


5-2012

A Description of Nonprofit Executive Leaders' Perceptions of Human Resource Capacity Building within their Organizations

Synetra Danielle Gilmer
University of Arkansas, Fayetteville

Follow this and additional works at: <http://scholarworks.uark.edu/etd>

 Part of the [Adult and Continuing Education Administration Commons](#), [Business Administration, Management, and Operations Commons](#), [Nonprofit Administration and Management Commons](#), and the [Training and Development Commons](#)

Recommended Citation

Gilmer, Synetra Danielle, "A Description of Nonprofit Executive Leaders' Perceptions of Human Resource Capacity Building within their Organizations" (2012). *Theses and Dissertations*. 364.
<http://scholarworks.uark.edu/etd/364>

This Dissertation is brought to you for free and open access by ScholarWorks@UARK. It has been accepted for inclusion in Theses and Dissertations by an authorized administrator of ScholarWorks@UARK. For more information, please contact ccmiddle@uark.edu, scholar@uark.edu.

A Description of Nonprofit Executive Leaders' Perceptions of Human Resource Capacity
Building within their Organizations

A Description of Nonprofit Executive Leaders' Perceptions of Human Resource Capacity
Building within their Organizations

A dissertation submitted in partial fulfillment
of the requirements for the degree of
Doctor of Education in Workforce Development Education

By

Synetra D. Gilmer
University of Arkansas
Bachelor of Science in Computer Information Systems, 2004
University of Arkansas
Bachelor of Science in Transportation and Logistics, 2004
Webster University
Master of Business Administration, 2006

May 2012
University of Arkansas

ABSTRACT

Researchers have predicted that within the next 5 to 15 years the nonprofit sector will undergo a dramatic loss in leadership due to baby boomers entering retirement, job transitions, and underdeveloped talent within nonprofit organizations. Effective leaders are critical in keeping these organizations running so that they can serve and provide much needed services, thus investing in their organizations is the key to keeping NPOs relevant in the future. Investing in training and development, intellectual capital, and succession planning are just a few of the human resource capacity building efforts that have been credited for helping to alleviate some of the pressures that are going to arise as a result of the increased growth of the nonprofit sector. The benefit of this study resides in its research potential to look further into predictive leadership characteristics that would assist nonprofit organizations in their selection of leaders. The following research questions were developed for further study of this issue:

1. To what extent is human resource capacity present in capacity building initiatives of nonprofit organizations and their community partners?
2. To what extent is training and development results actually used or desired by nonprofit organizations and their community partners?
3. What is the perception of the importance of human resource development based on the organizational strategies of nonprofit organizations and their community partners?

Answering these questions provides a starting point for human resource development professionals, NPO leaders, and researchers to enhance opportunities for addressing potential leadership shortages in the nonprofit sector.

This dissertation is approved for recommendation
to the Graduate Council.

Dissertation Committee Chair:

Dr. Clarethia Hughes

Dissertation Committee:

Dr. Kimberly Stauss

Dr. Dale Thompson

DISSERTATION DUPLICATION RELEASE

I hereby authorize the University of Arkansas Libraries to duplicate this dissertation when needed for research and/or scholarship.

Agreed

Synetra D. Gilmer

Refused

Synetra D. Gilmer

ACKNOWLEDGEMENTS

Many people have made this journey possible through their constant support, assistance, and encouragement. First of all I would like to thank God from whom all blessings flow and without him none of this would be possible. Next I would like to thank my dissertation committee, with very special thanks and gratitude to Dr. Clareth Hughes, committee chair. You began this journey with me as my Academic Advisor and I am proud to end this chapter of the journey with you as a new mentor and colleague. I thank you the many tokens of academic, career, and family advice that you have shared with me over the past few years. I am indebted to the leaders of the organizations that participated, who took time out of their busy schedules to complete surveys while continuing to do their very important work in the community programs they lead.

I would like to thank my Gilmer and Monts families for always believing in me and encouraging me in my educational and professional pursuit. I would also like to thank my very dedicated friends who have been there every step of the way in this process. You may not know it but you helped keep me focused on the task at hand and you kept me motivated to be a member of the 1st ever Fall Graduation Class at the University of Arkansas. Lastly, I must thank those that paved the way for me and inspired me to pursue my doctoral degree.

The journey was incredible and I am elated that you were there to share it with me.

Synetra D. Gilmer

DEDICATION

I dedicate this Doctoral Dissertation to my great grandmother Annie L. Harris. To the woman who taught me so much about life, giving back, and helping others, I thank God for you and the love and support that you gave me growing up as a young woman. I am proud to say that I inherited my spirit and passion for serving others from you and through watching you always give so unselfishly to those around you. Thus, the focus of this dissertation was to help those nonprofit organizations that do so much to serve the communities, in which they operate.

