advocate' participants[3], who have long term experience working in the nonprofit and voluntary sector. These individuals have contributed to nonprofit activity as frontline employees, directors, CEOs, and consultants. To address the individual experiences of nonprofit and voluntary organizations, I carried out a comparative case study analysis of two Edmonton-based youth-serving agencies and completed interviews with five to six staff members from each organization. I asked advocates for their opinions on existing sector conditions in Edmonton and Alberta. At each youth agency, I asked respondents to comment about how their organization experiences and responds to sector trends and challenges. These perspectives will provide an in-depth understanding about what is generally happening in the Edmonton and Alberta nonprofit and voluntary sector and how these conditions impact two

[3] Individuals who have extensive experience and knowledge about the nonprofit and voluntary sector are referred to as advocates throughout the study.

organizations in particular. Document sources used in the research include scholarly research articles, as well as agency website materials and publications.

d. Contributions

In the past two decades, the study of nonprofit and voluntary organizations has become a more pronounced and contested area of study. Researchers have debated how nonprofit and voluntary organizations ought to be conceptualized, resulting in a proliferation of competing definitions and theories about organizational structure and behaviour. Policymakers have also focused on the role of the nonprofit and voluntary sector in policy and social security development. The political and analytical significance of nonprofit and voluntary organizations has, in part, fuelled sector growth on an international scale, as well as increased efforts to document and discover sector activity (Anheier and Salamon, 2006). While significant progress has occurred, Anheier and Salamon (2006) observe that our knowledge of the role nonprofit and voluntary organizations "is still limited, and data coverage frequently remains patchy" (p. 89).

The limited, but growing, amount of data on the Canadian nonprofit and voluntary sector has created a more comprehensive national portrait of the reach, capacity, and challenges of nonprofit and voluntary organizations. Recent studies have observed the behaviours and environments of organizations through quantitative (see Statistics Canada, 2005; Haggar-Guennet, et al., 2009) and qualitative data collection strategies (Scott, 2003; Mulholland, Mendelsohn, and Shamshiri, 2011). Despite these gains, further research is needed to examine how organizations experience and respond to sector trends and strains in their daily work. Such an inquiry would add another layer to existing accounts about the character of the nonprofit and voluntary sector, as well as provide further insight about the consequences of changing sector conditions for organizational functioning.

Additionally, this study will add to current literature by exploring trends and challenges that are unique to Alberta's nonprofit and voluntary sector. By situating the study in the Alberta context, the environmental pressures that are more pronounced in this province can been seen more clearly. These findings may also offer insight about what we can expect of nonprofit and voluntary sectors in other Canadian provinces that adopt similar strategies in government decision and policy making.

Salamon and Anheier (2006) argue that the field of nonprofit and voluntary studies is a theoretically challenging area of study. While several theoretical perspectives useful for understanding the nonprofit and voluntary sector have emerged in recent years, they suggest that "no single theory has come to dominate the field" (p. 90). This study focuses on one particular theoretical area; it examines nonprofit actions and decision-making in the context of environmental opportunities and constraints. In the past, research on the nonprofit sector has been heavily influenced by economic theoretical perspectives that tend to view organizations as simple and rational institutions (Anheier, 2005; DiMaggio and Anheier, 1990). Further exploration through ecological models of organizations, which emphasize how organizations interact with their environments, would contribute to the growing field of nonprofit studies. In the next chapter, I describe four possible ecological theories of organizations that can lend important insights for analyzing the main research findings.

Finally, this research may hold some action value not only for nonprofit organizations and agency administrators who could gain further insight about organizational adaptation to environmental changes, but also for government actors and other major funders who may not fully realize the unintended consequences of imposing financial cutbacks and new policy requirements on nonprofits. As Scott (2003) suggests, by identifying the main challenges and pressures currently experienced by

nonprofits, we can work to modify or perhaps reverse processes which create problems within organizations and reduce quality of service for individuals in need.

e. Conclusion and Outline of the Thesis

This chapter has identified the main area of interest and research questions of this thesis. It has provided a foundation for this work by outlining key terms and definitions related to nonprofit and voluntary organizations, describing various characteristics of and pressures on the nonprofit and voluntary sector at a national level and in the province of Alberta, and introducing the main theoretical paradigm of the study. It also has summarized the study's scholarly and practical contributions to the field of nonprofit and voluntary research and practice.

The remainder of the thesis is organized into six chapters. Chapter two reviews various theoretical frameworks about organizational environments and empirical research on the trends and challenges of the Canadian and Albertan nonprofit and voluntary sector. The chapter will establish theoretical and conceptual relationships between themes in the current literature and the present study. The literature review will also contextualize the main research findings, as well as provide the necessary tools for analysis and interpretation in later chapters. Chapter Three describes the methodological details of the project and discusses the case study approach, participant selection, and data analysis methods used in the research. The strengths and limitations of the project are also examined. In Chapter Four, I consider my own positionality as a student researcher and introduce the two youth-serving nonprofit organizations that took part in my work. The emergent themes and main findings of the study are outlined in Chapters Five and Six. Advocate and agency staff members discussed a range of themes related to sector characteristics and pressures, as well as organizational experiences with adapting to environmental strain. The

final chapter summarizes the main findings and discusses how they relate to theoretical and empirical research reviewed earlier. It also provides ideas about future research initiatives in the area of nonprofit and voluntary organizational studies.

CHAPTER TWO: LITERATURE REVIEW

a. Introduction

This chapter reviews theoretical and empirical literature on organization-environment relationships. The chapter begins by outlining the basic features and research areas of organizational theory. Subsequent sections highlight the origins of ecological theories in organizational analysis and focus on four theoretical frameworks that speak to environmental influences on action and decision making in organizations. I argue that institutional theory[4] offers significant explanatory potential for understanding nonprofit and voluntary organizations in the province of Alberta. I examine the central arguments, limitations, and delimitations of institutionalism. To set the stage for subsequent thesis chapters, this chapter also explores how institutional and political conditions in Canada and Alberta have influenced nonprofit-government relations and funding in the nonprofit and voluntary sector. The concluding section situates the present study in the reviewed literature and discusses why it is a relevant and timely topic for sociological inquiry.

b. Theorizing Organizations

Anheier (2005) suggests that organizational theory is among the most advanced areas of study in the social sciences; various disciplines have influenced this area over time. To varying degrees, the fields of engineering and scientific management, business, economics, psychology, political science, and sociology have shaped the way we think about the structure and behaviour of organizations (Pfeffer, 1997). In his review of the interdisciplinary developments in organizational

[4] In this study I draw primarily from new institutionalist paradigms, but refer to this as institutional theory generally throughout the thesis.

studies, Pfeffer (1997) admits that "[m]aking sense of such a diverse field and deciding what to cover and what to leave out is invariably both difficult and an undertaking that can never fully please anyone except the author, and not even that person on a regular basis" (p. v). Similarly, my own review of organizational literature has caused me to realize the complex and multifaceted nature of this field. In the following sections, I narrow my theoretical inquiry by discussing contemporary developments in organizational theory and ecological perspectives of organizational behaviour.

i. Contemporary Organizational Analysis

There are five generally agreed upon features of organizations in contemporary organizational analysis (Scott, 1998, p. 17-24). First, organizations are formal and informal social structures that embody particular patterns of norms, values, and expectations. Second, organizations consist of individuals or social actors who participate and conform to the roles and positions prescribed by the organization. A third aspect of organizations is that they have specific objectives, missions, and goals. Technology, the fourth feature of organizations, is seen as a mechanism for doing work and achieving organizational goals. A final feature of organizations is that they are embedded "in a specific physical, technological, cultural, and social environment" (p. 21).

Contemporary studies of organizations diverge in a number of important ways. Different types of organizations are studied across disciplines; for instance, political scientists tend to study political parties and state structures, economists focus on business enterprises, sociologists frequently study voluntary and social welfare or social control organizations, while anthropologists have tended to focus on structures in colonial and developing societies (Scott and Davis, 2007).

Methodology marks another area of difference in research on organizations (Scott, 1998). Studies can take the form of basic or applied research. Basic research refers to detailed description and analysis of organizational activities and relationships. It is a theoretically driven approach that examines how factors, such as legitimacy, or institutionalization, influence organizations. Applied research builds on basic inquiry by addressing particular problems or seeking change in structures. It focuses on practical issues, such as improving organizational efficiency or staff morale, and tends to draw from multiple disciplines to make sense of these issues. Academics in organizational studies draw from either or both approaches in their work.

Finally, studies of organizations vary by interest and level of analysis. Three broad areas of research inquiry have emerged in the field. First, the social psychological level focuses on micro behaviours and relationships of individuals in organizations. For instance, a researcher may examine how organizational processes impact individual attitudes. Second, the organizational level of analysis examines the characteristics and routine processes of an institution. A researcher may examine the subcomponents or departments of organization to gain a better understanding of the collective whole. Third, at the ecological level of inquiry, researchers view organizations as collective entities existing within a broader network of relations. Relationships between the organization and other institutional forces, such as the government or public, would be a possible interest for researchers in this area (Scott and Davis, 2007).

Jaffee (2001) adds that research on organizations can occur at either an intraorganizational or an interorganizational level of analysis. Intraorganizational analysis focuses on phenomena that are internal to the organizations, such as staff-client relations or the culture of the institution. Interorganizational analysis, in contrast, focuses on interactions between organizations and the

environment. This perspective views organizations as open systems where competitive and interdependent relationships can occur.

The present study fits with the basic research paradigm and is primarily concerned with an ecological, as well as an inter- and intra-organizational level of inquiry. From an institutional perspective, I examine the cultural and social environment of nonprofit and voluntary organizations in Alberta and its impact on the behaviours and actions of two social service nonprofit and voluntary organizations in particular. This literature review now shifts to a discussion of different theoretical approaches for understanding organization-environment relations.

ii. Environmental Theories of Organizations

Interest in examining internal and external organizational relationships emerged from the systems model of organizations. In the past, organizations have been conceptualized as rational, natural, and open systems. The *rational* system perspective views organizations as formalized structures that carry out specific mandates through planned and purposeful behaviours and actions. According to this perspective, goal achievement is determined by the rational inner workings of the organizational structure, rather than conditions in the surrounding environment. This perspective was heavily influenced by early sociological theories of organizations that described organizations as closed and autonomous systems (Scott and Davis, 2007, Chapter two).

The *natural* system perspective argues that organizations are informal structures that consist of collectivities of individuals that contribute varying interests, values, and abilities to the structure. Taken together, participants in an organization create a fairly stable social system with informal norms and behaviours, hierarchies of status and power, and communication networks. In contrast to the rational systems perspective, which focuses on the internal functioning and normative

practices of an organization, the natural model concentrates on the human relations and behavioural aspects of organizational activity (Scott and Davis, 2007, Chapter three).

The *open* system perspective views the components of organizations as complex, variable, and relational entities. In contrast to the natural systems perspective, the actions and behaviours of participants in an organization can occur autonomously and do not always reflect established rules or norms. The open system model posits that various systems of an organization not only interact with one another, but also with other systems located outside of the structure. The environment is seen as a critical resource that both enables and constrains continuation and diversity in a given organization. In sum, organizations are viewed as neither formal nor informal, but rather, as porous and loosely bound entities that interact with and depend on the surrounding environment. According to the open system perspective, organizational planning and coordination are challenging tasks, as organizations have to engage in some degree of interpretation and 'sense-making' of what is happening in their external environments. External environments contain information, technology, and human resources that are necessary for organizational survival (Scott and Davis, 2007, Chapter four).

At this point, it is helpful to define 'organizational environment'. Since the emergence of the open systems model, this idea has been variably conceptualized by researchers. William Dill's (1958) pioneering work on managerial behaviour and autonomy emphasized the role of an organization's 'task environment'. The four main areas of a task environment include, *customers*, such as clients who consume the products or services of organizations or retailers who distribute these goods elsewhere; *suppliers,* or sources of human, material, spatial, and financial resources;

competitors for market and resource gains; and *regulatory groups*, such as government, unions, or associations that can place restrictions organizational activity and market involvement (p. 424-25).

From a sociological perspective, Jones (1996) outlines three main components of an organization's environment: technology, size, and values. Technology allows organizations to accomplish their set tasks and goals and can be machine oriented, taking the form of equipment, tools and machines, or people oriented, taking the form of individual skill sets and work related knowledge. Larger organizations tend to be formal, regulated and hierarchical with a complex division of responsibilities among individuals. Jones argues that organizations both reinforce and influence social values of the wider culture. He suggests that in societies that emphasize individualism and equal rights, organizations will internalize these values, support diversity and difference of opinion, and be structured in a less hierarchical manner.

Finally, Scott (1998) suggests that an organizational environment can be divided into technical and institutional domains. The technical elements of an organization's environment include tangible materials and resources that organizations need to be productive and survive. The institutional elements include historical, symbolic, cultural, and normative factors that shape organizational behaviour and action. Scott also notes that although these two areas are separately conceptualized, institutional factors can influence the technical. For instance, in technical areas such as accounting, the prevailing institutional social interest and concerns guide which practices and activities are deemed necessary.

As the above conceptual work demonstrates, there is no set definition of an organizational environment. Different ecological theories of organizations highlight particular environmental conditions for analysis. For instance, contingency theory, population ecology theory, and resource

dependency theory tend to focus on the effects of technical characteristics for organizational experiences, whereas institutional characteristics have been a main focus for institutional theories. These four theories emerged in the 1970s and 1980s and were heavily influenced by the open system model (Scott and Davis, 2007). In the following sections, contingency theory, population ecology theory, resource dependency theory, and institutional theory are briefly summarized and considered for their explanatory potential for the present study.

Contingency theory argues that an organization's survival depends on its ability to recognize and appropriately respond to conditions in the environment (Jaffee, 2001; Scott and Davis, 2007). There are no definite right or wrong methods of organizational technique or strategy. Rather, organizations can be successful if they are able to make internal adjustments and align themselves according to existing environmental conditions. For example, in an unstable environment, organizations might best adapt by having a more flexible or informal structure; whereas, a more stable and predictable environment might necessitate a more rigid or formal organizational structure (Lawrence and Lorsch, as cited in Jaffee, 2001). In this way, organizations are in a continuous state of reaction to changing environmental conditions.

Population ecology theory views organizations as belonging to similar networks of organizations, or organizational populations. Organizational populations are groups of organizations "that carry out similar functions and activities, compete with one another, and utilize the same kinds of environmental resources" (Jaffee, 2001, p. 214). Population ecologists are concerned with the formation and mortality of like organizations. While contingency theory views the environment as uniformly affecting all types of organizations, population ecology theory views the environment as a unique set of conditions in particular sectors or industries. The environment determines the

variation, diversity, and sustainability of similar organizations based on resource availability and competition in a shared ecosystem. The environment of the organizational population, in effect, selects organizations that are better able to compete and acquire resources.

Similar to contingency theory, a main assumption of population ecology theory is that organizations are incapable of acting autonomously and purposively, but rather, always passively react to environmental trajectories (Jaffee, 2001). Jaffee further argues that this inclination toward environmental determinism exaggerates the role of the environment in organizational experiences. This problem also reflects a longstanding structure and agency debate in sociology about whether individuals or agents are able to influence or change structural conditions in the macro environment. Population ecology theory also lacks explanatory potential for the internal dynamics and processes of organizations, such as those relating to issues of leadership and power (Pfeffer, 2003).

Resource dependency theory presents an alternative to the environmental determinism of contingency and population ecology theory (Jaffee, 2001). This theory focuses on the proactive strategies used by organizations to mitigate and adapt to environmental constraints. Resource dependency theory forwards the possibility for organizations to influence their environments by way of organizational administration or management who can "assess the environment, devise strategic responses, and restructure the organization to reduce or eliminate resource vulnerability" (Jaffee, 2001, p. 219). Resource dependency theorists are, thus, concerned with patterns of interpretation, exchange and interaction between organizations and their environments. They argue that organizational survival depends on acquiring and maintaining resources, especially as environmental conditions change (Pfeffer, 2003).

While resource dependency theory highlights the material conditions and resource availability in an organization's environment (Pfeffer, 2003; Scott, 1987), institutional theory emphasizes the significance of cultural norms, values, and expectations in a given organizational environment. Institutional theory maintains that organizations are embedded within social, political, and legal relationships and are driven to conform to prevailing practices and rationalities in order to appear legitimate to others (Meyer and Rowan, 1991; 1977; Scott and Meyer, 1991). Scott and Meyer (1991; 1977) conceptualize these normative practices as mythical belief systems that stem from various sources in the institutional environment, such as public opinion, education systems, legal bodies, regulatory structures, and government.

DiMaggio and Powell (1991; 1983) identify three forms of institutional isomorphism, or ways that organizations conform to the legitimized conventions of their field. *Coercive isomorphism* occurs in response to direct and indirect pressures from other institutions. Such pressures may stem from government policy, legal obligations, or authoritative institutions that impose certain expectations and norms on dependent or less powerful organizations. During times of environmental and internal uncertainty organizations also engage in *mimetic isomorphism*; that is, organizations model and borrow practices from other organizations that they perceive as successful and legitimate. Finally, *normative isomorphism* occurs when organizations strive to become more professionalized by incorporating standardized norms and practices in their operations.

Institutional theory adds insight to resource dependency theory because it acknowledges that organizations not only compete for resources, but also for power and legitimacy in order to be sustainable and economically successful; thus, both the technical and institutional aspects of environments are thought to influence organizational trajectories (Powell, 1991). Institutional

theorists also posit that organizational isomorphism causes organizations to become increasingly homogenous and formalized in their given fields over time, even though this does not necessarily guarantee improved effectiveness or efficiency in their work (DiMaggio and Powell, 1991; 1983).

Although institutionalism has gained prominence in macro organizational theorizing (Greenwood, Oliver, Sahlin and Suddaby, 2008), researchers have noted a few important limitations of this paradigm. Scott (2001; 1987) notes that during its 'adolescent' stage of development new institutional theory was somewhat ambiguously conceptualized and variable in meaning. While theorists agreed that environmental factors influence organizational structure, there was a lack of consensus about "how and why and where" this tends to occur (1987, p. 501). New institutional theory also failed to explain homogeneity across organizational fields and heterogeneity within organizational fields (Jepperson and Meyer, 1991; Powell, 1991). Additionally, the assumption that institutional environments ultimately determine the nature of organizational change downplays the role of participant agency, resistance, and strategic choice in organizational trajectories (Suddaby, 2010; Scott, 2004; Oliver 1991).

In the past few decades, theorists have sought to refine and more clearly delineate institutional theory by making distinctions between 'old' and 'new' lines of inquiry. While old institutionalism is based on the early work of Philip Selznick and colleagues in the late 1940s and mid 1950s, new institutionalism began to take shape in the late 1970s through the works of John Meyer and Brian Rowan, W., Richard Scott, as well as Walter Powell and Paul DiMaggio (DiMaggio and Powell, 1991). Both old and new approaches focus on organization-environment relations and highlight how culture shapes organizational experiences; however these approaches also diverge in a few important ways, particularly in their understandings of organizational conflict and change and the

environment. Old institutionalism understands organizations as an organic whole; in contrast, new institutionalism understands organizations as consisting of multiple, loosely coupled components that are not necessarily integrated in a functional way. While old institutionalism focuses on organizational conflict internally and with other organizations, new institutionalism addresses how organizations respond to conflict by making structural adjustments. Old institutionalism views resources and vested interests as the primary source of organizational constraint, whereas new institutionalism views the pursuit of stability and legitimacy as potentially constraining forces. In terms of the environment, the old approach views organizations as locally embedded entities, while new approaches consider organizations to be embedded in and subtly influenced by wider field, sector, and societal networks (DiMaggio and Powell, 1991).

New directions in institutional theory have also addressed the ways in which participants actively shape organizational environments. Scott (1991) suggests that individuals in organizations "confront multiple sources and types of symbolic or cultural systems and that they exercise some choice in selecting systems with which to connect" (p. 181). In other words, actors do exercise some degree of choice in organizational decision making; however, these preferences "cannot be understood apart from the larger cultural setting and historical period in which they are embedded" (Powell, 1991, p. 188).

Oliver (1991) extends this argument by suggesting that organizations experience their environments in vastly different ways; passivity and conformity are not inevitable outcomes for all organizations. Consequently, organizations can exercise a range of strategic responses to their institutional environments. Oliver outlines five strategies that allow organizations to respond to institutional pressures: acquiescence, compromise, avoidance, defiance, and manipulation.

Acquiescence occurs when organizations follow established and taken-for-granted practices, imitate other institutions that are legitimate and trusted, or comply with institutional demands and requirements. *Compromise* can take the form of balancing, or meeting multiple demands, pacification, or conforming for the sake of appeasing institutional demands, and bargaining with institutional stakeholders, to deal with pressures in the institutional environment. *Avoidance* occurs when organizations wish to hide their nonconformity to institutional pressures through concealment, or appearing to be acquiescent. They might also remove organizational activity from the public or stakeholder purview or escape external pressures by changing organizational goals and activities. A more active strategy toward mitigating institutional pressures is defiance. *Defiance* involves dismissing or challenging established rules, norms and practices, or attacking the source of institutionalized values in order to change or bypass them. Finally, *manipulation* is the most dramatic strategic response to institutional pressures. Organizations attempt to co-opt, influence, or control institutional demands, processes, and pressures. Oliver adds that the selection and implementation of these responses depends on the cause and source of institutional pressure, the nature of the demands or norms that are being imposed on the organization, the means by which these demands and norms are presented, and finally, the context and relative stability of the organization's immediate environment.

