

# Fall 2010 Survey Results

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This web site offered the opportunity to respond to a short survey beginning in the Fall of 2010. Only people who are involved in nonprofit, nongovernment organizations were invited to complete it. Responses were small in number, but continued to be received into early 2011. This report presents some of the more interesting findings from the survey.

Survey items sought the respondents' positions within their organizations, as well as their organizations' types and perceived financial state. Items also targeted perceptions about the organizations' leaders, and the education of those leaders.

The two largest groups represented in the survey were "An employee (executive leadership)" comprising 29% of the sample and "A board member (board of directors)" at 21%. The Social Welfare sector was most strongly represented (42% of respondents) with Education in second place (29%).

## Survey Results

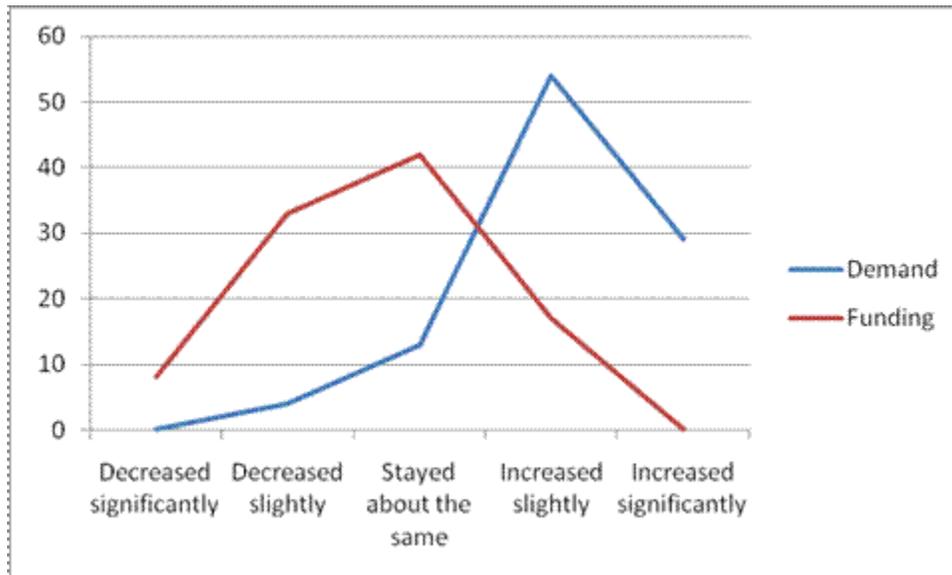
When survey takers were asked to respond to the item "Since last year, the demand for my nonprofit's service has", their answers were:

Decreased significantly	0%
Decreased slightly	4%
Stayed about the same	13%
Increased slightly	54%
Increased significantly	29%

In response to the survey item "Since last year, my organization's funding has", they responded as follows:

Decreased significantly	8%
Decreased slightly	33%
Stayed about the same	42%
Increased slightly	17%
Increased significantly	0%

The comparison of changes in funding and demand are displayed in the chart below. The numbers on the Y axis are percentages.



Put simply, 83% of respondents reported that demand for their not-for-profit organization's products or services increased to some extent over the past year while 83% reported their funding stayed the same or decreased over the same period. If the law of supply and demand applicable to most for-profits applied to these not-for-profit businesses, the lines would usually be roughly parallel to one another. That is, as demand (or need) increases one would expect funding to increase, and when demand decreases a decrease in funding would be expected. Instead, they cross rather dramatically.

Thus, it is apparent that nonprofits do not operate in a free market environment. Rather, there are powerful constraints at work in this market. Examples of such constraints are the politically established level of willingness for government to fund services or carry debt.

Likert scaled items were assigned weights in a manner that was intended to reflect the strength of the respondents responses. Thus, the polar ends of the Likert scales were assigned weights of positive or negative 3, while the intermediate responses were given a weight of positive or negative 1. For example, survey item number 7 was "Our top executive is a good leader" and respondents were asked to choose from the following five response options (assigned numeric values are provided under each option):