TABLE OF CONTENTS

LIST OF TABLES

CHAPTER 1	1
Defining and Describing the Nonprofit Sector	2
Shortage of Nonprofit Capacity	3
CAPACITY BUILDING	5
THEORETICAL FRAMEWORK	8
MCKINSEY CAPACITY BUILDING FRAMEWORK	9
STATEMENT OF THE PROBLEM	11
PURPOSE STATEMENT	11
RESEARCH QUESTIONS	11
SIGNIFICANCE OF THE STUDY	12
LIMITATIONS	12
CONCLUSION	13
DEFINITION OF TERMS	14
CHAPTER 2: LITERATURE REVIEW	16
CURRENT STATE OF NONPROFIT AMERICA	16
HUMAN RESOURCE CHALLENGES FACED BY THE NONPROFIT SECTOR	18
Nonprofit Organizational Capacity	20
Compensation and Benefits	22
Turnover and Vacancy	23
Recruitment and Retention	24
EFFECTIVELY BUILDING CAPACITY IN NPOS	25

Adaptive Capacity	26
Leadership Capacity	27
HUMAN RESOURCE DEVELOPMENT	28
CAPACITY BUILDING AND ORGANIZATIONAL EFFECTIVENESS	29
LEVERAGING HUMAN RESOURCE DEVELOPMENT TO ENHANCE NPO PERFORMANCE	33
CAPACITY BUILDING THEORIES	36
Resource Dependency Theory	37
Strategic Management Theory	39
CONCLUSION	41
CHAPTER 3: METHODOLOGY	43
RESEARCH DESIGN	43
POPULATION	44
INSTRUMENTATION	45
DATA COLLECTION	48
DATA ANALYSIS	48
SUMMARY	49
CHAPTER 4: RESULTS	51
Demographics	51
Research Question One	55
Research Question Two	64
Research Question Three	72
SUMMARY	79

CHAPTER 5: DISCUSSION AND CONCLUSION	81
Purpose	81
RESEARCH QUESTIONS	82
Data Collection Method	82
FINDINGS	83
Demographic Data	83
Research Question One	84
Research Question Two	88
Research Question Three	91
SUMMARY	93
RECOMMENDATIONS FOR FUTURE RESEARCH	94
The Role of HRD in Nonprofit Capacity Building	95
Career Development	95
Organizational Development	96
Training and Development	97
CONCLUSION	98
REFERENCES	99
APPENDIX A: IRB APPROVAL	110
APPENDIX B: MCKINSEY & COMPANY PERMISSION E-MAIL	111
APPENDIX C: SURVEY INSTRUMENT	113
APPENDIX D: SURVEY CORRELATION	119
APPENDIX F: CASE SUMMARIES FOR AREAS OF TRAINING AND DEVELOPMENT	124

LIST OF TABLES

Table 1: Summary of Foundation for Research Questions.....	16
Table 2: Summary of Survey Items Used to Answer Research Questions.....	48
Table 3: Descriptives of Demographic Information.....	53
Table 4: Leaders' Perception of Organizational Capacity.....	55
Table 5: Measure of Association.....	55
Table 6: Frequency Table – Leaders' Perceptions of Human Resource Capacity.....	57
Table 7: Leader's Perception of organization's Human Resource Capacity.....	58
Table 8: Employee Recruitment and Retention ANOVA.....	59
Table 9: Financial Resources Capacity Ranking.....	61
Table 10: Marketing Capacity Ranking.....	61
Table 11: Human Resources Capacity Ranking.....	61
Table 12: Networking Advocacy Capacity Ranking.....	62
Table 13: Information Technology Capacity Ranking.....	62
Table 14: Operations and Governance Capacity Ranking.....	62
Table 15: Organizational Assessment Capacity Ranking.....	63
Table 16: Planning and Programming Capacity Ranking.....	63
Table 17: Organizational Capacity Means and Standard Deviations.....	63
Table 18: Training and Development Means & Standard Deviations.....	65
Table 19: Fundraising Training.....	67
Table 20: Computer Software Training.....	68
Table 21: Presentation Skills Training.....	68
Table 22: Marketing Skills Technical/Professional Training.....	68

Table 23: Time Management Training	69
Table 24: Negotiating Skills Training.....	69
Table 25: Management Development Training	69
Table 26: Leadership Training.....	69
Table 27: Coaching Skills Training	70
Table 28: Knowledge, Skills, and Abilities Assessment	73
Table 29: Knowledge, Skills, and Abilities Means and Standard Deviations	74
Table 30: Knowledge, Skills, and Abilities Level of Importance Assessment.....	75
Table 31: KSAs Pearson Correlations	77
Table 32: KSAs Spearman’s Rho Correlations	77
Table 33: Importance of HRD Components to Organization Strategy.....	78