In this study, I draw from the basic premises of new institutionalism to explain the environments and organizational experiences of two Edmonton-base youth nonprofit agencies. Throughout the thesis, I use the term 'institutional environment' to reference to these conditions. Given the environmental, cultural, and active agent emphasis in institutional theory, this paradigm is useful for the present study because it brings to the fore the significance of social, political and legal environmental influences on nonprofit and voluntary organizations in Alberta. Existing trends

and challenges experienced by organizations can be understood through their connection to the norms and interests of other institutions in the surrounding environment. These institutions might include community members, governmental or for-profit actors, and funders more generally. Institutionalism will provide a framework to explain the ways in which organizational participants experience and negotiate external conditions and constraints. I aim to study how two organizations experience, interpret, and respond to their institutional environments by constructing an 'institutional story' of each participating organization (Suddaby, 2010, p. 16).

c. Institutional Environments of Nonprofit and Voluntary Organizations

In the introductory chapter, I reviewed a number of challenges currently facing the Canadian nonprofit and voluntary sector. These pressures mainly involve difficulties with earning and competing for funding, recruiting and retaining staff and volunteers, and adapting to changing funder practices and requirements. In keeping with institutional theory and the main research questions of this thesis, I intend to explore how these trends relate to broader political and cultural conditions. As Suddaby (2010) suggests, it is important to first explore the environment, as well as the taken-for-granted norms, values, and expectations of the wider culture, in order to understand the experiences and behaviours of organizations. To this end, the following section reviews neoliberalism as one key influence on organizational funding experiences and nonprofit-government relations.

i. Institutional Forces affecting Nonprofit and Voluntary Organizations

Nonprofit and voluntary organizations are continuously shaped and guided by their external environments. Particularly in relation to funding, the ability of a nonprofit institution to secure dollars and resource flows from the community, funders, and government institutions, both enables

and constrains its programming initiatives and opportunities (Deschenes, McLaughlin, and O'Donoghue, 2006). Deschenes et al. (2006) state that "the level, nature, and source of funding can determine the types and quality of activities nonprofits can pursue, their stability, and their reach" (p. 514). I begin by discussing the historical funding practices and relationships between the government and the nonprofit and voluntary sector in Canada.

The nonprofit and voluntary sector expanded most notable during the post WWII, Keynesian period in concert with newly established social security policies, increased federal funding and tax incentives for registered charities, and rising public engagement in civic movement and social advocacy issues across the nation (Elson, 2007; Hall, Barr, Easwaramoorthy, Sokolowski, and Salamon, 2005). Prior to 1975, Canadian state policies were closely aligned with Keynesian principles (McBride, 2005). The Keynesian paradigm argued for purposeful state management of the economy in order to minimize crisis tendencies in the capitalist system. It also entailed a well-structured social welfare component for maintaining stability in national employment and income levels, and to ensure growth in domestic economic productivity. Accordingly, nonprofit and voluntary organizations became heavily reliant on state funds during this time (Hall et al., 2005).

The post-war era gave way to decades of economic uncertainty and prolonged periods of recession. Consequently, Keynesian ideals were more closely scrutinized by public and state actors. The dissolution of Keynesian policies in Canada largely occurred in relation to rising anxieties about the perceived connection between the social welfare state and the down-turned economy. Critics of Keynesian philosophies argued that the state had become overburdened with economic and social responsibilities that were too costly to maintain and contributed to high rates of inflation and taxation (McBride, 2005). Nikolas Rose (1999) adds that the welfare state was further criticized for

failing to minimize poverty, social insecurity, and poor health. Consequently, an advanced liberal economic logic was brought to the fore; one which proclaimed that by governing less, the state can govern in a more effective and efficient manner. The main tenants of neoliberalism were thus explored as meaningful alternatives for state governing and policymaking. The neoliberal turn in state decision making followed the premise that freeing the state from market regulation and social service provision would not only allow the economy to take care of society's social and economic needs, but would also place onus on individuals to ensure their own social security and well-being.

Neoliberalism can be defined as a kind of economic rationale that values uninhibited flow of capital in the global economy and reduced state involvement in public affairs and market interactions (Steger, 2009). A few hallmark characteristics of neoliberalism, as outlined by Steger (2009, p. 40-43), include privatization of the public arena, deregulation of the economy, surveillance and control of organized labour, reduced spending on social programs and other public expenditures, and downsizing of the state. Neoliberalism operates on the belief that any limitations imposed on free competition will "interfere with the natural efficiency of market mechanisms, inevitably leading to social stagnation, political corruption, and the creation of unresponsive state bureaucracies" (p. 41). Neoliberalism exists as an ideology, a mode of governance, and guiding philosophy for policymaking (Steger and Roy, 2010).

Although Keynesianism did improve the quality of Canada's labour force and positively contributed to economic growth, neoliberal state restructuring was heralded as the most viable approach because it brought Canada more in line with the global market (McBride, 2005). Despite the reality that Canada's economic problems were partly attributable to trends in the international market, the domestic sphere became the primary target of neoliberal interventions. State interest

in the global market was justified in two fundamental ways. First, neoliberal proponents argued that enhanced market competition in a global setting would bolster domestic productivity. Second, neoliberal advocates held that eliminating or downsizing state social assistance programming would encourage individuals to be more autonomous and less likely to become undesirably dependent on state support mechanisms (McBride, 2005).

State actions to address neoliberal concerns about excessive governance, fiscal deficits, and government spending arrangements gained momentum in the mid 1980s with the election of Conservative leader, Brian Mulroney. The neoliberal movement would continue into the early 1990s under the Liberal leadership of Jean Chrétien (McBride, 2005). A primary means of state downsizing during these years involved expenditure restraint initiatives. Stephen McBride (2005) observes that while national debt was largely accumulated through faulty monetary policy and taxing regulations, social welfare programming received the brunt of significant spending cuts. Though political analyses have yet to come out, it is fair to speculate Liberal leader, Paul Martin, and Conservative leader, Stephen Harper, have continued the neoliberal tradition in Canadian politics.

In an effort to curb mounting federal deficit in the 1990s, the Canadian government engaged in what Hall and Reed (1998) call, “large-scale fiscal pruning” by changing or completely eliminating social programs and transferring social services to the nonprofit and voluntary domain (p. 3). Neoliberal political shifts further entailed state withdrawal from economic and market activities, as well as efforts to minimize public expectations about government roles and responsibilities (McBride, 2005). Backed by neoliberal ideology, proponents of devolved social services and state supports argued that increased levels of volunteerism in the nonprofit and voluntary sector would not only supplement reduced state funds for charitable services, but also contribute to renewed civic society and greater social cohesion (Brooks, 2001; Shields and Evans, 1998).

Shields and Evans (1998) point out an important contradiction to this claim, noting that the numbers of both staff and volunteers dropped off significantly after funding cuts. Moreover, organizations have even less capacity and human resources to recruit and train more volunteers. Hall and Reed (1998) further suggest that service downloading onto nonprofit and voluntary organizations leads to shifts in the character of the nonprofit sector and creates revenue problems for social serving agencies specifically. For instance, while non-social serving nonprofit and voluntary agencies, such as hospitals and universities, may recover lost funding by charging for services or increasing business activity, social serving organizations that target the poor are in less of a position to earn revenue through service fees. Government cutbacks also create increased competition for funding among social serving nonprofit institutions. Compared to smaller agencies, larger organizations tend to have more secure resources and greater capacities to fundraise. This can result in program closure among smaller agencies and subsequent decline in the number and variety of services offered in the nonprofit and voluntary sector.

The nonprofit and voluntary sector is often viewed as a less expensive mechanism for filling gaps in the Canadian social safety net (Hall and Banting, 2000; Hall and Reed, 1998). However, researchers have argued that the nonprofit and voluntary sector is ill-equipped to handle the lion's share of social service responsibilities (Shields and Evans, 1998; Hall and Reed, 1998; Salamon, 1998). Lester Salamon (1995) outlines a few major problems, or voluntary sector failures, associated with state transfer of public services to nonprofit and voluntary organizations. First, while the nonprofit and voluntary sector can reduce the costs of public needs for the government, organizations are geographically dispersed and generally have unpredictable and inconsistent resource flow to support whole communities (*philanthropic insufficiency*). Second, nonprofit and voluntary organizations tend to provide specific services for particular groups in society, resulting in

lack of coverage for some individuals in need of care and duplication of services already widely available (*philanthropic particularism*). A third problem concerns the undemocratic way in which nonprofit and voluntary organizations are managed. Volunteers and community members have less influence in how the organization operates. Consequently, wealthier stakeholders have more power to direct how funds are to be distributed (*philanthropic paternalism*). Finally, nonprofit and voluntary services are not funded well enough to address the full scope of individual problems and often rely on moral or religious prescriptions to ameliorate human suffering, rather than medical aid or well developed social networks (*philanthropic amateurism*) (p. 44-48).

ii. Impact of Institutional Pressures on Nonprofit and Voluntary Organizations

In the midst of neoliberal state restructuring, the Canadian government assumed a new position in nonprofit policy development and service delivery. Withdrawal of financial support and service downloading onto the nonprofit and voluntary sector entailed heightened government expectations for accountability and efficient service provision among nonprofit and voluntary organizations (Brock, 2000; Miller, 1998; Scott, 2003). In spite of funding cuts, the nonprofit and voluntary sector remains accountable to the government because the state continues to have an important role in overall funding distribution across organizations and overseeing public needs (Salamon, 1995). The neoliberal movement gave way to contract-based relationships between the government and nonprofit and voluntary sector. In order to receive state dollars, organizations engage in competitive bidding to win funding contracts. Shields and Evans (1998) assert that competitive service contracts downplay important advocacy functions of nonprofit and voluntary organizations and reduce their work to basic market transactions between consumer and service

provider. They further argue that nonprofit "social service provision comes to be leaner and more residual in nature, a hollow shell of its former self" (p. 113).

Neoliberal changes in public policy have caused the nonprofit and voluntary sector to become more commercialized as organizations are more likely to engage in market-oriented activities, such as providing contract services, charging clients, and selling products, to generate revenue (Shields and Evans, 1998). According to Baines (2010), the incorporation of accountability and efficiency initiatives has entailed "a growing convergence between private and nonprofit enterprises in terms of ideology, managerial modes, and styles" (p. 10). Work practices have become faster paced and increasingly standardized. Consequently, the ability for organizations to maintain their missions and continue to express a voluntary and participatory spirit has been weakened (Baines, 2004, 2010; Burnley, Matthews, and McKenzie, 2005).

Such shifting organizational models and modes of service delivery have the potential to undermine "the ability of organizations to do what they do best" (Hall, Barr, Easwaramoorthy, Wojciech Sokolowski, Salamon, and Imagine Canada, 2005, p.26). For instance, in a study of nonprofit family and child services in British Columbia, Burnley, Matthews, and McKenzie (2005) explored the implications of shifting from "a model that emphasizes voluntarism and citizen participation to one that emphasizes professionalism, accountability, and efficiency" (p. 70). This transition affected organizations in multiple ways. Agencies experienced difficulties recruiting staff, volunteers, and board members because of more stringent educational, administration, and skill requirements. Agency boards became more concerned about meeting the needs of funders rather than fulfilling those of program users. Additionally, government downloading of service to the nonprofit and voluntary sector in BC resulted in increased workloads and limited ability to meet

higher demands for service among surveyed agencies. Participants also articulated the difficulties they experienced in trying to "balance their commitment to longstanding mission and organizational values against their need to compete for dwindling funds" (p. 81).

Withdrawal of state support for nonprofit and voluntary services and programs has caused organizations to enter into new relationships as they seek out new funding sources. Funders of nonprofit and voluntary organizations, whether they are government, for-profit, or public based, can shape organizational priorities and programming objectives by imposing time and reporting requirements on funding agreements. In some cases, organizations that lack enough capacity to change their programs in response to funder priorities are less likely to receive funding. This is a common problem among smaller, grassroots social service organizations in particular (Deschenes, et al., 2006). Organizations with unstable revenue flows tend to devote a lot of resources toward 'chasing money' and meeting funder expectations of efficiency and accountability. Unpredictable funds can also cause disruption of programs and services.

A corollary of environmental strain in nonprofit and voluntary organizations is mission loss or displacement. Mission statements and programming objectives are critical for guiding the direction and ensuring the overall functioning of nonprofit and voluntary agencies. Having a core mission contributes to organizational consciousness and fosters agency commitment and involvement among board members, staff, donors, and volunteers (Rangan, 2004). Rangan (2004) asserts that in changing times, nonprofit and voluntary agencies must negotiate between 'mission stickiness' and 'market pull'. While organizations are committed to a certain mission (mission stickiness), they are often pulled by market forces and pressured to attract more funders and innovate programs

(mission pull). They can also risk the effectiveness of their programs if they are too rigid about maintaining their missions or too compliant with the expectations of others.

Minkoff and Powell (2006) state that "the need for external legitimacy and survival tends to provide incentive for groups to compromise the missions that may have originally motivated them" (p. 594). They argue that organizations adapt to environmental pressures in ways that may cause their missions to take on new forms. Minkoff and Powell identify five possible outcomes of mission change: *accommodation,* by developing new practices and programs in response to external pressures*; proactive change*, by changing the mission in order to address a novel social or political problem*; resistance to change,* through unwillingness to modify the mission in light of environmental pressures; *reorientation,* such as broadening the mission to include both the needs of the agency and outside actors*;* and *mission displacement,* or altogether abandoning the founding goals of the organization.

iii. Nonprofit and Voluntary Organizational Response to Environmental Pressures

Despite environmental challenges, nonprofit and voluntary organizations are actively seeking ways to maintain programs without altering their missions or affecting individuals who utilize their services. Some research suggests that the nonprofit and voluntary sector is capable of overcoming changing social, economic and political conditions. Salamon (1995) notes that the "government's need for economy, efficiency, and accountability" and "the nonprofit sector's desire for a degree of self-determination and independence from government control" can result in contentious relations (p. 104). Conflict is an inevitable characteristic of government-nonprofit partnerships, but overall, governments and nonprofit and voluntary organizations are cooperative forces in complex system of human service delivery. This partnership shares historical roots and institutions that will continue

to outline and reshape each other's roles and priorities in future contexts (Salamon, 1995). Brock (2000) further asserts that a balance of needs among government institutions and nonprofit and voluntary sector is achievable; however, the ability for nonprofit and voluntary sector organizations to adopt new governing practices and organizational norms varies according to agency size and access to resources that can facilitate structural adjustments.

The capacity for nonprofits and voluntary organizations to adapt to environmental pressures can also be enhanced through organizational strategizing. Organizations may seek to provide a broader range of services to more individuals and expand their expertise in order to gain more support from the community and funders. They might successfully engage in business management techniques, such as strategic planning, technology improvements, and stepping up marketing initiatives. Nonprofit and voluntary organizations also attempt to attract more resources through grants, contracts, donated services and media attention. Finally, a nonprofit may increase its viability by developing revenue-generating programs (Alexander, 2000).

In Canada, nonprofit and voluntary organizations are increasingly engaging in forms of entrepreneurship and social enterprise to generate revenue (Mulholland, et al., 2011; Canadian Task Force on Social Finance, 2010). The Canadian Task Force on Social Finance (2010) defines social enterprise as "any organization or business that uses market-oriented production and sale of goods and/or services to pursue a public benefit mission" (p. 4). Social enterprise is seen as a viable means of human service delivery; however, complex federal and provincial regulations tend to discourage organizations from taking up business practices to achieve their missions. Nonprofit and voluntary organizations usually lack the resources needed to implement entrepreneurial strategies.

Golensky and Mulder (2006) further explored the adaptation strategies of nonprofit administrators to improve the competitive nature of their organizations. Managers implemented internal strategies, such as improving technologies, increasing staff incentives, training and awareness, while simultaneously increasing staff workload, reducing the number of staff, cutting programs, and tightening the eligibility requirement of service users. Managers also used external strategies by starting new services, seeking new funders, raising fees for service, and increasing lobbying efforts. Collaboration, merging with other organizations, social enterprise, revising agency mission, and program closure were other strategies.

Interestingly, government decision making has contributed to both the expansion of the nonprofit and voluntary sector, as well as some of its major challenges. Relationships between nonprofit and voluntary organizations and their funders combine to create complex and demanding institutional environments. Based on the reviewed literature on the institutional conditions and constraints in the nonprofit and voluntary sector, it is clear that organizations are operating within a neoliberal context and are increasingly gearing toward competitive, efficient, accountable, legitimate, adaptable, and sustainable practices. The following section discusses how these issues have manifested in the province of Alberta.

d. The Case of Alberta

Alberta presents a unique and interesting case for examining the institutional environments of nonprofit and voluntary organizations. The neoliberal turn in this province is similar to that at the federal level. According to Trevor Harrison and Gordon Laxer (1995; Harrison, 2005), Alberta was at the forefront of the second neoliberal wave during the 1990s. During the years of Premier Ralph Klein's Progressive Conservative leadership (1992-2006), legislative changes directed toward deficit

elimination and budget tightening significantly altered life in Alberta. Klein successfully garnered public support for his neoliberal agenda through a rhetoric of deficit crisis, convincing the public that the only way to improve the province's economic situation was through cuts to public spending, privatization of public space, and greater commitment to individual responsibility among citizens. Although the source of Alberta's debt was mainly revenue based, the Klein government articulated that excessive social spending was to blame for Alberta's economic woes. As a result, funds for public services were significantly reduced or eliminated altogether (Cooper and Neu, 1995; McMillan and Warrack, 1995).

Other provinces took an alternative approach to remedy their debt problems. The provincial governments of Saskatchewan and Ontario, for instance, elected to moderately raise taxes in order to balance their budgets. This solution had fewer repercussions for citizens and the economic, social, and political stability of these provinces. Klein's provincial leadership, in contrast, demonstrated a keen desire to completely transform Albertan society. Klein aimed to develop a culture of business, rather than one of welfare and social security, by prioritizing flow of capital and maximizing profitability in the province, as well as campaigning for greater individual responsibility and self-discipline among Albertans (Denis, 1995; McMillan and Warrack, 1995).

The provincial government further justified budget restraint and cuts to social spending by labelling and delegitimizing the needs of 'special interest' or 'claimsmaking' groups in Alberta. Unionized workers, environmentalists, women's groups, ethnic minorities, and people receiving welfare assistance were seen as a burden on political processes and state funds (Harrison, Johnston, and Krahn, 2005). Special interest and claimsmaking people and organizations are those advocating for positive social change. They are guided by the belief that "democracy is enhanced by the participation of social groups within policymaking processes" (Harder, 2003, p. 2). Lois Harder

(2003) explains that during the Klein regime such groups were often denied provincial financial support and political representation. Their goals and activities were highly contested by neoliberal political actors because of their lack of connection with the business sector and inherent inability to make profit.

Continuing down a neoliberal pathway, Klein swiftly privatized publicly owned services and assets in areas such as, agriculture, tourism, environmental protection, health and education, and family services (Laxer, 1995). Although privatization holds promise to "deliver public services more effectively at lower cost and to create opportunities for private businesses", Laxer indicates that shifting public goods to the private sector is a risky endeavour (p. 115). Although privatization may yield financial benefits for the government, it tends to overburden existing public programs, bring down the quality services, and increase personal costs for individuals, particularly in sectors of education, health, and social welfare (Horne, 2005; Laxer, 1995; Taylor, Schultz, & Wishart Leard, 2005; Steward, 2005).

Critics of the Klein era argue that neoliberal reforms were driven by vague ideological understandings of the economy with little interest in actually improving the quality of life for Albertans (Black and Stanford, 2005; Harrison, 2005; Murphy, 1995). Government initiatives to scale back public services, limit political participation and promote discourses of individual responsibility have created a particular political environment in Alberta. From the perspective of Rich Vivone (2009), an established journalist in Alberta politics, this has also created an apathetic and silenced political culture in the province. Among the western provinces, Albertans have gained a reputation for low voter turnout and general lack of awareness about political issues. In the 2011 federal election, for instance, Alberta had the fourth lowest voter turnout of all provinces and territories (Elections Canada, 2011).

Major sectors in the province, including health, education, law, and social service organizations have refrained from advocating for their own causes or publicly criticizing government conduct in fear of continued government retribution through funding cuts to their professional domains. Vivone (2009) adds that Klein routinely intimidated organizations through bullying tactics and reference to a "you are either with us or against us" rhetoric. In many cases, these organizations were advocating for social and political change that contrasted starkly with government interests and political initiatives. Vivone suggests that "organizations heard the tone and recognized the implications of playing with a government that tolerates no criticism" (p. 108). In the years that followed Ralph Klein's premiership, the political mentality in Alberta under the leadership of Ed Stelmach and the Conservatives witnessed little change in terms of public interest and government advocacy for social issues.

e. Conclusion

The political culture of Alberta and its nonprofit and voluntary sector present a unique and challenging opportunity for research inquiry. Presently, there is a dearth of literature that theoretically explores the interplay between the neoliberal environment of this province and the institutional experiences of nonprofit and voluntary organizations. Institutional theory has guided my curiosities about historical political events and neoliberal ideologies in government action and decision making at the federal and provincial levels. This theoretical angle has also led me to consider the role of nonprofit and voluntary organizations within this narrative. By providing a theoretical and empirical context for the study of organizational environments and the nonprofit and voluntary sector, the present chapter has provided a starting point for considering these main questions. In Chapter Three, I describe my analytic framework and methodological approach for

managing and making sense of the collected data.

CHAPTER THREE: METHODOLOGY

a. Introduction

My research examines how nonprofit organizations and voluntary organizations experience and respond to their institutional environments. To investigate these interactions, I conducted a comparative case study analysis of two youth-serving community-based organizations in the city of Edmonton. To obtain a clearer understanding of the socio-political environment of nonprofit and voluntary organizations in these locations, I also interviewed five advocates who have had extensive involvement in local sector activities.