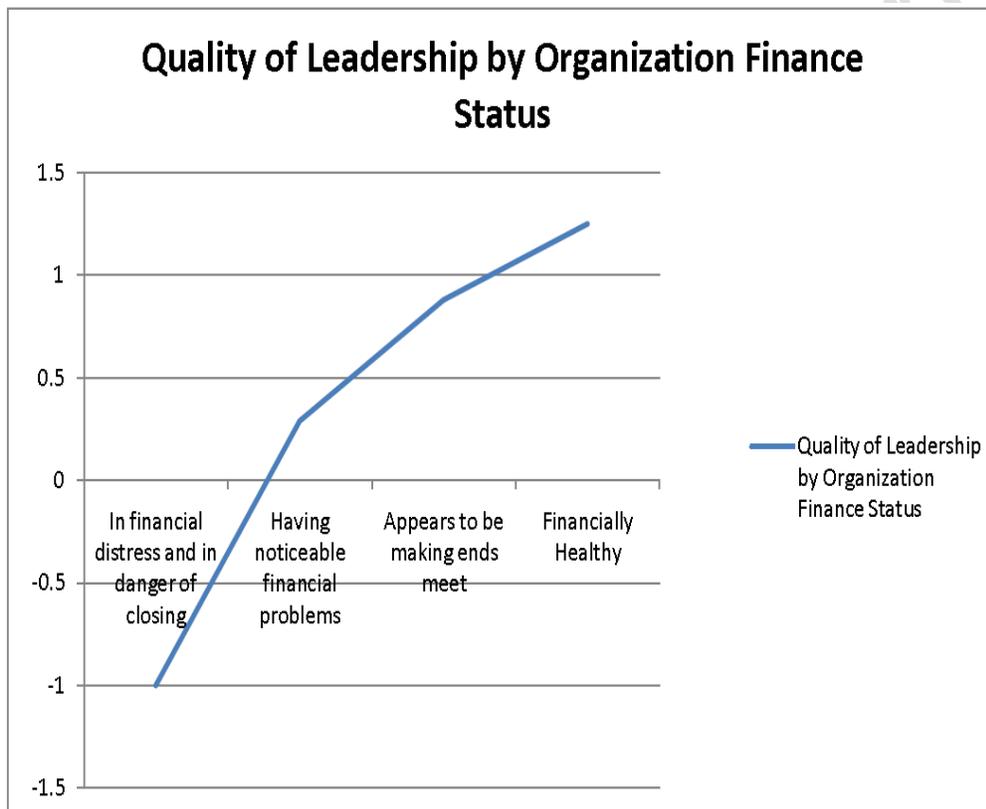
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
-3	-1	0	1	3

In general, an average score of 3 would be a perfect score, while an average of -3 would be perfectly awful. Any negative numbers indicate negative opinions or negative situations.

### Correlations Within Responses

The average ratings of top executives according to their organizations' financial status were as follows:

Financial Status of Organization	Rating of Top Executive's Leadership
In financial distress and in danger of closing	-1
Having noticeable financial problems	0.29
Appears to be making ends meet	0.88
Financially Healthy	1.25
Enjoying a large surplus	No responses



Thus there appears to be a roughly linear correlation between the financial status of the nonprofit organization and opinions regarding the leadership of the top executive.

Respondents' ratings of their top executives appeared to vary when broken down by rater's role in the organization. The average ratings of top executives according to the position of the rater are:

Position/Relationship of Respondent to Nonprofit	Rating of Top Executive's Leadership
Employee (Middle Manager)	0
Employee (Executive Leadership)	0.29
Board Member (Advisory Board)	0.67
Other	1
Board Members (Board of Directors)	1.2
Volunteer	1.25

It is difficult to identify any particular trend here. However, it is understandable for boards of directors to be among those who rank the top executive the highest since they are the ones who hire and choose to retain those executives. Similarly, it is not surprising for volunteers to rate the top executive highly because they could easily have stopped volunteering if they found they did not think much of the top executive. In other words, if they were unhappy about the direction a top executive had chosen for an organization, there is a good chance they are not volunteering their services at that agency any more.

On the other hand, executives and middle managers – ostensibly those who know the most about the day-to-day operations of the organizations – tended to offer lower ratings of the top executive. The survey did not inquire as to whether or not the respondent was the top executive at his or her organization, so it is conceivable that some of those offering these low ratings actually might have been the top executive.

Ratings of top executives were also broken down by education. Those with degrees solely in the subject area of the nonprofit (e.g.- a doctor at a medical facility, a teaching degree at a school, a history degree at a museum, etc.) did quite poorly (-0.25). Those who had only Bachelor's Degrees in Business were rated even lower (-0.5). However, those with MBAs were rated quite highly (+1.75). Those with degrees in Public Administration received similar high ratings. It would appear that those graduate courses might really contribute to the creation of more successful executives.

## Notes

While this survey with responses numbering only in dozens should not be seen as the final word on any of the targeted topics, it is believed that its results suggest areas for additional research. In particular, the relationship between a top executive's leadership ability and the organization's financial state should be explored. While this survey clearly showed a direct relationship between organizational financial strength and the rating of executive leadership, it is impossible to determine causality based on the data available here. First among these is the question of the chicken and the egg. Is the leader rated poorly because the organization's financial status is poor? Or is the financial status of the organization tenuous because the executive leadership is poor? Are there other measurable factors that better predict both?

Overall, this small (seven questions) survey was not designed to be a definitive work on nonprofit management. However, it did validate some hypotheses to a degree that shows they are worth evaluating further. In addition to the apparent tie between perceived leadership ability and organizational

financial status, correlations between leadership ability and education also warrant additional work. And, of course, the inverse relationship between demand and funding is in need of considerable exploration.

We wish to thank all of those who participated in this survey. NPMmanagement.org will continue to present surveys from time to time when the editorial team seeks to investigate topics that might be of both interest and benefit to our visitors.

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