CHAPTER 1

A nonprofit organization's (NPO) purpose is to serve the public good. Many NPOs were formed in direct response to community needs (Mayberry, Daniels, Akintobi, Yancey, Berry, & Clark, 2008). The nonprofit sector is made up of more than 1.1 million registered organizations and generates over \$1 trillion dollars in revenue. According to Salamon, Haddock, Sokolowski, and Tice (2007) the nonprofit sector contributes 7.2% to the United States Gross domestic product (GDP), with an average of 5% contribution to national GDP worldwide. The many ways in which NPOs are governed effect our society as a whole. The need for effective nonprofit leadership is predicted to increase as the country emerges from the Great Recession (Light, 2004, Tierney, 2006). The nonprofit sector is large and critical for addressing community needs, advocating for communities, and social change (Abzug, 1999); however, it lacks the infrastructure for recruiting, retaining, and developing the skilled workforce and leadership that the nonprofit sector needs to succeed (Cryer, 2004; Shepard, 2008; Tierney, 2006).

The prediction of an impending leadership deficit is at the center of a series of conversations about the future of the nonprofit sector. Tierney (2006) hypothesized that by the year 2016, 80,000 new executives will be needed each year in NPOs. Tierney also argued that the greatest challenge for the nonprofit sector is its lack of resources to develop large numbers of managers internally, robust management education, and executive search capabilities. Due to these challenges greater emphasis is being placed on leadership that goes beyond knowing how to manage the organization to measuring, evaluating, and improving the organization's activities, performance, and human capital (Backer, Bleeg, & Grover, 2004; Ban. Drahnak-Faller &

Towers, 2003). In order to address the current and forecasted challenges many NPOs will have to change the way they currently operate; positioning their organizations for future success.

Defining and Describing the Nonprofit Sector

The Internal Revenue Service defines the nonprofit sector as organizations that are allowed an exemption from corporate income taxes for their charitable work (DiMaggio & Anheier, 1990; Salamon, 2002; Salamon & Anheier, 1998). NPOs are distinct from traditional organizations in the for-profit sector because their profits are not returned to shareholders. Instead, every dollar that a NPO makes is reinvested in the organization's mission and the services they provide. Nonprofits are the recipients of revenue from sources such as private contributions, service fees, corporate and private grants, government grants, and commercial activities. The nonprofit sector is mainly funded by grants and donations from private donors, so the majority of the funds that these organizations receive are distributed out into their communities. They provide services in the areas of the arts, humanities, education, healthcare, and social services.

According to Geller and Salamon (2008), employment in NPOs grew by five percent between the years 2002 to 2004 while overall employment in America shrunk by .2 percent. The increased growth of the sector coupled with the constrained supply and booming demand for employees to lead these organizations are just a few of the challenges facing the nonprofit sector (Tierney, 2006). Additionally, the continued exodus of the baby boom age leaders has contributed to the rising sense of alarm about the future of the nonprofit sector's leadership. This sector contributes over \$3 trillion of the nation's total assets and over \$1.4 trillion in annual revenues. Very few NPOs utilize resources to help their organizations internally, and this author

believes that investing in their organizations is the key to keeping them relevant in the future. Some of these organizations are still operating under their original functional structure and have made very few adaptations to meet changing demand.

Shortage of Nonprofit Capacity

In the nonprofit field, definitions of organizational capacity vary, but key components cited in the literature include the implementation of financial controls and clear operating oversight, as well as policies and procedures related to staffing, finances, long-term sustainability and expansion of services (Abt Associates, 2010, p. 1).

NPOs, while not driven by profit motive, are accountable to their income providers and increasingly need to operate in ways similar to their for-profit counterparts and be “business like” and cost effective. The nonprofit sector faces several challenges in terms of reductions in funding, decline in charitable contributions, competition from for-profit providers in certain service areas, and demands for accountability (Abt Associates, 2010). The question that arises is: Does the nonprofit sector have the human resources capacity (i.e. the skills, expertise, human and financial resources, management practices, leadership, and training programs) that will be necessary to meet these increased responsibilities? Humans are the architects and agents of services provided by NPOs, thus making human resources the most significant challenge that exists for many NPOs (Light, 2006; Light, 2003; Peters, Fernandopulle, Chan, Masaoka, & Wolfred, 2002; Tierney, 2009).

With the population in the United States becoming more diverse, executive and leadership positions in NPOs require more diversity in terms of gender, race, and ethnicity. Professionals and academics have long asserted that the way in which an organization manages

its people can influence its performance. People management has traditionally taken a back seat to the management of fundraising activities and service delivery within NPOs. However, there is evidence that the management of human resources has been an area of significant change within recent years (Light, 2004; McKinsey & Company, 2001; Sobeck & Agius, 2007). Much of this change has led to an accompanying need for transparency and to demonstrate cost efficiency. Severe recruitment and retention problems have also meant that NPOs have had to develop more sophisticated approaches to the management of their people. A study conducted by Light (2002) found that the biggest contributing factor for organizational success was effective leadership. Many of his interviewees agreed that leadership always emerged as the starting point for the journey toward high performance.