This chapter outlines the methods I used in my study. It also explains the ethical precautions I have taken throughout the course of my work. The following sections substantiate and describe my use of qualitative case study methodology, how I recruited participants and organizations, as well as my data collection and analysis procedures. The chapter closes with a discussion about the limitations and delimitations of case study research.

b. Qualitative Case Study Methodology: A Comparative Analysis

My research approach draws primarily from Yin's (2009) guidelines for conducting case studies. Yin defines a case study as "an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between that phenomenon and context are not clearly evident" (p. 18). This applies to my study of organizational experiences and the changing contextual conditions of their external environments. Yin adds that case studies focus on multiple researchable variables and factors, rely on multiple data sources to strengthen and triangulate findings, and draw from established theoretical paradigms to help guide data collection

and analysis. In the present study, primary data (interviews) and secondary data (scholarly and nonprofit literature) sources, as well as nonprofit and voluntary organization documents and reports are used. Additionally, a theoretical paradigm and range of potentially relevant research variables have been identified in the above literature review to help guide and contextualize the main research findings.

The case study is a common method of inquiry in research on the nonprofit and voluntary sector because of its flexibility and potential to yield in-depth and complex insights (McNabb, 2008). McNabb (2008) states that studies of nonprofit and voluntary organizations have mainly focused on normative or function focused issues, such as how organizations can garner more funds, operate more efficiently, or recruit more staff and volunteers. Few studies have concentrated on building theory around nonprofit operations, though interest in this area has gained some momentum. The present study will add to a growing body of theoretical literature, as it draws from institutional theory to create an illustrative and explanatory account of the ways in which two youth-serving agencies are affected by external conditions. Yin (2009) also stresses the importance of early theory development while designing a case study, because it increases the researcher's ability to interpret collected data in later stages.

Yin (2009) suggests that a single case study is justifiable if it focuses on a unique or atypical set of conditions, provides a means for testing a specific theory, or is longitudinally designed. The present study does not readily fit these criteria because it targets fairly typical, yet operationally contrasting, cases of social serving nonprofit and voluntary organizations. Additionally, the study has not been designed to test a certain theory or provide longitudinal results. Rather, by focusing on two cases this research is better able to provide more compelling findings and a well rounded

account of nonprofit experiences. I have decided to examine two cases to discover similarities and differences between organizations and their institutional environments. Using multiple cases also allows the researcher a heightened opportunity to theorize about broader social contexts (Berg, 2006; Yin, 2009).

c. Recruitment Methods

Stake (2005) recommends that case study researchers carefully select cases that are accessible and can provide the greatest insight and learning opportunities. In light of these suggestions, I purposely selected a handful of youth-serving nonprofit and voluntary organizations to participate in the study. A study of youth-serving organizations is particularly useful, because child and youth services constitute a large portion of social service efforts in the Alberta and Canadian nonprofit and voluntary sectors (Barr et al., 2005). Research in this context may speak to particular trends occurring in this subsector. In the early planning stages of the study, I created a list of Edmonton based youth-serving agencies. Initial invitations to participate in my research (Appendix A) were sent to Kids in the Hall Bistro (KITH) and the Edmonton Youth Emergency Shelter Society (YESS). Both organizations agreed to participate in the study. Each organization, while having a similar orientation toward helping at-risk youth in the city of Edmonton, differs in terms of funding structure and mode of service delivery. This dissimilarity allowed for some comparison in how environmental conditions differentially agencies based on these characteristics. Gaining access to these agencies was a lengthy, but worthwhile process. In the fall of 2009, I met and began to build rapport with staff at each organization while conducting a pilot study for the thesis research. I had also been a long term volunteer at the YESS a year prior to commencing my graduate degree.

After obtaining permission to study each organization, I asked administrative and managerial staff to recommend staff members, particularly frontline workers or individuals responsible for funding opportunities or administrative and leadership tasks, who might be willing to participate in a semi-structured, conversational style interview. This snowball sampling method for meeting new participants yielded a total of five interviews at KITH and six interviews at the YESS.

Connecting with local advocates of the Edmonton nonprofit and voluntary organizations initially occurred through e-mail introductions arranged by members of my thesis supervisory committee. I was fortunate to have their assistance in this part of my recruitment process. Upon meeting these contacts I used the snowball sampling method once again to locate further participants for my study. I interviewed five local advocates. In total, I carried out sixteen interviews for my thesis research.

d. Research Ethics

In an effort to become more familiar with research ethics and learn about how to mitigate ethical concerns during the course of this project, I completed the University of Alberta online Tri-Council Policy Statement: Ethical Conduct for Research Involving Humans TCPS introductory tutorial prior to conducting my study. I also applied for and received research ethics approval from the University of Alberta Research Ethics Board. Though this project presented minimal risk to youth-serving agencies and participants, there were a few ethical issues that required consideration. In addition to sending participation letters, consent forms were created for each 'type' of participant (see Appendix B). The directors in each organization received a more nuanced version of these documents because they needed to give consent not only for themselves, but also on behalf of their

organizations. With the permission of each participant, I recorded and took notes during conversations for later transcription and analysis.

All collected data (interview recordings, transcriptions, notes) were stored in my home office and on my personal password protected computer. Data was not seen in original form by anyone but me and my supervisor. At each meeting, individuals were reminded that their participation was entirely voluntary and could be withdrawn at any time for any reason.

Maintaining the confidentiality of the participating organizations would have been a challenge given that there are relatively few community-based organizations for at-risk youth in Edmonton, and that the services and programs they offer are unique and easy to identify. As part of the informed consent process, I ensured that participants were aware of this fact. I also made it clear that I would identify the names of the participating agencies in the final write up of the project and that each organization would be aware of one another's involvement. Each organization agreed to this arrangement. In conversation, I highlighted that the intent of my research was not to create an element of competition or mistrust among agencies, but rather, to enhance communication and understanding of similar phenomena. Anonymity of participants was easier to manage; in this thesis and subsequent papers I refer to individuals as 'participants', 'advocates', 'interviewees' or 'respondents'.

Another important ethical consideration of the research has been participant sensitivity toward the issue of mission loss or organizational goal displacement. During the interviews, I asked participants directly about mission loss or displacement at their organizations. Though participants did not express discomfort or defensiveness about this phenomenon throughout the research, I still reminded my participants that the guiding purpose of my study is to advocate on their behalf and

raise public awareness about the struggles of NPOs, and not to depict a zero sum game in which some agencies win and others lose. At the same time, however, it is important as a researcher that I also critically consider how and why organizational strategies and environmental conditions may or may not yield successful or positive outcomes for nonprofit and voluntary agencies.

e. Data Collection and Analysis Strategies

Prior to conducting semi-structured, conversational style interviews with participants, I familiarized myself with each participating youth-serving agency by reading their mission statements, core values, programming options, publications, and annual financial reports. This afforded me a clearer sense about the character and goals of each organization and helped me to tailor my interview questions to each participant. I developed a unique interview guide for each participant based on his/her background or position in the agency (Appendix B). This allowed me to obtain a range of perspectives from frontline, managerial, and administrative staff and board members. Participants from the youth-serving agencies were asked about the pressures they experience in their positions and in their organization more generally. They were also asked about the consequences of organizational and role strain for youth, program quality and accessibility, mission and goal fulfillment, and capacity to innovate and make decisions. I asked participants if they use any coping strategies to mitigate strain. As interviews drew to a close, I asked participants to explain their vision for the organization's future and what changes might occur to improve its chances for success.

The interview guides for the advocates (Appendix B) looked more or less the same for each participant. I asked respondents for their perspectives on the current trends and challenges in Edmonton and Alberta's nonprofit and voluntary sector. I asked for their insights about the

underlying causes of sector pressures and the role of funders, the government, the public, and the sector itself in influencing organizational success or failure. I asked them about the specific challenges of social serving agencies, compared to other types of charitable organizations. When it was possible, I inquired about the unique experiences, challenges, and organizational culture of youth-serving agencies. Similar to my interviews with staff members, I asked the advocates how they viewed organizational adaptability and response to strain in the sector, as well as the potential consequences for clients, missions, program quality, and institutional decision making. I ended the interviews by asking the advocates to share their thoughts on the future of the nonprofit and voluntary sector in Edmonton and Alberta, and what kinds of changes might occur to improve current conditions. The interviews typically lasted between 45 minutes to 1½ hours; my conversations with the advocate participants were usually lengthier than interviews with agency participants.

Following Rubin and Rubin's (2005) suggestion that data analysis occurs throughout the research process, I viewed transcribing as the earliest phase of analysis in my research. I transcribed each interview using Express Scribe, a free transcription program downloaded from the internet. As I translated audio material into text, I took stock of the information I had gathered and noted missing areas of information that needed further exploration. This responsive method of interviewing allowed me to continuously modify and strengthen my interview guide to ask new questions in subsequent conversations with participants. In anticipation of later data analysis and interpretation, I also recorded memos, or emergent thoughts and ideas about the research, as I transcribed and coded the interviews (Charmaz, 2006; Rubin and Rubin, 2005). My memos contained reflections about the interview experience, reminders to follow-up or find literature on certain topics, initial interpretations of the research, and memorable participant quotes.

In the design and data collection phases of the research, I also kept a journal portfolio to help track and organize my work. I recorded brief summaries of each interview, detailing the time, place, length, and my thoughts about the conversation. I also used the journal to document relevant literature findings, participant and organizational information, minutes from meetings and conversations with my supervisor, instructors, and colleagues, and important concepts, themes, and events that had occurred. The journal was a place for me to personally reflect on my research and learning process. It was an outlet to vent my worries when I encountered roadblocks, as well as express my relief when I made progress.

After the interviews had been completely transcribed, I transferred each document into NVIVO, a Computer Assisted Qualitative Data Analysis Software (CAQDAS) program to begin the coding and analysis phase. While NVIVO programming is able to provide automatic coding options, integrate multiple data sources, and generate visual reports, I used it primarily for its organizational capacities. NVIVO allowed me to examine the data line by line and apply codes to subsets of information. I could also create memos in NVIVO and link them to codes or sets of data. I found NVIVO to be a fairly accessible, easy-to-use tool. Though it took time to learn key functions, the program helped me to manage a large volume of data and analyze it in a consistent and efficient way.

The use of CAQDAS in qualitative research has gained momentum in the past twenty years. During this time, researchers have debated the advantages and potential dangers of using this data analysis strategy (Kelle, 2007). Welsh (2002) suggests that NVIVO software can add rigour to data analysis and is useful for both inductive (grounded) and deductive theory building approaches. However, the program is limited in terms of providing in-depth, thematic analysis and

interpretation. Weitzman (2003) adds that while CAQDAS can assist the researcher in transcribing and editing field notes, coding, storing data, searching for data, linking and comparing data, memoing, displaying findings, building theory and writing reports, it cannot carry out analysis *for* the researcher.

I coded the interview data minutely using a line by line, 'modified' grounded theory approach. The coding and analysis phases on the research were not fully grounded in the research data, given that the research questions and interview guides were shaped by various research literatures and theoretical perspectives. However, my method of data analysis resembles grounded theory because I developed a coding scheme directly from the data and did not apply a list of preconceived codes to participant comments. While Yin (2007) suggests alternative methods for analyzing case study evidence, such as hypothesis testing methods of pattern matching and explanation building, I decided to use a grounded theory approach because of its capacity to generate varied and unanticipated themes and ideas.

I referred to Charmaz's (2006) and Strauss and Corbin's (1998) work on grounded theory procedures for my coding analysis. Coding is a creative and systematic means of managing, condensing, and building theory from raw data (Strauss and Corbin, 1998). Charmaz (2006) recommends a two part coding process. In the initial coding phase, the researcher breaks the text into small components and assigns a name or code to each line or subset of data. According to Charmaz, codes are provisional, simple, analytic, and action-oriented. Codes are closely linked to the data because they capture the actions, events, expressions, context, and perspectives present in the original text. The second phase of coding entails selecting and refining the most apparent or significant codes in order to synthesize the bulk of the collected data.

Strauss and Corbin (1998) similarly describe three stages in grounded data analysis: open, axial, and selective coding. Open coding allows for the discovery of concepts and ideas in the data. Through the act of labelling and naming phenomena in the transcripts, the researcher creates a growing list of concepts that necessitate grouping and categorization. In axial coding, like categories are grouped together and structurally analyzed. The researcher considers the dimensional attributes of categories and how they relate to subcategories. The researcher also delineates certain conditions, actions, interactions, and consequences that are intrinsic to each category. The final phase of analysis is selective coding. In selective coding, the researcher fully integrates existing categories and establishes the central or core category and major theme of the research. The researcher also reviews the theoretical scheme of the research by verifying its consistency and logic and ensuring that categories are operationally defined and supported by the data.

Given that the researcher and the data become so closely intertwined during the coding process, Strauss and Corbin (1998) suggest that coding and interpreting data requires the researcher to be objective and sensitive to the subtle, nuanced, and alternative meanings of text. A researcher can maintain an objective stance by continuously comparing and contrasting data and considering the dimensions and characteristics of individual codes. The researcher might also look for multiple perspectives on certain ideas or assumptions. Finally, the researcher should maintain an attitude of scepticism about early explanations, hypothesis, and categories, as well as seek to understand what is really happening in the data. In terms of sensitivity, familiarity with the established literature in a given area can attune researchers to ideas for theoretical sampling. The researcher's perceptions and explanations must not be imposed onto the data, but rather draw from the thoughts and perspectives of the respondents. Sufficient evidence from the data is needed to substantiate any claims or explanations that have originated from outside sources.

f. Limitations and Delimitations of the Study

The case study method has been criticized by some researchers for lacking scientific rigour and objectivity (Yin, 2007). Yin agrees that certain case studies in the past have not been systematic; however, a growing body of literature on conducting case study research has helped to strengthen and refine this method. Another major criticism of case study research is that it cannot yield generalizable results. In most case studies, however, generalizability is not a main objective. Rather, case studies aim to create generalized understandings that are consistent with a certain theoretical paradigm or perspective (Yin, 2007). Flyvbjerg (2007) asserts that it is restricting to argue that generalizable research is the only valid way of understanding social phenomena. In fact, case studies are well suited to examine 'black swan' instances that allow researchers to falsify theories and reach alternative explanations of research findings.

Another misconception, which draws from the generalizability critique, is that case studies are only useful during the early stages of a project, for instance, in planning the design or hypothesizing testable theories (Flyvbjerg, 2007). While case studies can make formative contributions to larger research studies, Flyvberg argues that the utility of case studies extends beyond these activities. Case studies do exist as standalone inquiries with meaningful procedures at each stage of the research process (Yin, 2007).

Critics of the case study method have suggested that investigators are liable to confirm preconceived assumptions in their research (Flyvbjerg, 2007). Flyvbjerg contends that the in-depth nature of case study analysis actually reduces researcher subjectivity and bias. Given that investigators are so immersed in the case, researchers are more likely to recognize and falsify their initial assumptions and explanations as they gain further knowledge and understanding. Conversely,

it is also possible that investigators will ignore or fail to look for evidence that would falsify their preconceived ideas and conclusions.

A final critique of case studies is that they tend to yield overly lengthy and dense summaries of rich data (Flyvbjerg, 2007). One strategy for creating an interesting and practical write-up is to keep the case-study open-ended by discussing the diversity of the findings through narrative. Flyvberg writes:

> The goal is not to make the case study be all things to all people. The goal is to allow the study to be different things to different people. I try to achieve this by describing the case with so many facets - like life itself – that different readers may be attracted, or repelled, by different things in the case. (p. 400)

With this advice in mind, the findings of this study are presented in a way that is useful to both academic and nonprofit actors. I intend to address multiple angles of the main research questions so as to allow the reader to draw his/her own conclusions about environmental conditions in Edmonton and Alberta's nonprofit and voluntary sector and their impact on the KITH and YESS youth agencies.

Yin (2007) and Flyvbjerg (2007) remind us that issues of generalizability, rigour, and researcher bias are not unique to the case study method; these problems are found across research methodologies in the social sciences. Quality research, according to Flyvbjerg "is problem-driven and not-methodology driven" (p. 402). I chose a qualitative case study method because it allowed me to comprehensively examine the institutional stories of two organizations and their environmental contexts through the perspectives and ideas of interview participants. A quantitative or survey-based research inquiry, in contrast, would likely not generate the kind of data needed to examine these complex relationships.

g. Conclusion

This chapter has explained the basic design of the study, as well as my approach to gathering and analyzing data. It has also covered ethical considerations of the research, as well as the limits and merits of using the case study method. The objective of the next chapter is to address my own positionality as a researcher in this study, and more formally introduce the two youth-serving organizations who took part in my work.

CHAPTER FOUR: RESEARCHER AND AGENCY BACKGROUND

a. Introduction

Feminist theorists have drawn attention to issues of researcher positionality and reflexivity in social science research. They have also questioned taken-for-granted assumptions of knowledge production in traditional positivist research models that claim to follow value-free frameworks (Ramazanoğlu and Holland, 2002). Feminist researchers oppose the convention that research is completely objective, and suggest that "[n]o social researcher starts from scratch in a state of social, intellectual or political isolation. All researchers, however inexperienced, carry intellectual, emotional and political baggage with them" (Ramazanoğlu and Holland, 2002, p. 148). In other words, researcher knowledge claims are situational and conditional. It is thus important that researchers acknowledge their own positionality and relationships with those they aim to study, as these factors inevitably influence the research process, particular during the analysis and interpretation phases. For feminist researchers, reflexivity is about being accountable and open about the actions and decisions one makes throughout the research.

This chapter addresses issues of reflexivity and positionality in my thesis work. I describe my personal background and how I became interested in studying nonprofit and voluntary organizations, particularly those that serve at-risk youth. I consider the implications of my past experience and personal biases for this research. I then introduce two youth agencies that agreed to take part in my study and provide information about their services, programs, and funding structure.

b. My Place in the Research

Edmonton's social service nonprofit and voluntary sector was largely unknown to me until the first years of my undergraduate degree and coursework in sociology when I began to learn about issues of poverty, homelessness, addiction, racism, and other structural and systemic inequalities. As a white, middle-class female who grew up in a stable home, I was hugely unaware of the nature and root causes of social problems occurring in my city. I developed a strong interest in local non-governmental, not-for-profit institutions that were trying to make social improvements in these areas. I wanted to better understand the role of social service agencies in mitigating social inequalities and advocating for those who are marginalized in society. I felt that it was necessary for me to step outside of student life and volunteer in order to observe for myself what the nonprofit and voluntary sector is all about. Though I have not personally relied on the programs and services in the social service sector, volunteering has introduced me to the nonprofit world and the important programs and services it has to offer. It has also led me to realize the virtues and unique character of the nonprofit and voluntary sector, as well as its role in improving quality of life and opportunities for socio-economically disadvantaged groups in society. Throughout my undergraduate and graduate degrees, I spent time volunteering at youth-serving organizations. For the most part, my volunteer roles have focused on supporting at-risk youth, either by participating in fundraising events or working with youth directly.

Over the past two years I have volunteered with the Edmonton Youth Emergency Shelter Society (YESS). While this connection has helped me to build rapport with the organization for my research, there is a possibility that my comparative case study analysis will yield more in-depth findings for YESS, as compared to Kids in the Hall Bistro (KITH). However, I argue that being more

familiar with the YESS has encouraged me to explore similar areas at KITH. In both organizations, for instance, I have made comparisons between funding structures, staff and volunteer ratios, and organizational strategies and decision-making process. In this way, I have tried to circumvent asymmetry in my analysis of each case.

My interest in researching youth-serving organizations in my graduate work has stemmed from my volunteer experiences where I observed firsthand the challenges experienced by youth and program staff from day to day. My entry into the nonprofit and voluntary sphere fuelled my curiosities about social service organizations: how they are sustained with limited input from funders and donors, what draws people to work and advocate for their missions, and how they continuously adapt to changing and challenging external environments. At times during my study, the distinction between my role as volunteer and researcher became somewhat blurred. A clear bias in my work has been to advance and support the causes of the organizations I have studied. While much of the reviewed literature in the first two chapters highlight various problems and pressures in the sector, my background as a volunteer has allowed me to see how organizations cope with these challenges and provide virtually uninterrupted, high quality service to individuals in need. Consequently, I am inclined to forward a more positive account of nonprofit and voluntary organizations, as well as depict the participating agencies in this study as adaptable, flexible, and creative in the work they do. In my view, these organizations are both proactive and reactive toward strains in their external environments.

At the same time, however, I think it is necessary to problematize funding trends that increasingly require nonprofit and voluntary organizations to do more with less. In some ways, praising organizations for their efforts in managing external demands feeds into this rhetoric and

does not contribute to any systemic change or ease of funding tension in the sector. In the analysis, interpretation, and write-up of the study findings, it has been important to step back and think about the roots causes of sector pressures, and the implications for the health of the nonprofit and voluntary sector and people who rely on its programs and services. It is also necessary to consider whose needs are being served by the existing conditions of the nonprofit and voluntary sector. As we will see in the following chapter, participant comments highlight both angles of this debate. Before discussing the study findings, I will formally introduce each of the participating agencies that contributed to my research.

c. The Kids in the Hall Bistro

The KITH is a youth centred, social enterprise program that operates in Edmonton's downtown core. KITH provides catering and restaurant services to the general public and also offers life skills training, outreach schooling, and work experience to at-risk youth aged 16-24. The bistro is all at once a business, educational, and training facility that helps youth to establish financial independence, develop greater confidence and self-esteem, as well gain essential employment and life skills. The bistro has been operating for approximately fifteen years. The 2011 annual operating budget for this program is approximately $850,000; $500,000 comes from fundraising efforts and donations, while $350,000 comes from restaurant revenues (Pers. com., 2011).

KITH is part of a larger charitable organization called E4C, which runs a variety of social programs in the inner-city. E4C offers early learning and nutritional services for children, transition and housing support, mental health and addictions counselling, and community based services for low-income individuals and families. This charitable organization was established in 1970 by four inner-city churches that sought to address emergent social problems in their neighbourhoods (E4C

website). Currently, it has over 260 full-time and part-time employees, and 460 volunteers (Pers. com., 2011).

The goals of KITH fall in line with those of the larger organization. E4C lives by its mission, vision, values, and philosophy. Its mission statement reads: "E4C values live strongly in our services. We accept people at their starting point and create transformational potential that changes lives. E4C builds strength, capacity, inclusivity and understanding" (E4C website).

E4C's vision is to be: "an active, supportive and empowering presence at a time of individual, family and community need"; create "opportunities for people to become self-supporting"; lead "in the growth of an inclusive, caring community"; "be dedicated to ongoing improvement of current services and [respond] to emergent need by implementing new and creative services in our areas of expertise"; ensure "the excellence of our current programs through inclusive and transparent operations, promoting public awareness and with broad community support"; and actively seek "opportunities for service development" (E4C website). The values of E4C include courage, compassion, connection, and commitment among. Finally, the philosophy of the organization is to accept and demonstrate dignity and respect toward individuals, involve individuals in decisions that affect their lives, and help individuals to develop their strengths and skills (E4C website).

d. The Edmonton Youth Emergency Shelter Society

The Edmonton Youth Emergency Shelter Society (YESS) offers a variety of programs and intervention services to at-risk and homeless youth. These range from overnight shelter services, to longer term housing opportunities. The shelter was established in 1982 as a community response to a lack of social support services to youth, particularly those between the ages of 16 and 18 (YESS website). The YESS is supported by 80 staff members and 440 volunteers. The total annual budget

of the organization is approximately $4.4 million. Over half of the budget is generated through fundraising efforts and donations, 34% is government funded, 7% is provided by the United Way, 2% comes from the YESS Recycle for Youth Program, and 1% is from casino/gaming revenue (Pers. com., 2011).

There are four major program areas at the YESS. The Shelter program provides overnight accommodation to youth on a first-come, first-served system. The Skills for Youth (SkY) program is a residential housing unit where youth are provided stable housing, as well as various life skills learning opportunities and assistance with finding a job or going back to school. Similar to SkY, the Start House program is also an assisted independent living program. Youth are encouraged to be more independent and are taught more advanced life management skills. Finally, the Armoury Youth Centre (AYC) is a day program for youth who are unemployed or not attending school. At AYC, youth participate in daily workshops and life skills training in the areas of health and wellness, safety, recreation, self-reliance, and education (YESS website).

The mission statement of the YESS is, “Giving youth at risk a chance.” YESS values include: being open, honest, and keeping commitments; treating individuals with respect; being positive and professional; being serious about the work they do, but also having fun; celebrating organizational successes; providing staff with training and tools to accomplish their work; gaining staff input; finding solutions; thinking “outside the box”; and being a team that is ‘YESS’ (YESS website).

e. Conclusion

In this chapter, I addressed my positionality as a researcher and considered how my past experience as a volunteer has shaped my research and interpretation of data. I highlighted my inclination to advocate for nonprofit and voluntary organizations and portray them positively in my

study, but questioned whether this slant actually reduces the environmental strains and challenges they encounter. I also described the KITH and YESS agencies. Both organizations endeavour to help at-risk youth and offer a range of services to help youth achieve personal goals. While the YESS operates with a traditional fundraiser/donor funding structure, the KITH brings in revenue through social enterprise. As the next chapter will demonstrate, differences in funding structure play a significant role in the unique experiences and institutional stories of each agency. Having discussed my role in the research and described each organization that took part in my work, the stage is now set to present the main findings of my study.

CHAPTER FIVE: SOCIAL SERVICE NONPROFIT AND VOLUNTARY ORGANIZATIONS IN EDMONTON AND ALBERTA

a. Introduction

The following chapters present the main themes[5] that emerged from the research data. The objective of the study was to delineate the trends and challenges in Edmonton and Alberta's nonprofit and voluntary sector. It also examined the institutional environments of two youth-serving agencies and explored their experiences and responses to sector conditions. Finally, the research explored the implications of environmental change or strain on organizational goals, missions, and program quality. This chapter describes what is generally happening in Edmonton and Alberta's nonprofit and voluntary sector from the perspectives of the advocates who participated in the study. Participants discussed the characteristics of social service of youth-oriented agencies and drew attention to the present trends among social service nonprofit and voluntary organizations and the central challenges they face.

b. Characteristics of Social Service and Youth-Focused Nonprofit and Voluntary Organizations

The participants in the study provided rich and complex accounts about the social service nonprofit and voluntary sector in Edmonton and Alberta. Perhaps the most significant ***characteristics of nonprofit and voluntary organizations***, from the perspectives of participants, include their ability to create, innovate, and develop new approaches for addressing social problems. Participants noted the valuable contributions of the nonprofit and voluntary sector to

[5] The main categories that emerged from the coding analysis are highlighted in bold.

communities and society more generally. Participants also suggested that charities do work that is not carried out or emphasized by the government or other major sectors. One advocate commented that nonprofit and voluntary organizations "do exceptional work that the government doesn't want to touch." Other participants highlighted the unique abilities of nonprofit and voluntary organizations to provide services in effective and efficient ways. For instance, an advocate commented, "my organization operates in a way that many corporations can't imagine being as effective. We are expected to perform miracles with very little input to what we do, and as a sector, we achieve some phenomenal things."

Participants discussed the interesting and rewarding aspects of working in the nonprofit and voluntary sector. The sentiments of a few staff members are captured in the following quotes:

> What really keeps me interested and challenged about my job is that every day there is something new, something different.

> I always wanted to have a job where you feel like you're giving back or at least make a difference in the world. So I figured that's why nonprofit has been important to me. That's been my focus growing up. I want to give back and contribute to the good of society.

Participants also appreciated seeing the impact of their work, feeling part of something meaningful, and being treated as individuals. They enjoyed the flexible, diverse, and challenging experience of working in the nonprofit and voluntary sector.

I asked advocates about the unique qualities of ***youth-serving organizations***. One participant indicated that the culture of youth organizations, in many ways, reflects the character and diversity of the youth populations they aim to serve. Just as at-risk, socioeconomically disadvantaged youth

are marginalized and alienated from mainstream society, youth-centred organizations also exist apart from the broader social service sector. Youth-serving organizations set out to address particular needs of youth, but "often cannot eloquently describe what their challenge is and what they want to do." This participant also stated that youth organizations tend to be less formal in their approach and distrustful of other agencies working in similar areas. Consequently, youth-serving nonprofit and voluntary organizations are a fragmented and somewhat divided area in the sector that is not fully integrated with the full matrix of nonprofit and voluntary services.

c. Trends in the Social Service Nonprofit and Voluntary Sector

Participants discussed a range of trends and environmental conditions that are having an impact on the nonprofit and voluntary sector in Edmonton and Alberta. I have grouped these issues into five broad and somewhat overlapping categories: business models of service delivery; organizational relationships with funders, government, and the public; advocacy initiatives; the political culture of Alberta; and economic conditions.

i. Business Models of Service Delivery

Participants frequently discussed current ***business trends*** of the nonprofit and voluntary sector. Advocates agreed that social service organizations have become more business-like as they strive toward greater efficiency and seek alternative sources of revenue. Participants indicated a number of ways that business practices can both benefit and cause problems for agencies. Business strategies can help organizations secure more stable funding sources, which make them less vulnerable to changes in the economy or existing revenue streams. Having a business sense can also bolster organizational credibility and status to funders and the public, especially for larger organizations. While participants recognized these advantages, they also noted fundamental

differences between nonprofit and voluntary organizations and the business sector. The bottom line for business is to turn a profit, while the motives of nonprofit and voluntary organizations are to assist individuals and encourage positive life outcomes. Individuals in the study warned that nonprofit and voluntary organizations can become preoccupied with the business side of their work. One advocate commented, "[if] you're spending two hours on reports for every hour that you work with a participant, something is seriously wrong." Another advocate explained how business practice can conflict with the overall purpose of organizational services:

> We have to be aware of our fees and remaining competitive and things like that. At the same time, we are a nonprofit. So we really struggle with like, if a parent isn't able to pay the fees, and stuff like that. And we know that we're doing a great job with the children so and we want to retain that family, [but] we're not getting the fee. So it becomes a real dilemma; you kind of have to stick with your business model, but you have to go with your nonprofit heart.

Two areas of business-like activity emerged as major topics of discussion in the interviews: outcomes-based and social enterprise models of service delivery. The ***outcomes-based service delivery model*** is an initiative of the Alberta government to monitor the effectiveness of interventions used in child, youth, and family services (Government of Alberta, 2011). The model is based on the National Child Welfare Outcomes Indicator Matrix (NOM), which outlines a common set of social programming goals, including safety, wellbeing, permanence, as well as family and community support for clients (Trocmé, et al., 2009). Under this model, organizations receive funding based on their ability to meet predetermined outcomes in these domains. According to interview participants, nonprofits and voluntary organizations are gradually incorporating the

outcomes-based service delivery model into their programs. One advocate supported this shift and agreed that "we need to be very focused on outcomes and solutions, and have clearly identified targets that organizations [are] held accountable for." Other participants raised concerns about the model. They questioned whether organizations would have enough resources and government funding needed to achieve pre-set outcomes. They also suggested that the outcomes criteria may not reflect the unique needs of certain populations. A potential corollary of the outcomes-based model is that organizations will 'cherry-pick' or purposely select clients based on their potential to achieve certain outcomes. Therefore, clients with more complex needs are less likely to receive assistance. Finally, the outcomes-based service delivery model might also cause organizations to lose creativity and flexibility in the way they provide services, because they will be preoccupied with meeting outcomes requirements in order to maintain their funding.

The second major business practice occurring in Edmonton and Alberta's nonprofit and voluntary sector is ***social enterprise***. During interview conversations on this topic, participants often referenced the contributions of the Social Enterprise Fund (SEF) to business initiatives of nonprofit and voluntary organizations in the city. The SEF is an Edmonton-based organization that provides loans to local nonprofit and voluntary organizations. The objective of this financial support is to help organizations expand their mandates by engaging in some form of revenue generating business. Study participants suggested that social enterprise is a viable means of helping organizations strike a balance between revenue and program needs. It also assists organizations with long-term sustainability planning. Social enterprise can be effective strategy if it fits with the organization's mandate and vision. In other words, the business must reflect the organization's raison d'être and be primarily geared toward program development, rather than profit. Advocates warned that social enterprise can be a challenging endeavour and is not a panacea solution to the financial problems

of organizations. In fact, not all organizations have the funding and resource capacity to engage in this kind of business venture; several factors, such as the size and maturity of the organization, its connections to the community, and the type of project, must be considered before implementing this model.

ii. Organizational Relationships with Funders, Government, and the Public

Relationships among nonprofit and voluntary organizations, funders, the government, and the general public figured prominently in my conversations with advocate participants. ***Funder influence*** on organizations emerged as a critical theme in organizational environments. Participants commented that in a highly competitive funding environment, donor support is generally becoming more difficult to acquire. Funders are also demanding greater transparency and accountability from organizations who receive funds. Increasing and more complex reporting requirements allow funders to better monitor organizational activity. However, participants pointed out that reporting is a costly and time consuming endeavour, particularly when separate reports must be submitted to multiple funders or government ministries. Participants indicated their desire for a more streamlined, pan approach toward auditing and reporting in order to avoid duplicating effort and resources. When I asked one advocate for his thoughts on current reporting practices, he asserted, "it's not clear to me that this has improved accountability one bit, and I'm almost sure it hasn't improved performance. It has, however, wasted a lot of time that could have been spent on delivering the program."

Rigorous reporting requirements have also reflected the changing orientations and needs of funders. One participant explained that funders view their financial contributions as investments, rather than philanthropic donations. Donors are less interested in funding activities that are

peripheral to the organization's mission, such as fundraising or advertising. Rather, "they want to know how that money is being used. They want to interact. They want to feel like they are personally making a difference."

Funders influence organizational experiences through the terms and requirements of their funding agreements. As one advocate suggested,

> any funder who provides a significant portion of an organization's funding has significant power to keep the fundee in line if they want to exercise it. They can do it by increased scrutiny, increased paperwork, a more rigid interpretation of contracts and agreements, or they can do it simply by either decreasing funding or taking it away altogether.

Participants also noted that while funder expectations vary tremendously from one organization to the next, most funders offer targeted, rather than, core (base) funding. Participants suggested that these trends are not new and have been occurring over the past few decades and "we have to be very careful to suggest that things are significantly worse" than in the past. Nevertheless, funding trends continue to have an impact on organizations in the nonprofit and voluntary sector.

The significance of ***government actions and decisions*** in organizational experiences were also explored during interview conversations. Advocates noted that governments have historically provided the bulk of social services and programs, though there has been movement by governments in recent years to divest some of their responsibilities onto the nonprofit and voluntary sector. The nonprofit sector, as one advocate argued, has been "an easy mark for any time the government wants to save money." Provincial funding for social services in Alberta has increasingly taken the form of contracts and fee for service agreements. Governments set out the

terms and requirements of these contracts. The following quotes capture advocate sentiments about the kind of funding environment that is created by a contract-based system:

> Competitive contracting forces organizations to be less collaborative with each other and not to be revealing what they're doing, and every time you set up a competitive situation it's going to lead to that break down of collective responsibility. And I think it's really going to heat up.

> The not-for-profits are competing against these for-profits who, by their very business nature and structure, are ... reaching their outcomes at the lowest possible price - and that usually is done to the detriment of quality.

> [Contracted services] is hugely divisive and invites competition. It invites envy and resentment. It's hugely disruptive to services. What happens when you pull all of the services from one organization? What happens to those staff and those systems and the teams that are built and confidences that are there? What happens when you underpay people chronically in a sector? And what is the cost of recruitment and retention of staff?

> There's more and more competition for contracts [and] more and more encouragement from government for for-profit companies to offer services in daycare, in health care, that essentially, is a way of undercutting the not-for-profit sector. And it just doesn't fit.

The provincial government has further influenced nonprofit and voluntary organizations through direct funding cuts to social services, and efforts to eliminate duplication of programs. One advocate elaborated:

> I think politically in certain circles they want to wipe out a whole bunch of small organizations. I've heard time and time again senior people within government say, 'well, there's too many of them anyway, so we'll just wipe them out and the bigger ones can get those contracts.' And they see as being more efficient. I see that as being less community based.

Although government actions and decisions have resulted in change and new pressures in the nonprofit and voluntary sector, childcare accreditation is one area where the interests of the provincial government and nonproft and voluntary sector align. The accreditation process allows the government to provide funding to early learning and care services that meet high quality standards of care. One advocate stated that accreditation "is certainly not perfect, but at least it is a channel that that government can authentically fund childcare because they can see that higher standards are being met."

During the interviews, advocates also discussed the importance of ***public perceptions and opinions*** of nonprofit and voluntary organizations. Advocates agreed that while the public seems to have generally high opinion about nonprofit and voluntary organizations, they tend to lack a comprehensive understanding about the scope and nature of the work they do. For instance:

> Sometimes I think that not-for-profit organizations could be better in terms of how they really explain what they do and how they work, even to the general public. I think the public doesn't always understand what these organizations are doing.

> I think not-for-profits, in sense, they've gone out and they've done all the good work, but they haven't necessarily blown their own horn and let people know just what it is that they're doing and what kind of an impact they are having in the community.

Advocates emphasized the need for organizations to build connections with their communities to help garner financial support and positive reputation. A participant stated that, "funders pay particularly close attention to the public, because they don't want to be putting their money into something the public perceives as being a waste." Another advocate suggested that organizations should look for ways to relay their causes to the public on a more personal level, such as speaking publicly about organizational successes and presenting client stories at major events and fundraisers.

One challenge associated with seeking public support is the reality that there are "tough" and "easy" sells in terms of nonprofit and voluntary campaigning. Participants noted that is difficult for the public to relate to certain causes, such as poverty, mental health problems, or addiction. According to one advocate,

> If we look at business support for the nonprofit sector, it tends to be focused in the nice, non-controversial things like disease treatment and health in general. It tends to be focused on education, particularly education in the hard sciences at the post-secondary level. There's certainly some significant corporate funding for the arts. Most businesses prefer to be associated with mainstream causes that have nice clients.

One staff member from the YESS commented that gaining public support for at-risk youth can be especially challenging because the clientele it serves is largely hidden from mainstream society:

> I think the youth are kind of invisible... Our kids are really faceless, so that hampers our fundraising too. We get 350 people for Homeless for a Night[6]. Edmonton Down Syndrome

[6] Homeless for a Night is an annual YESS fundraiser.

> gets 1450 people for a walk because our kids are faceless, our kids are invisible. I think they are invisible to our politicians too.

Another participant emphasized a need to reshape the public imaginary when it comes to issues of the nonprofit and voluntary sector. He suggested that

> We can shift and reframe the debate in the public and in media to one that looks at this as a fundamental public interest to everyone. It isn't just that family's issue, because it could happen to your family. It is important for the economy. It is important for strength of community. It's important for health care and how much money government spends in other departments. If we don't deal with this problem here, are we going to have other problems down the road?

iii. Advocacy Initiatives

Advocacy was another important theme that emerged from the interview data. Advocacy refers to any nonprofit or voluntary sector activity that is geared toward supporting a particular cause or point of view (CRA, 2011). Federally registered charities must comply with CRA policies that restrict the nature and amount of advocacy. For instance, an organization can devote up to 10% of its financial, staff, volunteer resources toward advocacy. These activities must relate to the overall purpose of the organization. Organizations must present well-reasoned arguments and accurate information to the public in their advocacy campaigns and they are not allowed to engage in illegal activity or support political candidates in their advocacy efforts (Calgary Chamber of Voluntary Organizations (CCVO), 2010).

Participants offered a range of ideas concerning current advocacy practices among nonprofit and voluntary organizations in Alberta. They agreed that advocacy is important for thinking preventatively, rather than reactively to social problems; however, participants also recognized that organizations in the social service sector typically lack enough resources to effectively advocate for their causes. Lack of political connection and influence also prevent organizations from advocating effectively. Organizations are uncertain about how to advocate for the people they serve, despite existing advocacy guidelines that are outlined by the CRA. As one advocate observed, CRA restrictions become somewhat unclear when organizations attempt to influence specific public policies to improve the situations of marginalized groups in society.

Advocates argued that support for social service organizations and their causes are contingent upon building public awareness and understanding about social issues through advocacy. A few participants suggested:

> The public and the media need to be engaged in this broader debate and it comes down to how we frame and think about these fundamental services and to move away from this notion that it's just [about] private services and the private lives of people.

> Often nonprofit organizations do things to get them over with as quickly as possible. Now, I'm thinking of annual general meetings. They pride themselves on, 'our last general meeting was over in fifteen minutes. Isn't that good?' And I'm thinking, 'no that's poor. This is your one opportunity to do your report to the community. Make more of it. Do more about it. Distribute your annual report.'

iv. The Political Culture of Alberta

A few participants commented that the ***political culture in Alberta*** also prevents organizations from advocating in the public domain. Participants suggested that this has had the effect of silencing individuals who speak out about social issues, including those who advocate on behalf of the nonprofit and voluntary sector. This idea is reflected in the following quotes from participants:

> [Nonprofit and voluntary organizations] tend to already be strained trying to do difficult, unpleasant work with inadequate funding. And very few are willing to take the risk of pissing off the government that could suddenly decide not to give them anything.

> ...particularly in a province like Alberta where there are examples or people believe that there are examples of organizations that say unpleasant things to or about the government suddenly lose their contract. Almost nobody gets out of line because it's too big a risk.

> Many of the not-for-profit groups, particularly on the human services side who get funding from the province, have been told time and time again, or shown time and time again that if they speak out publicly on these issues in any substantive way there will be repercussions.

> This long term, one party rule and the political culture that it creates means that nonprofit organizations who can clearly see the challenges and the struggles and the frustrations of what they're living and what their clients are living, it means that their silence is going to result in no substantive change in the long term.

> [We have] a vindictive government that will say, 'don't these people realize we don't fund our critics?' And because more and more agencies are living on the public purse in terms of the amount of their earnings that come from that, they're more and more vulnerable and more and more silenced into saying nothing.

Advocates also commented that the long-term Conservative leadership has reinforced a strong spirit of individualism and entrepreneurship among citizens. As one participant commented,

> I think we do live in an individualistic society and I think this is Alberta. And it is the land of, 'I hold myself up by the bootstraps, so if I can then other people can too.' There is a spirit of entrepreneurialism here that I think is a good thing, maybe the danger of that is it becomes more about 'me and so why should I care about somebody else?' But I'm not sure that's a new thing. I think of my experience growing up in Alberta, you know, I've been hearing that forever.

One advocate commented that the oil based economy has created a transient population that is less involved in community issues.

> One thing that concerns me about the Alberta scene in particular is the fact that we are a resource dependent economy and we have a lot of people that come here for a quick buck and a short amount of time and don't see this as their home: 'Why do I want to get involved? Why do I care? Why would I vote?' So that's a real challenge and a broader issue. I'm not sure how we deal with that.

Another participant commented that sentiments of individualism in the province prevent nonprofit and voluntary organizations from fully engaging in political action.

> Part of the broader political culture here in this province [is] if someone is having a problem, well that's their own fault or their own issue. And that's far more prevalent in Alberta than in other parts of Canada or in other parts of the world. ... That's the dominant political paradigm that's driving policy and thinking and political discussion on it. Then those agencies and nonprofit groups that are working in that field feel very isolated and disconnected from the major political discourse that's going on.

The relationship between the government and the nonprofit and voluntary sector during the Klein years in the 1990s contributed to "charity mentality' among social service organizations. This phenomenon was discussed by one advocate:

> Nonprofit groups were caught in this dilemma of increasing demand and need for their service without the resources. And because of the political culture and the unbalanced relationship they had with the government, the vast majority of them did not speak out and just accepted the increased demands. And it goes back to that mentality, the charity mentality, that 'okay well, we'll just make due, we'll just keep stretching!'

v. Economic Conditions

A final trend affecting the nonprofit and voluntary sector relates to ***changing economic conditions*** in Alberta. During the boom period, social service organizations had difficulties recruiting staff members due to higher earning work opportunities that were available in other areas of the labour market. Organizations also had difficulties keeping up with inflation and paying for rising

operational costs. Financial crisis during the economic recession caused more people to rely on social assistance offered by the nonprofit and voluntary sector. Organizations struggled to meet increasing demand for service while also adjusting to decreased funds from donors, as well as unchanged or reduced funding levels from the provincial government. During this time, many nonprofit and voluntary organizations exhausted their saving reserves in their efforts to adapt to changing economic conditions. One participant stated:

> I've heard from some people that there's still fear that even if the financial crisis doesn't come back that 2011 will be even worse than 2010 because some organizations had reserves or other ways to get through this current years, but that will all be exhausted by 2011.

d. Challenges in the Social Service Nonprofit and Voluntary Sector

In addition to outlining the key trends in and environmental conditions experienced by the nonprofit and voluntary sector in Alberta, advocates also identified various challenges faced by social service organizations. The central challenges experienced by organizations concern funding, staff recruitment and retention, organizational responses to client needs, and internal efforts to mitigate and respond to strain.

i. Funding Challenges

In each interview, advocates made reference to ***funding challenges*** experienced by social serving organizations. One advocate commented that "financial resources are tight for everybody. So that limits what organizations can do." Another advocate observed that "either there's no increase in funding for years and years on end, or sometimes even there is a decrease. And at the same time,

the costs [of] rent and utilities and stuff are going up." Funding from the government rarely reflects changes in inflation. According to a few advocates, government contracts have become more rigid and less accessible over time. Contract agreements also prevent organizations from building up contingency funds or engaging in effective long term planning. An alternative option for developing savings reserves is through fundraising. One advocate asserted his opinion on fundraising efforts:

> I've met more and more organizations who have said, 'you know, we're doing the government's work.' And what happens is, they have to fundraise, they have to hold bake sales to provide services that should be basic in our society.

Advocates noted that organizations can lose sight of their missions if they spend too much time chasing funding opportunities. A participant explained:

> The concern that many groups struggle with sometimes is following the money. So the government comes out saying, 'we've got a need here and we'll sign contracts or we'll provide grants if you do this.' So then they [nonprofits] kind of go, 'well, that's not part of our mandate, but we could get some money and that will help us with our other stuff.' So, some organizations go down that road and then find years later that they're so stretched out doing other things that are outside of their mandate that they lost their focus.

Two advocates noted that mission shift is particularly problematic for small scale organizations that are more likely to need immediate funds to support their administrative, or 'back room' work. For many organizations, demonstrating creativity and innovation in programming is one strategy for attracting funders. However, this can become a continuous cycle of program change that may not generate stable revenue streams. As one advocate suggested, "if you're not the flavour of the month, then you're not going to get funded." In sum, funding challenges ultimately affect the

sustainability and long term strategizing efforts of social service organizations. This overarching problem is manifested in staffing problems, client experiences and organizational efforts to mitigate strain.

ii. Staff Recruitment and Retention

Most participants in the study discussed problems with ***staff recruitment and retention*** in social service nonprofit organizations. They highlighted that staff wages and benefits tend to be inadequate. As one advocate noted,

> you've got older people who have been there twenty-five to thirty-five years in the same position. They have no pension plan or very little pension coverage, and therefore, they have to stay on. They have no option other than to keep working.

Social service, nonprofit and voluntary organizations are known for having limited earning potential and subpar employee benefits. This discourages skilled and qualified people from getting involved in sector work. As one participant explained, "it is hugely challenging to recruit and select the skilled people, to train and orient them, and then you can only hold onto them for a year or two years."

Insufficient staff wages and benefits also have direct consequences for staff turnover rates. One participant suggested that "we should have nonprofits charging a transfer fee so every time anyone is being trained and they go to government; governments have to reimburse the not-for-profit for their efforts." In many cases, workers leave the nonprofit and voluntary sector to pursue more lucrative earning opportunities:

> [Nonprofit and voluntary organizations] are often not able to pay as much as government or for-profit companies. It's very often that we have staff who come to us, they get all the training they need to move onto those other jobs and they go, because we are just not able to offer wages, [which] is one thing, but benefits is another.

Staff turnover can be detrimental to organizational quality of service and institutional memory. One advocate explained:

> Imagine you're running a mid-size organization with 500 staff and you have to hire 200 people every year. So your HR department alone has to be huge just to be able to do that! But then what happens to the quality of services when 40% of the people have not even worked for your organization for a year?

According to a few participants, staff overload and burnout are linked with high rates of turnover. Given that organizations tend to be under resourced, staff members "are asked to become masters in many, many different areas." Particularly at the administrative level,

> not only do you have to attend to the mission of the organization, organizing volunteers and staff and all of the things around labour relations and employment standards, but you also have to know about accounting, you have to know about charitable law, etc., etc. And many people in those circumstances are working phenomenal hours every week, week after week, and often don't take vacations. And we burn people out. It's ridiculous.

While participants argued for improved wages and benefits for staff, they also recognized certain barriers that prevent organizations from addressing this need. Contract agreements, for instance, do not allow organizations to negotiate employment conditions:

> That's what a lot of these agencies are forced to pay because of the contracts they sign with government and they don't have any bargaining power with government to say, 'no, we need to pay our staff more.'

Improving staff wage and benefits can be detrimental to certain program areas, such as the amount of individuals the organization can serve:

> Some of the agencies feel, I would suggest, caught between the government and what they know they need to be providing for their employees, because it would mean having to reduce the amount of people that they're serving if they're going to be paying to their staff more, and so less staff.

Despite these barriers to improved working conditions, one participant was optimistic about future wages and benefits in the social service sector:

> We're not paid that decent but we're approaching that. There's no reason why we shouldn't be able to do that so if you want good people, strong people, you've gotta paying for it. And we're good at we do here.

iii. Responding to Client Needs

The advocates who participated in the study identified ***organizational response to client needs*** as another challenging area in social service work. Advocates noted that organizations serve diverse range of groups and individuals that have changing and complex issues. According to one participant, organizations have to "cut corners [because] they've got more clients, and they're trying to find ways to deal with that number." In some cases, organizations will say "we are not seeing any more clients, we might be seeing a few more, but their complexity is greater."

iv. Organizational Efforts to Reduce Strain

Participants in the study identified ***organizational response to strain*** as another challenging area in social service work. Organizations are continuously making adjustment in their day to day operations. Advocates outlined a few strategies social service organizations use to mitigate external pressures. A few participants commented,

> if there's a better way to do your business, you want to find that. And I think most nonprofits are changing all the time. Sometimes its external pressures, sometimes it's from within; in other words, their own staff and management seeing better ways to do things, and so reorganizing themselves accordingly.

> Certainly there are a number of organizations through all these troubles, whether the early nineties or 2008, they've been growing and thriving, so most of them have reorganized and changed; that happens all the time in all sorts of well functioning organizations, but I think many businesses have found that restructuring is not some magic solution.

Participants discussed three main areas where organizations make internal adjustments: tightening the budget; narrowing the mission; and collaborating with other agencies. Organizations are trying to run their programs in more cost effective ways. In some cases, this has resulted in staff layoffs or choices to leave vacant positions unfilled. According to an advocate,

> nonprofits have responded by trying to find more cost effective program delivery models, which is difficult because most nonprofit, social service work is very labour intensive and labour costs are anywhere between 75-90% of one's budget.

Social service organizations have also narrowed the scope of their programs and services based on their contract agreements. For instance, organizations are "doing only precisely what they are paid to do. And any additional programming that is not covered by, say their contract with the government, they can't afford to do it anymore."

Finally, organizations have made internal adjustments by collaborating with other agencies working in similar fields. One advocated commented that,

> definitely there is more collaboration [among nonprofit and voluntary organizations]. We certainly belong to a number of committees [and] initiatives that are looking at ways that we can align our services and work better together and so on. So that's a good thing.

According to a few participants, ***collaboration*** is encouraged by for-profit and government funders, because it demonstrates organizational resourcefulness and efficiency. While collaboration can be beneficial, establishing such initiatives tends to require a tremendous amount of time and resources from participating organizations. A few interviewees explain:

> We've got a lot of really great ideas out there, but just no time to implement them and the sustainability of them can be frustrating too.

> I have yet to see somebody put rubber to pavement, you know? There is just no long term plan and there is really no long term implementation of those ideas. So what ends up happening is that you waste a lot of time.

> You have to go to meetings, and if you have an actual partnership then you have to negotiate who is going to get what money for what, and it's quite a process. It takes a lot of diplomacy!

> [Collaboration is] something we believe in, but you only have so many hours in a day so, you're spending money on collaboration, then coming back to the office, you have to have time to do your office work. It can get very pressurized.

Collaboration does not necessarily make organizations more financially efficient. In the words of one participant,

> [there is] some reality to collaboration as a way of improving efficiency; although, for the most part, collaboration doesn't save money. It certainly can improve service. But as a panacea for saving significant amounts of money, I think that's rarely there.

e. Conclusion

The advocate participants in the study identified a range of macro environmental conditions and organizational challenges of social service organizations in the nonprofit and voluntary sector. In the following chapter, the micro experiences of two youth-serving organizations are closely examined. Agency participants shared their perspectives on challenges in their organizations and commented about the impact of sector trends on their work.

CHAPTER SIX: YOUTH-SERVING NONPROFIT AND VOLUNTARY ORGANIZATIONS: COMPARING TWO CASES

a. Introduction

This chapter presents research findings that emerged from interviews with KITH and the YESS staff members. The opportunity to explore two youth-serving agencies in an in-depth way provided important insight about the ways in which organizations experience and respond to conditions in the broader environment. Interviews with youth agency workers highlighted interactions between external and internal environmental factors in each organization. External factors refer to conditions that exist outside of the organizational structures and exert some influence on the inner workings of an agency. In my coding analysis, I consider funders, the government, and community actors to be external factors of an institutional environment. Internal factors refer to the behavioural and decision-making processes that are embedded in everyday organizational operations that, to some degree, also influence the external environment of organizations. A few examples of internal factors include organizational culture, advocacy efforts and funding structure of an institution.

In the following sections, I describe the institutional environment of each organization in terms of external and internal factors and discuss the unique challenges and organizational responses of KITH and the YESS. The chapter concludes by relaying participants' thoughts about the hopes and goals of KITH and YESS staff members about future service delivery and organizational change.

b. Kids in the Hall Bistro, E4C

i. The Institutional Environment of KITH

To understand the institutional environment of the Kids in the Hall Bistro, I interviewed individuals who work in the KITH program and in other areas of E4C. My interview questions were comparable to those asked of the advocates. I wanted to learn about the nature of operating a social enterprise nonprofit organization and the kind of organizational environment it creates. In the coding analysis phase of the research, I discovered internal and external factors that contribute to the institutional environment of KITH. Internal factors included the culture, mission focus, and businesses practices of KITH. External factors included the institutional environment of E4C, funder influence, and public perceptions of the bistro program.

Insight about the internal institutional environment of KITH emerged through participant accounts about the culture and mission focus of KITH, as well as the business and social enterprise aspects of the program. The ***culture of KITH*** centers on at-risk youth populations that access the program. According to participants, youth are the primary focus of the bistro. As one administrator commented, "this is what we're about. We're about youth at-risk. If we're not serving that population effectively, there is no reason for us to exist." Over time, KITH has made various organizational adjustments to better meet the needs of youth:

> One reason why our program has changed so much is just trying to meet the needs of youth. We're always talking about youth and what works for them, what doesn't work for them- that's where the schooling and workshops came from.

When the program was first established, youth would come to the bistro to work a shift and attend a personal development or educational workshop. Over the years, KITH has shifted toward more one-to-one interaction with youth, where each meeting is seen as an opportunity to build a relationship and offer interventions. When a youth comes to the program for assistance, staff members assess his/her readiness to take part in the job training aspect of the program, as well offer the youth access to workshops and other supports. Program management has also implemented new ways of keeping youth engaged in the program:

> [We] tried all sorts of different ways to bait them. Historically, we guarantee them 60 hours but usually they show for an average of 42-43 hours. We've tried all different kinds of incentives, bonuses, pay increases. ... We've expanded business so there are more opportunities to work extra hours as well.

Participants emphasized the ***importance of mission at KITH*** and its role in guiding the social enterprise aspect of the program:

> You have to work within a framework and make sure that what you're doing fits in with the mandate.

> We used to see this as a program that had a bistro on the side of it that provided a work experience place, now we see ourselves as a social enterprise that has a mission and we take it from that angle.

> The social enterprise is really about its measure and its contribution to the goals of the agency, falling within the values of the agency, just like a business.

> The only time we would change our mission and goals is if the population that we're serving required us to change it. Yeah, so our only purpose is to work with at-risk youth and everything else kind of allows us to do that.

The youth-centred mission of the program is evidenced in the ways that staff members treat and perceive the youth in the program. Youth experiences and opportunities in the bistro differ dramatically from employees who work elsewhere in the food service industry. Two participants elaborate:

> The way we run social enterprise allows youth to work in an ideal environment, so they can work on their communication skills and their other issues.

> These kids aren't regular employees and when you start pushing them too hard, that's when they drop off the face of the earth, [and] they don't get the attention that they need.

> The difference between us and them is that if you react poorly to stress, you still have a job.

The social enterprise or ***business side of KITH*** allows the program extra financial flexibility in its day to day operations. According to participants, the revenue earned from the bistro helps to fill funding gaps that occur when contracts are not renewed on time. KITH also brings in additional revenue through fundraising. Every year the program hosts an annual gala dinner. Each year, this event raises approximately $80,000 – $100,000. Income from the business and fundraising efforts enables program staff to make timely financial decisions, particularly when the program needs to purchase extra bus tickets, hire short term staff for catering, or bring more youth into the program.

Participants indicated that KITH must operate more leanly and efficiently compared to other restaurants in the service industry because it draws largely from public funds and donated money. Program staff members continuously monitor spending and look for ways to cut costs. Participants commented:

> I know how much that tomato's costing and how much that slice is costing on that particular burger. So I know that our food costs are accurate and I know if someone comes up and says, 'oh, we're going to charge $8.50 for the special', I'll know that I can't do that.

> [On] Monday mornings we used to order our food from suppliers. Well it's very expensive by the time you deliver it and get the bill. Well, we can save 20% by going out Monday mornings [spending] two hours buying food for the week.

The institutional environment of KITH is further influenced by external factors, such as E4C, program funders, and public opinion. While ***the influence of E4C*** on the daily operations of KITH is relatively minimal, the institutional environment of the bistro is closely connected to that of the larger organization. KITH disburses 10% of its annual budget to E4C in exchange for payroll and accounting services. When necessary, E4C covers the deficit of KITH and provides additional funding for staff wages or unexpected costs. Aside from these ties, KITH is entirely maintained and operated by program staff.

While the social enterprise framework sets KITH apart from most other E4C programs, all services follow the same broad mission and developmental process. In the words of one participant, the mission of E4C "basically talks about enhancing people's wellness and their well being, and

performing activities with social benefit." Additionally, all E4C programs address issues related to poverty and develop out of changing community needs. Another participant explained how programs are typically established:

> What has happened over time is that as communities identify issues, E4C would often say, 'okay, this is maybe part of our community' or 'maybe there is some intersection with our community' or 'we can certainly see the benefit of this.' And then we would become involved, not necessarily to do anything but become involved, have a voice, and lend our experience. And over time what kind of happened with that process is there are a number of grass roots responses or developments that turn into formalized programs.

Not all E4C programs are based on a social enterprise model of service delivery; however, business practices that emphasize efficiency and transparency are employed across the organization. In the words of one E4C administrator, "business practices have to be sound, current business practices. They exist to make it possible for people to do their work in terms of primary mission." In other words, E4C's mission is inextricably linked with business practice. The organization continuously engages with stakeholders, such as community members, funders, and staff members, not only to demonstrate transparency, but also to identify and address population needs without duplicating effort within the organization. Another interviewee from E4C adds that "we know the players, we know the people that do the funding and we have a reputation we've earned over forty years of playing fair and playing nice, but that doesn't mean that we're not business-like."

E4C is well connected with inner-city communities, the general public, and other nonprofit and voluntary organizations. The organization has been involved in various collaborations, such as the

Breakfast for Learning Alberta Council, the Inner City Inter-Agency Youth Foundation, and various governmental department joint initiatives. E4C also engages with the external environment by staying informed about the current trends in the sector and advocating on behalf of the groups that are served by its various programs. According to a few participants, E4C has earned a reputation of expertise and trust in Edmonton's nonprofit and voluntary sector:

> E4C is well known for doing the work that nobody else wants to do, it's risky to do and really hard to do. You know, because it's not sexy, because you can't make a profit out of this.

> Over the years we have developed tremendous expertise relative to auditing standards and legislation

> E4C has become involved with and put in a position of trust by groups, and then usually there is some type of institutional or organizational strength and assets that would let the organization end up in a service provision or a program administration role.

> This is one of Alberta's largest and certainly most diverse charities that I know of in the western world. [E4C] employs educators, healthcare people, childcare people, social workers, child and youth care workers, and mental health workers.

Although KITH is an independently functioning program, it is important to note that it is situated in a wider network of relations with E4C. KITH is backed by E4C's positive reputation in the community, as well as its guidance on matters of administration, business practice, and partnership development.

The institutional environment of KITH is also externally influenced by ***program funders***. According to participants, the social enterprise aspect of the bistro helps to attract funders. As one individual suggested, "some funders like us because we do support ourselves. We're not just saying, 'we're doing good, help us, give us money.' We actually do some of our own fundraising just through the business and that's attractive to business people." Funders also appreciate KITH because it is a flexible option for corporate giving. KITH partners with many funders, which helps to create a financial buffer when one partner cuts or reduces its funding.

Funding conditions and reporting requirements at KITH tend to be straightforward and non-labour intensive. Funders are more interested to know about the general success of the program and whether youth are benefiting from its interventions. As one participant indicated, fewer funding requirements and expectations allow program staff to quickly react to youth needs and implement program changes without having to go through multiple levels of approval by funders. Another staff member added that asking for smaller amounts of funding also mitigates the need for more advanced and rigorous reporting procedures: "We tend to keep it under $60,000. That seems to be our magic number and they don't bug us. We send in our monthly reports, you know, we get the criteria that they want and they're happy."

KITH also manages its revenue by maintaining an open and transparent relationship with funders. In times of financial difficulty or when the program is not fully meeting its goals, bistro staff members communicate these challenges to funders. Funders provide program staff long-term notice concerning upcoming changes in funding amounts and contract renewals. While KITH has a fairly amicable relationship with funders, participants agree that funders increasingly expect the

bistro to do more with fewer dollars. In the words of one staff member, “they constantly want more bang for their buck.”

Participants agreed that ***public perception*** and connectedness to the bistro program are integral to the sustainability and ongoing business success of KITH. In its fifteen years of operation, KITH has become well known and supported not only by customers, donors and community members, but also by other business employers who hire youth from the program. KITH also values customer feedback and criticism of the restaurant business. A participant noted that, “sometimes they don’t like our food or people don’t like the coffee we serve now, or other people do like it. So they’re giving us feedback that way.”

ii. Environmental Challenges and Experiences of KITH

KITH participants identified a range of organizational challenges relating to funding, balancing business and program needs, and responding to organizational strain. Participants indicated that ***funding challenges*** place pressure on the bistro to continuously innovate or modify programming in order to attract more funders. One participant explained, “because we’re not new, they don’t want to fund us” and “we’re constantly innovating, even if we don’t need to innovate, we have to innovate. We call [someone] a youth worker one minute, a case manager the next minute, and an outreach worker – it’s all the same.” One consequence of this funding regime is that “nobody wants to fund the wages, nobody wants to fund what [the program is] doing now.” KITH participants stated that it has become increasingly difficult to come by multi-year commitments from funders, which adds to rising organizational stress from one year to the next.

Fewer youth can be admitted to the bistro program when funding is low. Participants suggested that,

> we could probably run three Bistros right now. We have that many youth that want in, but we just don't have the dollars to bring them in. And we can't bring in a lot of youth because then they're just standing around and not doing anything.
>
> You have to be careful. I could bring in double the youth this year but that means we probably won't be around next year.

Limited funds have direct implications for staffing conditions at KITH. In the words of one staff member,

> we're kind of running bare bones. It would be great to have an additional youth worker in here, but it's just not in the budget right now. It would be great to pay people more money, but that's not in the budget right now. You know, you're always told we can pay what we want, but then we have to go out and raise the money.

Having fewer staff also limits the degree of support the bistro can offer at-risk youth:

> You see [youth] that are here, they go to our outreach school and stuff like that, you know if you had the time or resources, like one more person, you could probably help that youth do more than what they're doing right now. They just come here because they're comfortable and they try to do their schooling, but really they need some more assistance so they can get some really good direction. And that's hard to do.

Minimal staff support at the bistro causes strain for existing staff members and youth working in the program. Program staff members consistently work overtime hours to keep the restaurant running, especially when youth employees are absent. Youth also experience stress when the bistro is busy or under-staffed. As one participant explained, "these kids aren't regular employees

and when you start pushing them to hard, that's when they drop off the face of the earth, [and] they don't get the attention that they need. So that's a big challenge is how much business do we do to the point where it won't affect our youth."

In cases such as this, ***balancing business and program needs*** becomes a major challenge for program staff. One participant exclaimed, "we could go like a bat out of hell with business", but this would likely have negative consequences for the learning and experiences of youth in the program. Another participant commented:

> Last year we wanted to get big and bad and get busy, [but] then you learn things as you go. You learn the pressures. We thought we could do this much business and it wouldn't really affect youth, but in reality it does because it doesn't always work the way you want it to.

Program staff members continuously face business, fundraising, and program demands:

> One of the challenges of running something like this is we're responsible for the business and the business means that we're involved more directly in the day to day operations than we ever were before just to make sure it's running like it should. And, you know, looking at projections and business plans. So we have to do all that. Then there's all the fundraising side that we're responsible for. We can't rely on anybody else, so we have to do all that. Then there is a program side as well that we are responsible for and making sure that while we're doing the other two things, our program is still meeting the needs of its clients.

Efforts to maintain all aspects of the bistro can become complicated and stressful when funding is limited or unpredictable. However, KITH has experienced funding pressures since it was

established in the mid-1990s. According to one participant, KITH "wasn't always seen as financially viable" and faced multiple crises during its earlier years. Over time, program administrators began to engage in more effective long term planning. As one participant explained,

> now we look at trying to be more proactive, like keeping a positive relationship with our funders and knowing where they're coming from and what's going to be happening in the future with them and trying to look at the business and the social enterprise as a resource to make money.

Overtime, the program has ***responded to funding pressure*** in a variety of ways. For instance, Individuals working at the bistro try to think creatively about reducing costs and operating more efficiently.

> A big thing also with running bare bones is we tend to do stuff that we never did before.
>
> We get fairly innovative within the program and we're having people cross-train. So everyone is helping out, it doesn't matter who you are; whether you're in catering or you wash dishes. It's not going to be your primary area of responsibility, but if you need to step in, you can step in.
>
> We tried to focus our catering more in the downtown core so that we're not driving all over the place. We did things like switch to disposables, so that one person can now do deliveries versus two people doing the deliveries. So those types of efficiencies are what we've concentrated on and for this year it's worked quite well.

Having described the institutional environment and organizational challenges of KITH, I turn now to a discussion of YESS's experiences in these areas.

c. The Edmonton Youth Emergency Shelter Society

i. The Institutional Environment of the YESS

Key themes about the institutional environment of the YESS are comparable to those that emerged in the coding analysis of KITH. The internal factors of the institutional environment of the YESS include organizational culture, commitment to mission and values, staff cohesiveness, volunteerism, and funding structure, while external factors relate to relationships with funders and donors of the organization.

The ***culture of the YESS*** is primarily focused on homeless and at-risk youth who contact the program. According to participants, a major strength of the YESS is the continuum of service that it offers to youth regardless of whether they have child welfare status. As one administrator commented,

> we have such a wide range of programs that we can take in a kid no matter where they are in their journey toward independence. ... There isn't a kid that would come to our door that we wouldn't be able to offer some appropriate assistance to.

Various staff members highlighted the importance of monitoring and responding to trends in youth populations by making timely and appropriate adjustments to programs and services. One staff member articulated,

> I think we do a really good job of listening to the kids. What I think as a professional who has never been homeless and what I think a homeless kid needs may be very far from what the youth themselves feel that they need. So I mean in the last six years alone, in

> 2004 YESS totally restructured its programs and renovated its buildings to meet the needs of the kids because we felt we could do the good work we were doing even better.

Monitoring demographic shifts and changing youth needs begins with frontline workers who observe and work with individuals on a daily basis. The YESS also carries out more formalized ways of tracking information through bi-weekly staff meetings and asking for youth feedback in annual and quarterly service evaluation surveys.

A recent example of organizational response to youth needs was the opening of the Armoury Youth Centre (AYC) in 2009. Program staff members determined that youth who were not employed or attending school during the day would often go to environments that increased their risk for harm or negative behaviour. Administrators researched existing youth centres and then leased and renovated an older building that would provide structured day time programming for youth.

The YESS has also adapted to changing youth needs by creating and filling specialized staff positions. A cultural diversity advocate position was developed to help immigrant and refugee youth adjust to a new culture while retaining healthy aspects of their native background. The YESS also created an intervention services worker to counsel youth with mental health problems and connect them other mental health supports outside of the organization. Finally, the YESS hired an outreach community liaison coordinator to visit schools and provide educational presentations on healthy lifestyle choices.

The youth-centred culture of the YESS is apparent in staff relationships with program users. Staff members discussed their high degree of involvement in the lives of YESS youth. A few administrators commented, “Our staff are great in terms of saying, ‘alright, what are the

developmental needs of this young person? Which programs wouldn't be good for them? Which programs would be good for them?" and "Our staff are the ones that attend the parent teacher meetings, the ones that attend the grads." While staff member are closely attuned to youth in YESS programs, they also set out clear boundaries and rules for youth in YESS programs. In the words of one staff member,

> the difference in our culture is that we have a culture of accountability; we will deny services to a kid if we feel that their behaviour is really antisocial or if they're not willing to abide by the rules that we set out. We have different levels of rules for our different levels of programming.

Another major theme that emerged in interviews with YESS participants concerns ***organizational commitment to mission, values, and goals.*** Participants articulated that the mission, values, and goals at the YESS are the guiding principles of their work. One staff person commented,

> our mission is very clear. And every single person who works for YESS works for the right reasons. It's not because they pay us a lot of money, it's because we're here for the kids and believe in what the agency does.

> Our mission is so much who we are that I can't really imagine that we would ever compromise it. It's also pretty broad. And it kind of is the hill that we would die on. This is what we do and we know how to do it.

> I think [the values] are generally fairly strong because those are the kind of people that are involved with YESS. They believe in the mission and values, those pieces are why they are there.
>
> We are operating within the parameters of agency policy and particularly living our YESS values and meeting the objectives and goals of the agency and of the program.

A participant stated that one of the core values, which states "we are YESS", highlights the fact that program administration, management, and frontline staff are continuously working together as a team. The participant added that, "we recognize that every single staff here has a critical role." This comment fit in with ***staff dedication and cohesiveness,*** another major theme about the internal institutional environment of the YESS. One administrator noted, "we've got very strong management in terms of our opportunities department, our facilities department, our client services department." One of the challenges associated with maintaining a tightly-knit team is a maintaining connection among programs in separate locations. Individuals at the YESS build strong staff relationships by organizing annual staff and volunteer events, as well as by holding regular staff meetings. Staff members also take part in shadow shifts by visiting other departments and learning about the roles and responsibilities of other employees. The YESS also recognizes staff efforts through 'gung-ho' accolades. The gung-ho system at the YESS is based on Aboriginal philosophy about team work and meeting goals. A participant explained, "we do things like gung-ho each other in the staff newsletter every month. ... It shows that we all work together here and really try to create a team atmosphere."

Volunteerism was another key theme that figured strongly in the internal institutional environment of the YESS. The YESS attracts a range of individuals from the community, including

seniors, students, and mandatory community service volunteers. Recruiting volunteers is a non-issue for the YESS. In the words of one staff member,

> we don't necessarily have to recruit. Our name and our brand seems to be so well known in the community, we're one of the first places that people seem to look for volunteer opportunities, so we're very lucky that way.

Volunteers are found in multiple areas of the YESS. The YESS board of directors consists of volunteers who make decisions about organizational change, policy, and hiring. The board also oversees budget and cash-flow issues and concentrates on improving the sustainability and long-term planning of the YESS. Volunteers also assist in various fundraising events throughout the year. A participant explained, "most of our event revenue could not happen without volunteer support. They are the labour; they are the staff of those events." Individuals also volunteer in youth support roles. Volunteers share their skills and abilities with youth in different program areas. At AYC, for example, volunteers provide tutoring services and teach workshops on cooking, dance, yoga, art, and cosmetology. Before helping at fundraisers or interacting with youth, all volunteers complete a rigorous screening and training process. Volunteer education is important because it orients individuals to the culture of the organization and familiarizes them with its policies, and procedures, as well as the mission, values and goals at the YESS. Their contributions to the YESS are vital for the overall functioning of the organization. Another staff member stated, "we have an abundance of volunteers. They are so valuable to us and make our jobs easier, right? They enrich the lives of the kids. They are such a valuable service to us."

The ***funding structure of YESS*** marks another important area of the internal institutional environment of this organization. The funding structure of the YESS is unique from other social-

service organizations because it does not heavily rely on a single source of income. As noted in the previous chapter, over half of the organization's annual budget is generated through fundraising efforts. This affords the YESS some freedom in terms of operational flexibility and the ability restructure as needed. One participant commented that "other agencies are very nervous about government money drying up and disappearing. We don't worry as much about that because we don't rely on it all that heavily." Another participant added,

> it lets us have some flexibility in our programming so that we can respond to what the trends are out there and actually meet the needs of the kids we see rather than waiting for a contract to expire and renew it.

One consequence of having a more diversified revenue stream is that there is an increased need for money from funders and donors. Program management and the funds opportunities department continuously pursue new income sources to meet the budget requirements of the organization. The YESS is currently looking into the possibility of developing a social enterprise component to the organization. Ongoing searching for funds has, in part, contributed to the creative character of the YESS. One participant stated,

> we are a really innovative organization. I would say with confidence we are one of the most innovative organizations in the province. ... We're just so ahead of the game all the time. We have a really creative and forward thinking management team who can see things long before anyone can envision it or think about it. We're often head and shoulders above everybody else because we're always looking for ways to improve and maintain the things that we do really well.

Funders and donors of the YESS were important external factors in each organization's institutional environment. Staff members who are responsible for funds development at the YESS look for ways to create positive ***relationships with funders and donors***. Participants in the study mentioned a various funding strategies used to build connections with the supporters of the YESS in order to garner more funding. One strategy is to align the goals of the YESS with those of the business community. For instance,

> we are looking at sponsorship in a whole new way, it's no longer getting money from the company, it's more looking at the company and saying, how can we help you, so it really is a two way thing. And companies are getting a lot from advertising in the way of advertising that they are socially responsible.

> We're realizing that the brand of YESS is so strong in the community that we're at a point that instead of saying, 'wow, you wrote us a cheque for $500, thank you, thank you, thank you, thank you'. We still mean that, but we're also turning around and looking at an organization like Canadian Western Bank and saying, 'it does you good to be allied with YESS. So we need to talk sponsorship where you're providing us with a significant amount of money and we are helping you with your marketing objectives and reaching the customer base that you want to reach.' So it's a bit of a mind shift from putting on a dinner and worrying about centre pieces to thinking about what are the marketing objectives of Enbridge, for instance.

A second funds development strategy is growing existing relationships with funders and donors. One staff member suggested, "it's about building relationships so a) people feel a sense of

commitment to YESS, and b) they feel like that commitment translates into making a difference." Another participant states,

> Rather than looking for a new $20 donor every month, you take your $20 a month donor and nurture them along until they become a $30 a month donor, or they become a $20 a month donor who volunteers one night a week. Or they become a donor who also attends our events.

Sharing client stories in newsletters or at events also fosters stronger connections between the YESS and its funders. A few participants discussed the impact of client stories on donors:

> [Client stories are] what interests people and gets at their heart strings and how they become inclined to donate. It's meeting these kids, seeing them on stage giving a speech, sharing their story. It really impacts donors.

> Client stories just speak for themselves. They make an impact because people will do a lot and they want to help out, but the problem is it can be so vague. So when we have those opportunities to get contacts in front of an actual client, people can just relate to that. I think it's motivating.

As a final strategy for increasing donations, the YESS engages with the general public by being active and visible in the community. YESS staff and youth have volunteered at local city events, as well as participated in community clean-up efforts, such as the 'adopt a block program' and 'graffiti wipe-out'. According to participants, these efforts enhance the reputation of YESS in the public eye. This suggests to people that "YESS isn't trying to hide these kids or help them not be accountable, YESS is actually trying to make these kids part of the community. So people buy into that." The

visibility of YESS in the community relays a positive message about youth as productive and involved in the betterment of community. Participants suggested that this also has the potential to reverse negative perceptions about the organization and the youth it serves.

ii. Environmental Challenges and Experiences of the YESS

Individuals at the YESS experience a number of challenges in their day to day work. Four main areas of organizational pressure came up in my interviews with program staff and administrators, including general funding challenges, staff recruitment and retention, responding to youth needs, and managing organizational change.

Funding challenges at YESS were particularly dire during the 2008-2010 years, because of the downturned economy. During the recession period, the YESS lost investment income and received fewer donations from individuals and businesses. One participant indicated that the YESS was particularly affected by the economic recession, given that over half of its annual operating costs are covered by individual donations. When donation amounts decline,

> it's a pretty major blow to us if people simply don't have the money or are concerned about letting getting of their money. [This] has a direct impact on us and our ability to raise funds and the type of care we give our kids. The reality is that if you don't have dollars available for the kids, maybe you can't send them on as many recs[7].

Participants also indicated that while the economy appears to be recovering, donations to nonprofit and voluntary organizations tend to "lag about six to eight months behind, because people need to feel confident and comfortable before they start to donate again."

[7] 'Recs' refer to staff organized off-site recreational activities for youth.

Other factors, such as the 2009 AYC (Armoury Youth Centre) program expansion, also contributed to funding problems at the YESS. As one participant explained, "we started to expand our program before the recession hit and then we were caught in a position where we [couldn't] go back. You can't un-make spaghetti, right?" Individuals noted that funding grants are inconsistent and increasingly difficult to acquire. The funding opportunities department at the YESS faces a constant demand to bring in more income. Another individual suggested that constantly having to chase money "causes burnout in our opportunities department and our administrative department" and "it gets pretty frustrating to go out and try and get money and not get money and not meet your goals. And who wants to always be failing?"

Participants expressed worry and apprehension about funding problems of the YESS. In a 2009 interview, an administrator of the YESS commented, "we were operating on a shoestring budget. Now I say we are operating on a thread budget." In interviews with other staff members in 2010, individuals stated that while the funding situation has improved slightly,

> it would be naive to think, 'oh good, the recession's over and things will be cool again.' I'm less scared now than I was last year. Last year we were looking at possibly closing programs. Right now we're not having those discussions.

One participant noted that "in the last four or five years, we're one of the very few organizations who have opened up programs despite economic downturn, we haven't had to close any programs or scale back in terms of programming."

Most participants stated that youth clients were largely unaffected by the overall funding challenges at the YESS, because the impact was diverted to other areas of the organization. Empty staff positions have remained unfilled in order to keep wage costs low. Consequently, staff

members have taken on additional roles and responsibilities to maintain operations. A participant commented that this is what generally "happens in nonprofits. People step up in a higher role without getting paid more." Certain benefits and supports, such as raises, team building retreats, and Christmas gifts for staff, have also been put on hold while the organization recovers from financially difficult times. An administrator stated that

> we've had a number of our staff actually homeless and still come to work every day and trying to get back on their feet as well. Lots of our staff have kids and we would try to do something for the kids from time to time. We've cut that out. You know, a lot of single parents work for us. So really it's the staff that we've cut a lot of these for at the same time putting a lot more pressure on them.

Diverting the impact of stretched funds onto staff influences ***staff recruitment and retention,*** another major organizational challenge at the YESS. All YESS participants provided important insight about this issue. In the past few years, the YESS has seen "phenomenal turnover. So it seems like all you're doing is recruiting, hiring, training, and starting over again." Most participants argued that limited funding prevents the YESS from offering high enough wages that would attract more qualified, long-term staff. Staff shortages tend to cause strain and burnout among existing staff members. One staff member commented on this ongoing problem:

> The manpower and the time that goes into [it] right from the start: advertisement, recruiting, interviewing, it is so time consuming. It's just eating up massive and massive amounts of time. It costs us massive and massive amounts of money to do that. We have a lot of vacant positions in all of the programs. All the programs are running without a full staff team. There is not one team in the agency that is running at a full compliment.

> [Staff shortage] puts stress on the existing team. Someone needs to work those shifts. The kids aren't going anywhere. So the people are already working fulltime need to come up with ways to cover those vacancies. ... They will make it happen. They will show up and work longer days, work more days during the week to make sure the kids' needs are met and the shifts are covered, but at what cost? At the end of the day you are left with staff who are being burnt out because they are doing double duty. That's not a good thing.

Staff shortage and burnout have implications for program quality and the experience of youth who rely on YESS services. The YESS "works with high risk kids with high risk behaviours. They have lots of needs and [require] lots of attention." One administrator explained that "when tension starts to rise, your frustration rises unfortunately, [and] it's possible to interact with people in a way that's not very helpful, positive, or professional. It happens when people are tired."

A third major challenge at the YESS concerns ***responding to youth needs.*** In the words of one participant,

> we change with the times and we change with the trends. So that is another kind of challenge. You always have to be changing to stay current and stay on top of what the kids' needs are and what the staff's needs are, the community's needs are, [and] your funders' needs.

This becomes particularly difficult when the organization experiences financial problems and chronic staff shortage. In the words of one staff member, turnover "prevents your ability to go to the next level in terms of programming and support to the kids." This participant emphasized the importance of having a cohesive and standardized approach toward helping youth. Staff turnover inevitably disrupts this process.

Responding to youth needs is further complicated when YESS staff members interact with other in social service institutional. In the following quotes, participants articulated that there is a severe lack of financial and mental health supports available to youth:

> Sometimes it's hard for [youth] to get the services they are entitled to, especially when they are 16 or 17 years old. It is really hard to get them on child social services at that point. Especially if they don't have a written history with them, it's hard to get them on.

> What you hear is that they're kind of in the middle of nowhere. They're almost adults, they're not quite youth. A lot of times it comes down to money.

> We have a high number of kids in the organization right now dealing with mental health and [this is] often combined with addictions. So in terms of client challenges, that is probably the biggest thing we're dealing with right now is trying to manage it, because they are not mutually exclusive. When there is one there's a good chance there's the other. The supports in the community just aren't there.

Participants discussed the challenges of acquiring external supports for youth:

> [There are] a lot of youth that should be on Children's Services and are not. And the ones that are, sometimes you have to really fight for them to help them get [assistance].

> Youth resources for mental health are just so limited. It's hard to get assessments done or set up counselling. Even working with Children's Services it's often difficult to get those things in place.

> The other part of that is AISH[8]. That process is just unbelievable. I think it took us almost a year to get somebody with disabilities financial supports. A year? What would these people do if they were on their own? The process of beginning, it's ridiculous. We only got it because our staff are persistent and they kept at it and wouldn't take no for an answer.

A final organizational challenge at YESS is ***managing structural growth and change*****.** A few participants highlighted the tremendous degree of staff movement and program restructuring at the YESS in the past few years. Individuals also recognized a need for the organization to slow-down to catch-up in order to revaluate change and activity in YESS programs. One participant recalls

> a time five years ago when our leadership team looked at each other and openly said, 'we need to slow down, because we're growing and moving faster than we're going to be able to sustain ourselves'. I think that was kind of true and is part of why we are where we are now. ... Sometimes we move so quickly that it's hard to catch your breath or to get really good at what you're doing before you take on new things.

An administrator noted that "any organization has to be careful about how fast it grows." Organizational growth at the YESS, in particular, has

> taken a toll in terms of how much work people have had to do and connectedness of staff from one facility to the next. Our culture has taken a bit of a hit with the stress level. I think that people feel a little bit less connected.

[8] AISH refers to Assured Income for the Severely Handicapped. AISH is a provincially funded program in Alberta that provides financial and health assistance to persons with disabilities. (See http://www.seniors.alberta.ca/aish/)

Another staff member suggests a resting period for the organization, because "it's very easy for people to get lost and fall behind, and for things to get left," such as staff training and orientation. According to another participant, these issues are coupled with problems of staff turnover and negatively affect the institutional memory and grass-roots feel of the organization:

> We've lost that historical piece and so people are just doing their job without a clear understanding of where we've come from, how we got here and why we do [things] in a certain way.
>
> It's very easy to lose sight of those key elements that give you the foundation of running a good program.

A few administrators at the YESS commented,

> I don't think you can grow or change without those things happening. I think you grow and then your culture catches up, and then you grow and your culture catches up. And I think that's where we're at right now.
>
> I would suggest that probably right now the best thing to do is hold on and evaluate where our community is going and where our government is going, where our kids are going. I would say slow down and let's regroup.

d. Conclusion

Toward the end of my conversations with interview participants, I asked individuals about the future directions and goals of their organizations. At KITH, program staff members aimed to improve efficiency and expand business, while continuing to offer quality programming to youth and better transition them from the bistro to labour market. Individuals at the YESS discussed their

hopes for a fresh start at the organization and recovery from financial difficulty and instability seen in past years. Participants also talked about the goals of YESS to expand programs and possibly develop a social enterprise program as an alternative income source. Finally, YESS participants indicated their desire to strengthen staff and community relationships and improve internal and external communications.

The findings chapters have revealed the main outcomes of the study by describing major themes that emerged through the qualitative data analysis process. The previous chapter has identified the prevailing environmental conditions and trends in Edmonton and Alberta's nonprofit and voluntary sector. The current chapter has also delineated the internal and external factors and challenges of the institutional environments of KITH and the YESS. In the concluding chapter of the thesis, I provide a brief summary of these findings and locate the main themes of the research in the theoretical and empirical literatures.

CHAPTER SEVEN: DISCUSSION AND CONCLUSION

a. Introduction and Summary of Findings

This chapter brings the study to a close by reviewing the research findings and discussing the main research themes in light of institutional theory and published literature on nonprofit and voluntary organizations. I argue that nonprofit and voluntary agencies in Alberta and the participating organizations in this research appear to be adapting to environmental change and strain. However, their efforts to advocate for those they serve, as well as to reduce structural problems that impede their work, are limited and will not improve their sustainability or create substantive long-term change within the sector. In this chapter, I also consider ideas for future research in the field of nonprofit and voluntary organizational studies.

The first research question aimed to identify current trends and challenges occurring in Edmonton and Alberta's nonprofit and voluntary sector. According to advocate participants, sector wide trends include increasing adoption of business practices in organizational decision-making, the influence of funders, the government, and public perception on organizational capacity, limits on advocacy efforts, Alberta's political culture, and changing economic conditions. Key challenges among organizations include difficulties with generating funds and resources, recruiting and retaining staff, effectively responding to client needs, and reducing the impact of strain on organizational functioning. Of these trends, business-like activity in the sector and relationships between organizations and funders were most apparent in the data.

The second research question aimed to explore how two youth-serving agencies in Edmonton experience and respond to sector trends and challenges. First, I examined the internal and external features of each organization's institutional environment. Participants from KITH and the YESS

highlighted the youth-centred culture of their programs, as well as the importance of following organizational missions, values, and goals in their day to day practice. Staff cohesiveness and volunteerism were additional internal factors that described the institutional environment of the YESS. The internal institutional environments of each agency diverged according to its organizational funding structure. While KITH emphasizes business practice and social enterprise modes of service delivery, the YESS provides programs and services by maintaining multiple funding sources. Youth agency participants noted that relationships with funders and public perception of organizational activity were important external factors in the institutional environments of their organizations.

KITH and the YESS experienced similar and distinct organizational challenges. Lack of funding for programs was a clear and overarching theme throughout the research. While this finding is not new or surprising, the data illustrated how unstable or low funds creates a ripple effect in other areas of an organization, such as in staff hiring and support for clients. Participants at each agency voiced concerns about meeting funding requirements and effectively responding to youth needs. One unique challenge of KITH was balancing business and program responsibilities. At the YESS, staff recruitment and retention, as well as managing organizational growth and change were distinct challenges. Individuals at KITH responded to pressure by openly communicating with program funders and thinking creatively to reduce costs and improve the efficiency of the bistro. The YESS, in contrast, redirected some of the impact of funding loss onto staff and used strategies to strengthen relationships with funders and community members to secure additional funding.

The final research question of the study aimed to describe the impact of sector trends and organizational strain on the participating youth-serving agencies. Participants at each agency stated

that while program missions and goals had not been compromised by emergent sector trends and challenges in their institutional environments, their organizations have faced limitations in other key areas. For instance, individuals at the YESS and KITH indicated that insufficient or unstable funding sources limits program diversity and youth access to service. Low funding also constrains the ability of organizations to hire additional staff members and pay higher wages. Efforts to increase and maintain existing funding levels can cause individuals to become preoccupied with seeking funding opportunities, meeting reporting requirements, and fulfilling human resource responsibilities. Under these conditions, staff members tend to experience more stress and burn out quickly.

b. Discussion

This section draws from literature reviewed in the first and second chapter in order to contextualize and theoretically explain the main research findings. I begin by considering similarities and differences between provincial and nationwide data on the Canadian and Albertan nonprofit and voluntary sector and data collected from advocates and youth agency participants in the present study. Most nonprofit and voluntary sector challenges described in the literature (Barr et al., 2005; Imagine Canada, 2010a; 2010b; 2010c; 2011; Statistics Canada, 2005) matched participant concerns about nonprofit and voluntary organizations in Edmonton and Alberta. Advocates and staff members of KITH and the YESS highlighted organizational difficulties associated with earning income, responding to changing demographic trends, heightened demands for service, staff turnover, and competition for funding.

Volunteer recruitment did not arise as a major problem for study participants, as it did in national data on the nonprofit and voluntary sector (Statistics Canada, 2005). This made sense for

KITH, given that volunteers do not work in the bistro program. The contrast between national data on the challenges of volunteer recruitment and the experience of YESS, however, is particularly interesting and invites some speculation. This agency has a waiting list of individuals who want to volunteer in YESS programs, which suggests that members of the public have a vested interest in youth-serving organizations and at-risk youth. Even though participants indicated that youth-serving organizations experience difficulties attracting funds because of their clientele and the challenging nature of working with this population, it appears that at-risk youth and youth-serving agencies do attract individual interest and personal donations of time and resources. The YESS also presents at-risk youth as subjects of public interest and concern to gain support. It may be the case that youth-focused social causes are highly valued by community members and are not necessarily a 'tough sell' to the public, as some participants suggested during interviews.

Scott's (2003) observations about the funding climate of Canadian nonprofit and voluntary organizations were also reflected in the main findings of the research. Scott observed that funders are more likely to offer targeted, rather than core based funding to organizations. This trend was observed by advocates and youth agency participants. They indicated that stable and long-term funding is difficult to acquire in the existing funding environment. Participants also spoke about the effects of changing economic conditions on organizational experiences. Their experiences resonated with the findings of Imagine Canada's (2011; 2010a; 2010b) sector monitor series, which has reported on the effects of the economy on the nonprofit and voluntary sector over time. Each youth serving agency reported a decline in business and individual donations during the recession period.

Roach (2006) noted that nonprofit and voluntary organizations in Alberta generally depend on earned income sources and less on government sources compared to organizations in other Canadian provinces. This figured in the nonprofit institutional stories told by the advocates and agency participants in this study and reflected the funding situation of both KITH and the YESS. While KITH relies largely on earned income through social enterprise, the YESS relies on multiple funding sources; neither organization depends heavily on government funds. Roach also posited that Alberta-based organizations report more problems associated with reduced government funding, burdensome reporting requirements, and pressure to modify existing programs to secure additional income. The youth-serving agencies in this study did not emphasize government cut backs and burdensome reporting requirements as major obstacles in their work; however, individuals at KITH have experienced pressures to continuously innovate programming to maintain funder interest in the bistro.

Consistent with an ecological analysis of organizations, this research has demonstrated that nonprofit and voluntary organizations exist within a complex system of relationships. The study examined two youth-serving organizations at an intraorganizational and interorganizational level of inquiry; interview participants provided valuable insights about the internal functioning of agencies and their interactions with institutions in the surrounding environment. At an intraorganizational level, the data revealed the internal culture of KITH and the YESS, as well as relations among staff members and youth clients. At the interorganizational level, the data emphasized exchanges between the youth agencies, funders, the public, and community stakeholders, as well as the significance of broader social, economic, and political forces in organizational experiences.

The research has also highlighted ways that nonprofit and voluntary organizations operate as rational, natural, and open systems. The youth-serving agencies in the study exemplified characteristics in each of these domains. KITH and the YESS demonstrated rational characteristics by behaving autonomously and purposefully in decision-making about program change and fundraising strategies. The organizations also resembled natural systems by having established communication networks, hierarchies of roles and responsibilities, as well as formal and informal norms and values that fall in line with mission objectives. For instance, the organizational values and internal cultures of KITH and the YESS encouraged program staff and administrators to prioritize youth needs regardless of organizational strain. Each organization also relied on extensive communication networks with funders and community members to ensure its financial sustainability. Finally, the youth-serving agencies also presented as open systems. Staff members and administrators at KITH and the YESS frequently discussed the impact of external trends and conditions on their organization. They also discussed how their organizations recognize and respond to environmental pressures.

Institutional theory helps to explain the main themes that emerged from interviews with advocates and youth agency participants. Drawing from this perspective, I argue that nonprofit and voluntary organizations in Alberta and the participating youth-serving agencies in this study are influenced by the norms and expectations of institutions in their external environments. The most notable external institutions in this study include the Alberta provincial government, funders and donors of organizations, and the general public. In order to receive funding, organizations must meet the institutional demands of governmental and non-governmental funders by demonstrating accountability and efficiency in contract agreements and reporting requirements. To establish legitimacy, nonprofit and voluntary organizations must also respond to norms and expectations of

the general public by showing transparency and openly communicating with community members. Funders and community actors alike have a vested interest in how organizations allocate funds and whether or not they are accomplishing their mission goals.

Nonprofit compliance with funder and community expectations reflects Meyer and Rowan's (1991; 1977) institutionalist argument that organizations will conform to prevailing normative practices to demonstrate their social worth or legitimacy. Adopting commonly accepted behaviours and practices can also enhance the prestige, sustainability, resource access, and financial gain of an organization (Oliver, 1991). As noted in an earlier chapter, nonprofit and voluntary organizations that are accredited or have earned registered charitable status receive tax exemption opportunities, and are more likely to attract funder interest and individual donations.

According to institutional theory, organizations which conform to the dominant behaviours and practices in their field also become homogenous and formalized over time. This process is known as organizational isomorphism (DiMaggio and Powell, 1991; 1983). Based on the reviewed literature and collected data in this study, I argue that the institutional environments of nonprofit and voluntary organizations contributes to coercive, mimetic, and normative isomorphic tendencies among agencies. For instance, state devolution of social services and changing funding obligations have forced nonprofit and voluntary organizations to make structural adjustments in their work. In many cases, organizations have mimicked or borrowed practices from the business sector to improve their chances for success and legitimacy. Consequently, organizations have become increasingly business-like and standardized in their efforts to secure funds, comply with contract requirements, and deliver service in a lean and competitive manner.

A potential problem of this shift toward business practice in nonprofit and voluntary work is that not all organizations have the capacity to make such adjustments. Participants outlined multiple reasons why social enterprise is a risky and difficult endeavour for organizations. They noted that few organizations have the expertise and resources to successfully implement a business and simultaneously maintain social programming. These challenges were clearly articulated by staff at KITH. While the YESS operates under a more traditional funding model with more widely adoptable revenue earning strategies, staff members discussed the large amount of resources required to market their programs and compete for funding and community support. Building capacity and attracting funding requires organizations to first invest human and financial resources. This process proves to be difficult for organizations that lack resources to initiate fundraisers and market themselves in the public domain. If organizations are unable to compete and adapt to changing sector norms, it is possible that we will see fewer social service organizations going forward. As Hall and Reed (1998) note, program closure not only reduces opportunities for individuals and families who require social assistance, it also reduces the diversity and range of programs that are offered in the sector.

While external influences contribute to organizational change and restructuring, organizations are not strictly ruled by environmental forces. As Oliver (1991) suggests, organizations exercise agency by making decisions and responding to their institutional environments; however, their actions are always enabled and constrained by social, economic, and political factors. In this study, advocates and youth agency participants emphasized how organizations resist or work around environmental pressures to avoid mission displacement. These adaptive responses reflect Minkoff and Powell's (2006) ideas on mission change. In order to preserve legitimacy and survival, organizations comply with external pressures and modify their missions to address a particular

social or political problem. Drawing from Oliver's (1991) typology of organizational responses to environmental conditions, the participating agencies in this study also exercised strategies of acquiescence and compromise by adhering to normative practices in their institutional environments and trying to maintain balance between environmental demands and program objectives. In my case study analysis of each organization, there was not sufficient evidence to suggest that KITH and the YESS have experienced mission loss. In the case of KITH, it can be argued that mission 'shrinkage' occurred; given that program administrators were forced to narrow the scope of their restaurant business to operate in a more efficient manner. Despite chronic funding challenges and pressures on staff members at the YESS, this organization strengthened and extended its mission by expanding programs for youth.

Nonprofit and voluntary organizations in Edmonton and Alberta and the participating youth-serving agencies in this study continuously respond to their institutional environments and make internal adjustments to enhance organizational sustainability and offer uninterrupted quality programs and services. Based on the case study findings of this research, I argue that KITH and the YESS have withstood major challenges from their external environments with minimal cost to programs and client experiences. In many ways, these organizations have internalized normative behaviours and practices of outside sources in order to keep their programs intact. The youth agencies also use various strategies to respond to environmental pressures because of their unique internal cultures and funding structures. At the same time, however, the ability of these agencies, and other social service nonprofit and voluntary organizations, to improve the overall conditions in their institutional environments and reduce major sector pressures remains limited. In other words, while organizations in the study exercised some degree of agency by recognizing and responding to

organizational strain, it is unlikely that their efforts will contribute to substantive, long-term change of funding challenges in their external environments.

Nonprofit and voluntary organizations are at the mercy of governmental and non-governmental funders who dictate the conditions and amounts of funding agreements. Funders also create an environment where organizations have to compete for dollars. Organizations lack enough bargaining power that would encourage funders to offer increased and more stable funding. There is a clear imbalance of power between funders and funding recipients; organizations lack the ability to negotiate funding agreements and are increasingly expected to provide services with fewer resources. A more balanced relationship between funders and organizations would allow agencies to better manage their programs and make adjustments during times of economic difficulty and increased public need for service. Such an egalitarian arrangement can be possible if funders and organizations are willing to have more flexible funding agreements, as well as communicate with and inform each other about present challenges, financial constraints, and program needs. For instance, participants at KITH explained how strong funder relationships encouraged one of their sponsors to make contract adjustments for the bistro and provide long-term notice about changes in future funding.

The institutional environments of nonprofit and voluntary organizations in Alberta are further complicated by the neoliberal political culture of the province. Advocate participants in the study described the political culture of the province as entrepreneurial and individualistic in nature. They discussed how the political mentality in Alberta silences nonprofit and voluntary organizations and prevents them from loudly advocating on behalf of their causes. The political culture also reinforces ideas about individual responsibility among the public, which disengages people from awareness

and involvement in collective social issues. I argue that nonprofit and voluntary organizations have, to some degree, internalized the norms and taken-for-granted assumptions of the broader political culture, in part, because they lack enough resources and public support to advocate for improved working and funding conditions. Alberta's political climate presents yet another barrier to improving the institutional environments of nonprofit and voluntary organizations in the social service sector. While exploring the political cultures of other Canadian provinces was beyond the scope of this study, it is fair to speculate that adoption of neoliberal ideology in provincial governments will intensify environmental pressures in other nonprofit and voluntary sectors, as seen in the case of Alberta.

c. Conclusion and Suggestions for Future Research

By interviewing nonprofit advocates and focusing on two youth-serving agencies in Edmonton, Alberta, this research has contributed to empirical literature by providing insights about the unique ways in which organizations experience and respond to challenges in their external environments. The study has also contributed to theoretical literature by explaining organizational behaviour through ecological and institutionalist paradigms. Finally, this research has provided a snapshot account of the current situation in Edmonton and Alberta's nonprofit and voluntary sector and in two youth-serving agencies. It offers government actors, funders, community members, and nonprofit advocates an opportunity to observe each others' roles and influence in sector activities. It is my hope that this thesis and subsequent papers will enhance understanding among these parties and help to improve funding constraints and sector conditions in the future.

This research demonstrated that nonprofit and voluntary organizations are part of complex networks with governmental and non-governmental funders and community and are influenced by

social, political, and economic environmental forces. I argued that the participating youth agencies in the study have weathered through change and pressure in their institutional environments; however, existing funding and political conditions prevent them from more actively advocating for their causes and obtaining more balanced relationships with funders. As one participant in the study suggested, a major paradigm shift is needed in terms of how nonprofit and voluntary organizations are viewed by funders and the general public. This study has highlighted how social service organizations are being squeezed by conditions in their institutional environments. An important question concerns how programs and service users will be impacted by this trend and whether organizational missions can withstand additional capacity strains in the long term.

There are several possibilities for future research on social service nonprofit and voluntary organizations. The findings of this study might be used to inform a larger scale, quantitative study that would examine the institutional environments of many organizations. Survey research would be a possible means of collecting data in such an inquiry. To add further context to this study, it would also be interesting to learn governmental and non-governmental funder and community member perspectives on funding and supporting social service organizations. It would be worthwhile to explore the opportunities and constraints that exist for individuals in each of these areas to better understand their interactions with organizations in the nonprofit and voluntary sector. Future research might also more closely examine how nonprofit and voluntary organizations engage in advocacy and implement strategies to gain support for their causes. Such an investigation might also examine advocacy and fundraising success or failure among social service organizations that serve clients who are more or less 'marketable' to the general public. Another avenue of research inquiry could assess the merits and limitations of different funding and service delivery

models in the nonprofit and voluntary sector, as well as evaluate their value in terms of supporting nonprofits causes and fulfilling client needs.

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APPENDIX A – PARTICIPANT INVITATION LETTERS

MAINTAINING THE MISSION: A SOCIOLOGICAL STUDY OF NONPROFIT AGENCIES IN EDMONTON, ALBERTA

INVITATION TO PARTICIPATE (DIRECTORS)

You are invited to participate in a research project that aims to examine how youth-serving nonprofit organizations in Edmonton experience and respond to changing social, economic, and political environments in Alberta. This study will explore the effects of these changes for agency funding, administrative decision making, programming and mission goals.

My name is Lindsay Wodinski and I am a graduate student in sociology at the University of Alberta. This research project has been developed to satisfy requirements for the MA thesis-based program in which I am currently enrolled. This research has received approval from the University of Alberta's Research Ethics Board and will be supervised by Dr. Harvey Krahn, Professor of Sociology and Department Chair.

The project is based on a multiple case study investigation of two youth-serving nonprofit organizations. Prior to contacting each organization, I will speak with a few local advocates of nonprofits, such as representatives from the Edmonton Social Planning Council and the Edmonton Chamber of Voluntary Organizations, to learn about what is generally happening in Edmonton's voluntary sector and to help refine my research and interview questions.

To obtain a more in-depth understanding of each organization, I will study mission statements, core values, programming options, publications, and annual financial reports. I also plan to carry out in-depth interviews with current and former agency directors, staff/board members, and funders/sponsors to examine the impact of environmental change on nonprofit operations and organizational goals over time and from different perspectives. Finally, I hope to observe a couple of board meetings at each organization to observe firsthand how environmental pressures are discussed and negotiated within organizations, as well as how agency actors interact with, resist, and seek to change difficult circumstances. This phase of my study will occur from August to November, 2010.

As the director of the Edmonton Youth Emergency Shelter Society/ Kids in the Hall, your experience and knowledge, as well as the insights of your staff, fellow board members, and funders, will contribute to a deeper understanding about the impact of changing external environments on nonprofit agencies. If you choose to participate in the study, I will ask to interview you at the outset of the project, and potentially, for another follow-up interview toward the end of project in light of new issues or research questions that may arise. I will ask for your permission to interview 4-5 staff and board members, funders of your organization, as well as consent from you and other board members for me to observe approximately 2-3 meetings. I will ask for permission from you and all other participants to record and/or take notes during conversations for later transcription and analysis.

My on-going communication with you will be an integral component of the research process. I plan to openly share with you my thoughts and emerging findings about the research, as well as work with any ideas or concerns you might have. Your participation is entirely voluntary and you reserve the right to withdraw your participation and that of the organization at any time.

If you are interested in being a participant and involving your organization in this study, please contact me via the e-mail address or phone number indicated below.

Thanks very much for your consideration.

Sincerely,

Lindsay Wodinski

Wodinski@ualberta.ca / (780)-292-5645

MAINTAINING THE MISSION: A SOCIOLOGICAL STUDY OF NONPROFIT AGENCIES IN EDMONTON, ALBERTA

INVITATION TO PARTICIPATE (STAFF AND BOARD MEMBERS, ADVOCATES)

You are invited to participate in a research project that aims to examine how youth-serving nonprofit organizations in Edmonton experience and respond to changing social, economic, and political environments in Alberta. This study will explore the effects of these changes for agency funding, administrative decision making, programming and mission goals.

My name is Lindsay Wodinski and I am a graduate student in sociology at the University of Alberta. This research project has been developed to satisfy requirements for the MA thesis-based program in which I am currently enrolled. This research has received approval from the University of Alberta's Research Ethics Board and will be supervised by Dr. Harvey Krahn, Professor of Sociology and Department Chair.

The project is based on a multiple case study investigation of two youth-serving nonprofit organizations. Prior to contacting each organization, I will speak with a few local advocates of nonprofits, such as representatives from the Edmonton Social Planning Council and the Edmonton Chamber of Voluntary Organizations, to learn about what is generally happening in Edmonton's voluntary sector and to help refine my research and interview questions.

To obtain a more in-depth understanding of each organization, I will study mission statements, core values, programming options, publications, and annual financial reports. I also plan to carry out in-depth interviews with current and former agency directors, staff/board members, and funders/sponsors to examine the impact of environmental change on nonprofit operations and organizational goals over time and from different perspectives. Finally, I hope to observe a couple of board meetings at each organization to observe firsthand how environmental pressures are discussed and negotiated within organizations, as well as how agency actors interact with, resist, and seek to change difficult circumstances. This phase of my study will occur from August to November, 2010.

As a <u>staff member/board member/advocate</u> of <u>a youth-serving, nonprofit organization/the nonprofit sector</u>, your experience and insights will contribute to a deeper understanding about the impact of changing external environments on nonprofit agencies. If you choose to participate in the

study, I will ask you for a semi-structured, conversational-style interview that will take approximately 1-1½ hours at a place and time that is convenient for you. I will ask you to comment on a series of questions about your ideas concerning the impact of changing environmental conditions on your organization/the nonprofit sector generally. Please note that your involvement in this study has been approved by the director of your organization.

If you are interested in participating in this study or would like to know more information, please contact me via the e-mail address or phone number indicated below.

Thanks very much for your consideration.

Sincerely,

Lindsay Wodinski

Wodinski@ualberta.ca / (780)-292-5645

APPENDIX B – CONSENT FORMS

MAINTAINING THE MISSION: A SOCIOLOGICAL STUDY OF NONPROFIT AGENCIES IN EDMONTON, ALBERTA

CONSENT FORM (DIRECTORS)

You have been invited to participate in a research study conducted by Lindsay Wodinski, a graduate student from the Department of Sociology at the University of Alberta. The overall purpose of this study is to create an illustrative and explanatory account about the ways in which youth-serving nonprofits experience and respond to social, political, and economic change, as well as the impact of environmental change on agency funding, administrative decision making, programming and mission goals.

The project is based on a multiple case study investigation of two youth-serving nonprofit organizations. Prior to contacting each organization, I will speak with a few local advocates of nonprofits, such as representatives from the Edmonton Social Planning Council and the Edmonton Chamber of Voluntary Organizations, to learn about what is generally happening in Edmonton's voluntary sector and to help refine my research and interview questions.

To obtain a more in-depth understanding of each organization, I will study mission statements, core values, programming options, publications, and annual financial reports. I also plan to carry out in-depth interviews with current and former agency directors, staff/board members, and funders/sponsors to examine the impact of environmental change on nonprofit operations and organizational goals over time and from different perspectives. Finally, I hope to observe a couple of board meetings at each organization to observe firsthand how environmental pressures are discussed and negotiated within organizations, as well as how agency actors interact with, resist, and seek to change difficult circumstances. This phase of my study will occur from August to November, 2010.

As the director of the Edmonton Youth Emergency Shelter Society/ Kids in the Hall Bistro, your experience and knowledge, as well as the insights of your staff, fellow board members, and funders, will contribute to a deeper understanding about the impact of changing external environments on nonprofit agencies. If you choose to participate in the study, I will ask to interview you at the outset of the project, and potentially, for another follow-up interview toward the end of

project should any new issues or research questions arise. I will ask for your permission to interview approximately 4-5 staff/board members and funders of your organization, as well as consent from you and other board members for me to observe approximately 2-3 board meetings.

All interviews will be semi-structured and conversational, consisting of several open-ended questions and lasting for approximately 1-1½ hours. With the permission of each participant, I will record and/or take notes during conversations for later transcription and analysis. Permission to observe, record and/or take notes during board meetings will be sought via consent forms that will be distributed and explained to all board members at the first meeting.

I consider this project to be of minimal risk to you, other participants, and the Edmonton Youth Emergency Shelter Society Kids in the Hall Bistro as a whole; however, there are various ethical issues that must be considered. Given that there are relatively few community-based organizations for at-risk youth in Edmonton, and that the services and programs offered to at-risk youth in your organization are unique, there is a possibility that you and your organization will be recognized in this research study. Each participating organization will be aware of one another's involvement in the study. In the write-up of the project, I will not be using any individual names, but I will identify each organization. In order to manage confidentiality and anonymity of the people involved, I will simply refer to individuals as "participants" or "leading voices in the nonprofit sector".

All collected data (interview recordings, transcriptions, notes) will be safely stored in my home office and on my personal password protected computer. Data will not be seen in their original form by anyone but me and my supervisor. All data will be destroyed in May 2012, one year from my program end date. Your participation in this study is entirely voluntary. You have the right to end the interview or opt out of answering any questions asked of you at any time. As the director of the Edmonton Youth Emergency Shelter Society/ Kids in the Hall Bistro, you may also withdraw the participation of your organization at any time. Should you wish to withdraw your participation and interview transcripts, you may do so up until the project completion date (tentatively in February, 2010).

My on-going communication with you will be an integral component of the research process. I plan to openly share with you my thoughts and emerging findings of the research, as well

as work with any contributing ideas or concerns you might have. While I am unable to share with you the interview transcripts of other participants, due to confidentiality and anonymity reasons, I intend to give you copies of my interview questions for staff, board members, and funders, so you are informed about the research content.

The final research report will be written in a thesis format. With your permission, I also plan to generate smaller reports for possible publication in academic journals or conference presentations. I further intend to share the research findings with the two participating youth-serving agencies and other advocacy organizations, such as the Edmonton Social Planning Council and the Edmonton Chamber of Voluntary Organizations. While this research may not directly benefit you or the Edmonton Youth Emergency Shelter Society/ Kids in the Hall, it has some action value for the nonprofit sector in general. It is my goal to use the study to advocate for at-risk youth, youth-serving nonprofit organizations, and the social serving nonprofit sector generally. I also wish to contribute to nonprofit sustainability and public awareness about the importance of social serving nonprofit organizations in society, particularly during times of government restructuring and economic uncertainty.

This project has been reviewed and approved by the Research Ethics Board at the University of Alberta. If you have any questions or concerns during the research process, you may contact me (phone: 780-292-5645 or e-mail: wodinski@ualberta.ca) or my supervisor, Dr. Harvey Krahn (phone: 780-492-0472 or e-mail: harvey.krahn@ualberta.ca) at any time.

Consent to participate: I understand that my participation and that of the Edmonton Youth Emergency Shelter Society/ Kids in the Hall Bistro in this research study is voluntary. I have the right to refuse any question the researcher may ask, to discontinue interviews or project at any time, and have any interview transcript and notes removed from the project up to February, 2010 if I so choose.

I have read this consent form and understand the study purpose and procedures. Y / N

I have been given sufficient opportunity to ask questions and express my concerns. Y / N

Do you agree to have your interviews tape recorded? Y / N

Do you give permission to the researcher to contact other staff members, board members, and funders for interviews? Y/N

Do you agree to have the study results published, presented at a conference, and shared with the nonprofit community? Y / N

I, the undersigned, consent to my own participation as well as the involvement of the Edmonton Youth Emergency Shelter Society/ Kids in the Hall in this research.

_____	_____	_____
Name of Participant	Signature of Participant	Date
_____	_____	_____
Name of Researcher	Signature of Researcher	Date

MAINTAINING THE MISSION: A SOCIOLOGICAL STUDY OF NONPROFIT AGENCIES IN EDMONTON, ALBERTA

CONSENT FORM (STAFF AND BOARD MEMBERS)

You have been invited to participate in a research study conducted by Lindsay Wodinski, a graduate student from the Department of Sociology at the University of Alberta. The overall purpose of this study is to create an illustrative and explanatory account about the ways in which youth-serving nonprofits experience and respond to social, political, and economic change, as well as the impact of environmental change on agency funding, administrative decision making, programming and mission goals.

The project is based on a multiple case study investigation of two youth-serving nonprofit organizations. Prior to contacting each organization, I will speak with a few local advocates of nonprofits, such as representatives from the Edmonton Social Planning Council and the Edmonton Chamber of Voluntary Organizations, to learn about what is generally happening in Edmonton's voluntary sector and to help refine my research and interview questions.

To obtain a more in-depth understanding of each organization, I will study mission statements, core values, programming options, publications, and annual financial reports. I also

plan to carry out in-depth interviews with current and former agency directors, staff/board members, and funders/sponsors to examine the impact of environmental change on nonprofit operations and organizational goals over time and from different perspectives. Finally, I hope to observe a couple of board meetings at each organization to observe firsthand how environmental pressures are discussed and negotiated within organizations, as well as how agency actors interact with, resist, and seek to change difficult circumstances. This phase of my study will occur from August to November, 2010.

As a staff/board member of the Edmonton Youth Emergency Shelter Society/ Kids in the Hall Bistro, your experience and knowledge will contribute to a deeper understanding about the impact of changing external environments on nonprofit agencies. If you choose to participate in the study, I will ask you for a semi-structured, conversational-style interview that will take approximately 1-1½ hours at a place and time that is convenient for you. I will ask you to comment on a series of questions about your ideas concerning the impact of changing environmental conditions on the Edmonton Youth Emergency Shelter Society/ Kids in the Hall Bistro and your role in this organization. With your permission, I will record and/or take notes during the interview for later transcription and analysis.

I consider this project to be of minimal risk to you as a research participant; however, there are various ethical issues that must be considered. Given that there are relatively few community-based organizations for at-risk youth in Edmonton, and that the services and programs offered to at-risk youth in your organization are unique, there is a possibility that you and your affiliated organization will be recognized. In the write-up of the project, I will not be using any individual names, but I will identify each organization. In order to help manage confidentiality and anonymity, I can simply refer to you as a "participant" or "leading voice in the nonprofit sector".

This project has been approved by the director of the Edmonton Youth Emergency Shelter Society/ Kids in the Hall Bistro and he/she gave me permission to contact you. Please note that while the director may be aware of your involvement in the project, he or she will not have access to your interview transcripts. Your comments and responses will be blended in with those of other participants in the final report and will not be traceable back to you.

All collected data (interview recordings, transcriptions, notes) will be safely stored in my home office and on my personal password protected computer. Data will not be seen in their original form by anyone but me and my supervisor. All data will be destroyed in May 2012, one year from my program end date. Your participation in this study is entirely voluntary. You have the right to end the interview or opt out of answering any questions asked of you at any time. Should you wish to withdraw your participation and interview transcripts, you may do so up until the project completion date (tentatively in February, 2010).

The final research report will be written in a thesis format. With your permission, I also plan to generate smaller reports for possible publication in academic journals or conference presentations. I further intend to share the research findings with the two participating youth-serving agencies and other advocacy organizations, such as the Edmonton Social Planning Council and the Edmonton Chamber of Voluntary Organizations. While this research will not directly benefit you or your affiliated organization, it has some action value for the nonprofit sector in general. It is my goal to use the study to advocate for at-risk youth, youth-serving nonprofit organizations, and the social serving nonprofit sector generally. I also wish to contribute to nonprofit sustainability and public awareness about the importance of social serving nonprofit organizations in society, particularly during times of government restructuring and economic uncertainty.

This project has been reviewed and approved by the Research Ethics Board at the University of Alberta. If you have any questions or concerns during the research process, you may contact me (phone: 780-292-5645 or e-mail: wodinski@ualberta.ca) or my supervisor, Dr. Harvey Krahn (phone: 780-492-0472 or e-mail: harvey.krahn@ualberta.ca) at any time.

Consent to participate: I understand that my participation in this research study is voluntary. I have the right to refuse any question the researcher may ask, to discontinue interviews or project at any time, and have any interview transcript and notes removed from the project up to February, 2010 if I so choose.

I have read this consent form and understand the study purpose and procedures. Y / N

I have been given sufficient opportunity to ask questions and express my concerns. Y / N

Do you agree to have your interviews tape recorded? Y / N

Do you agree to have the study results published, presented at a conference, and shared with the nonprofit community? Y / N

I, the undersigned, consent to participate in this research.

_____	_____	_____
Name of Participant	Signature of Participant	Date
_____	_____	_____
Name of Researcher	Signature of Researcher	Date

MAINTAINING THE MISSION: A SOCIOLOGICAL STUDY OF NONPROFIT AGENCIES IN EDMONTON, ALBERTA

CONSENT FORM (NONPROFIT ADVOCATES)

You have been invited to participate in a research study conducted by Lindsay Wodinski, a graduate student from the Department of Sociology at the University of Alberta. The overall purpose of this study is to create an illustrative and explanatory account about the ways in which youth-serving nonprofits experience and respond to social, political, and economic change, as well as the impact of environmental change on agency funding, administrative decision making, programming and mission goals.

The project is based on a multiple case study investigation of two youth-serving nonprofit organizations. Prior to contacting each organization, I will speak with a few local advocates of nonprofits, such as representatives from the Edmonton Social Planning Council and the Edmonton Chamber of Voluntary Organizations, to learn about what is generally happening in Edmonton's voluntary sector and to help refine my research and interview questions.

To obtain a more in-depth understanding of each organization, I will study mission statements, core values, programming options, publications, and annual financial reports. I also plan to carry out in-depth interviews with current and former agency directors, staff/board members, and funders/sponsors to examine the impact of environmental change on nonprofit operations and organizational goals over time and from different perspectives. Finally, I hope to observe a couple of board meetings at each organization to observe firsthand how environmental pressures are discussed and negotiated within organizations, as well as how agency actors interact with, resist, and seek to change difficult circumstances. This phase of my study will occur from August to November, 2010.

As a representative from the Edmonton Social Planning Council/ Edmonton Chamber of Voluntary Organizations, your knowledge and expertise about the nonprofit sector and the current social, economic, and political trends in Alberta will be valuable for this study. If you choose to participate in the study, I will ask you for a semi-structured, conversational-style interview that will take approximately 1-1½ hours at a place and time that is convenient for you. I will ask you to comment on a series of questions about your ideas concerning the impact of changing

environmental conditions Edmonton's voluntary sector. With your permission, I will record and/or take notes during the interview for later transcription and analysis.

I consider this project to be of minimal risk to you as a research participant; however, there are various ethical issues that must be considered. In order to manage confidentiality and anonymity, I will not be using any individual names in the write-up of the project. I can simply refer to you as a "participant" or "leading voice in the nonprofit sector". If you would prefer, I can also keep your organization anonymous.

All collected data (interview recordings, transcriptions, notes) will be safely stored in my home office and on my personal password protected computer. Data will not be seen in their original form by anyone but me and my supervisor. All data will be destroyed in May 2012, one year from my program end date. Your participation in this study is entirely voluntary. You have the right to end the interview or opt out of answering any questions asked of you at any time. Should you wish to withdraw your participation and interview transcripts, you may do so up until the project completion date (tentatively in February, 2010).

The final research report will be written in a thesis format. With your permission, I also plan to generate smaller reports for possible publication in academic journals or conference presentations. I further intend to share the research findings with the two participating youth-serving agencies, your organization, as well as the Edmonton Social Planning Council / Edmonton Chamber of Voluntary Organizations. While this research will not directly benefit you or your affiliated organization, it has some action value for the nonprofit sector in general. It is my goal to use the study to advocate for at-risk youth, youth-serving nonprofit organizations, and the social serving nonprofit sector generally. I also wish to contribute to nonprofit sustainability and public awareness about the importance of social serving nonprofit organizations in society, particularly during times of government restructuring and economic uncertainty.

This project has been reviewed and approved by the Research Ethics Board at the University of Alberta. If you have any questions or concerns during the research process, you may contact me (phone: 780-292-5645 or e-mail: wodinski@ualberta.ca) or my supervisor, Dr. Harvey Krahn (phone: 780-492-0472 or e-mail: harvey.krahn@ualberta.ca) at any time.

Consent to participate: I understand that my participation in this research study is voluntary. I have the right to refuse any question the researcher may ask, to discontinue interviews or project at any time, and have any interview transcript and notes removed from the project up to February, 2010 if I so choose.

I have read this consent form and understand the study purpose and procedures. Y / N

I have been given sufficient opportunity to ask questions and express my concerns. Y / N

Do you agree to have your interviews tape recorded? Y / N

Do you agree to have the study results published, presented at a conference, and shared with the nonprofit community? Y / N

I, the undersigned, consent to participate in this research.

_____	_____	_____
Name of Participant	Signature of Participant	Date
_____	_____	_____
Name of Researcher	Signature of Researcher	Date

APPENDIX C - INTERVIEW GUIDE SAMPLES

Interview Guide for Agency Staff

Icebreaking Questions

PART ONE: *(Background information about the interviewee)*

1. Can you tell me about your background working in the nonprofit sector?
    a. What past experiences have brought you to your current position?
    b. What kinds of roles and responsibilities have you had throughout your career?
    c. Have you worked with nonprofits in other cities or provinces?
    d. Have you ever worked outside of the nonprofit sector, such as for the government or in the for-profit/private industry?
        ➔ If yes... How has your experience in the nonprofit world compared to working for the government or in the private sector?
2. Can you describe your current role here at the YESS/KITH?
    a. What are some of your roles and responsibilities?
    b. How long have you been in this position?
3. What aspects of your work do you find most interesting?
    a. What do you enjoy about what you do?
    b. Do you find this kind of work personally rewarding?

Grand Tour Questions

PART TWO: *(Employee and organizational changes and challenges)*

4. What kinds of challenges do you experience in your current position?
        ➔ What are some of the day to day frustrations?

- ➔ What are some of the ongoing challenges?
- ➔ Are certain challenges new, or have you experienced the same ones over time?
- ➔ Have these challenges improved or gotten worse over time?

5. What would you say are some of the major challenges experienced by the organization as a whole?
    a. Do you think the challenges you experience in your position relate to strains on the organization more generally? How so?
6. What major changes have occurred at the YESS/KITH during your time in this position?
    a. How have such organizational changes affected you in your role?

PART THREE: *(Outcomes and responding to organizational strain among employees and those served by the organization)*

7. What are some of the consequences of strain in your role?
    a. In what ways is your job affected from day to day?
    b. How does it affect your interactions with the program staff or youth in YESS/KITH programming?
    c. Do you have to make any kinds of sacrifices or accommodations to overcome certain challenges?
8. Are there any strategies you use to help prevent or ease the challenges you experience in your role?
    a. What kinds of strategies do you use?
    b. Do some strategies work better than others?

9. How do the challenges experienced by this organization impact the youth who rely on the programs and services?
    a. In what ways are youth affected?
    b. If youth are not affected, who tends to experience the effects of organizational strain the most?
10. In what ways do you think the following areas of this organization have been affected by structural changes or strains?
    - ➔ ...agency missions and goals?
    - ➔ ...quality and accessibility of programs and services?
    - ➔ ...nonprofit capacity to innovate programs, be creative, and make administrative decisions?
11. What role do volunteers have in the organization?
    a. Do volunteers play a greater role in helping the organization to run effectively?
    b. Are there any advantages or disadvantages to having more volunteers involved in programs and services?

Closing Questions

PART FOUR: *(Thoughts on future changes at the organization and in interviewee's role)*

12. Looking toward the future, what do you think this organization will be like in a few years?
    a. Do you think any major changes will occur?
    b. Do you think the organization will be in a stronger or weaker position?
13. Are any changes needed to allow this organization to continue serving at-risk youth, as well as maintain its programs and services?
    a. In your opinion, what can the organization do to be more successful?

14. What changes in particular would help you in your role?
    a. Internal change (operations, funding, more volunteers etc.)
    b. External change
15. Would you like to add to anything we have discussed or address any issues I did not cover in my questions?

Interview Guide for Nonprofit Advocates

Icebreaking Questions

PART ONE: *(Background information about the interviewee)*

1. Can you tell me a little about your past experiences working in the nonprofit sector?
    a. What has brought you to your current position?
    b. What kinds of roles and responsibilities have you had throughout your career?
    c. Have you worked with nonprofits in other cities or provinces?
    d. Have you ever worked outside of the nonprofit sector, such as for the government or in the for-profit/private industry?
        ➔ If yes... How has your experience in the nonprofit world compared to working for the government or in the private sector?
    e. What aspects of your work do you find most interesting?
        ➔ What do you enjoy about what you do?
    f. What kinds of challenges do you experience in your current position?
        ➔ Are there any aspects of your work that you find frustrating?
2. In your opinion, what role do social-serving nonprofit organizations play in our society?
    a. Why should the government and members of the public support nonprofit organizations, particularly those that serve the socially disadvantaged?

Grand Tour Questions

PART TWO: *(Current challenges in the nonprofit sector)*

3. What do you think are some of the major challenges experienced by social-serving nonprofit organizations in Edmonton today?

a. Do most of these issues relate to funding, or are there other pressures affecting how nonprofits operate?

b. In my research I am trying to understand how changing funder requirements and pressures on nonprofits to run as businesses affect social-serving agencies.

➔ Do you think social-serving nonprofits in Edmonton experience any of these pressures in addition to limited funding prospects?

(Such as doing more with fewer resources, engaging in business-oriented activities, and striving toward greater efficiency?)

➔ If yes... Which of these pressures have been most notable?

4. Do you think nonprofit organizations that serve socially disadvantaged groups face additional pressures maintaining their programs and services?

➔ If yes...What particular challenges do they experience?

a. Are some organizations that serve the poor faring better than others?

➔ If yes... How are some organizations able to overcome external pressures?

PART THREE: *(The causes of current challenges in the nonprofit sector)*

5. What do you suppose are the underlying causes of current pressures on social-serving nonprofits?

a. I have read that recent shifts in the voluntary sector are driven by government and funder initiatives to save money, make nonprofits more accountable to others, and also make individuals in society more responsible for their own well being.

➔ Do you agree that these factors have influenced social-serving nonprofits in Edmonton?

- ➔ Can other explanations account for the major challenges faced by nonprofits today?

6. In your opinion, how do members of the public influence the success or failure of nonprofit organizations?
    a. What roles do public attitudes and perceptions have on nonprofit experiences?
        - ➔ For instance, public support can bolster an organization's legitimacy, funding prospects, etc.
7. How do funders influence the success or failure of nonprofit organizations?
    a. How do funder expectations and requirements affect nonprofit experiences?
        - ➔ For instance, funders can influence an organization's ability to innovate, change programs, decisions, etc.
8. How does the government influence the success or failure of nonprofit organizations?
    a. What influence does the government have on nonprofit experiences?
        - ➔ For instance, government funding and mandates can influence nonprofit sustainability, type of service delivery, kinds of populations an organization is able to serve, etc.

PART FOUR: *(The consequences of organizational strain and restructuring in the nonprofit sector)*

9. How have social-serving nonprofits responded to the challenges they face?
    a. Have they needed to change how they operate?
        - ➔ If yes... In what ways?
    b. Have nonprofits used any adaptive strategies to improve their legitimacy and means of sustainability?
        - ➔ If yes... What kinds of strategies are used?

- ➔ Which ones appear to be working or not working?

10. What have been the positive and negative consequences of organizational strain and restructuring for social-serving nonprofits?
    a. In what ways have the following domains been affected?
        - ➔ ...agency missions and goals?
        - ➔ ...quality and accessibility of programs and services?
        - ➔ ...nonprofit capacity to innovate programs, be creative, and make administrative decisions?

Closing Questions

PART FIVE: *(Thoughts on the future of the nonprofit sector)*

11. What kind of future do you see for social-serving nonprofit organizations in Edmonton, and in Alberta more generally?
    a. What needs to change or stay the same?
    b. Are outcomes-based modes of service delivery a viable option for social-serving nonprofits?
        - ➔ Why or why not?
        - ➔ What are the pros and cons of this approach?
12. How can nonprofit organizations, the government, members of the public, and funders work toward improving the state of the voluntary sector and sustaining nonprofit programs and services?
    a. Is there common vision or objective each of these groups can share?
13. How will social enterprise, and other revenue generating models of service delivery, play into the experiences of social-serving nonprofits?

a. Is social enterprise a workable framework for nonprofits that serve poor and socially disadvantaged populations?

➔ Why or why not?

14. Would you like to add to anything we have discussed or address any issues I did not cover in my questions?