Barrett and Beeson (2002) found that the leading edge companies define leadership by a set of competencies that guide leadership development at all levels. Organizations must develop leaders and their competencies according to their specific business opportunities and goals. NPOs must become more intentional in growing their own leaders internally to retain their top talent and to maintain their competitive advantage. Investing in training and development, intellectual capital, succession planning, and many other for-profit business practices will help to alleviate some of the pressures that arise as a result of the increased growth of the nonprofit sector (Light, 2004a; Tierney, 2006; Peters, Fernandopulle, Chan, Masaoka, & Wolfred, 2002).

A learning organization is a company that has an enhanced capacity to learn, adapt, and change. Training processes are carefully scrutinized and aligned with company goals. In a learning organization, training is seen as one part of a system designed to create human capital. (Noe, 2008).

In order to generate the level of effectiveness that is needed in their leaders, there must be a commitment to the organization's strategies and values from current executives as well as those leaders who are being developed to lead the organization. Within the next five to 15 years, the nonprofit sector will undergo a dramatic loss in leadership due to baby boomers entering retirement, job transitions, and underdeveloped talent within NPOs (Light, 2004a; Tierney, 2006). The nonprofit sector plays a very critical role in today's society by providing services and assistance to people who otherwise would not be able to afford them. Effective leaders are critical in keeping these organizations running so that they can continue to provide much needed services. So, if there is a shortage of leaders to manage and run these organizations, the nonprofit sector as a whole may be in a very poor position to help those whom they currently serve (Salamon, 2002; Tierney, 2006).

Capacity Building

Hansberry (2002) described a nonprofit, human service organization's capacity as its ability to achieve its mission effectively and efficiently through its management, governance, and persistent rededication to achieving results. The federal government has funded several programs that provide capacity building services to address the interest in and need for increased organizational capacity (Salamon, 2002). Capacity building is comprised of a broad range of activities, including improving leadership, realigning the organization's mission and vision, financial management, program development and implementation, marketing, collaboration, training, fundraising, and evaluation (De Vita, Flemming, & Twombly, 2001). The focus of this study will be building human resource capacity through the training and development of NPO leaders.

Capacity building for NPOs as an organized activity has grown substantially over the last 15 years, and this recent growth has been driven significantly by the committed support of foundations (McKinsey & Company, 2001). Administration, finance, human resources, and facility have all been reported as areas that can be enhanced by nonprofit capacity building strategies (Backer, Bleeg, & Groves, 2004). Services to strengthen nonprofits so they can better achieve their mission are funded and in some cases actually delivered by foundations, in areas spanning from improving the use of technology to problem solving on long-term fundraising strategy. Backer et al. (2004) identified three main types of capacity building interventions for nonprofits:

1. Assessment – Effective measurement of the organization’s needs and assets, and its readiness to undertake the kinds of internal changes capacity building will require, is essential to designing and implementing a capacity building effort.
2. Technical assistance and organization development consultation - Consulting services can be provided by outside consultants or firms, peer nonprofit managers, or staff of a foundation. The heart of capacity building is technical assistance (TA) on specific issues of fundraising, board development, staff development; and organization development consultation (ODC) on larger issues of strategic planning, mission shaping or conflict resolution.
3. Direct financial support – Capacity also is built for NPOs by providing them with direct operating or core funding, or funds for equipment purchase, facilities, construction, etc. (p. 3).

Successful capacity building results can be achieved in program delivery capacity, program expansion capacity, and adaptive capacity. Program delivery capacity is the improvement in the capacity of the organization to operate as it currently does. Program expansion capacity is the improvement in the organization's capacity to grow. Adaptive capacity is the improvement in the organization's ability to sense needs for change, and respond to them with program improvements and innovations. Capacity building does not happen all at once and requires flexibility and patience. Both effective management and leadership are required to build capacity within organizations and are necessary in order to advance the goals of the organization (Slater, 2008).

Tierney (2006) stated that the nonprofit sector's leadership challenge will become more acute within the coming years and many organizations will continue to struggle to attract and retain the talent needed to lead America's nonprofits. This increased growth has led to more pressure to perform. There is added pressure by investors to stretch every dollar as far as possible as well as the pressure to compete within the sector. NPOs are operating in a very competitive market for financial resources. While NPOs are not driven by the profit motive, they are accountable to their revenue providers and must be business driven and cost effective in their operations. Human resource management in the nonprofit sector has been primarily nonexistent over the last few decades (Brooks & Nafuko, 2006; Salamon & Sokolowski, 2003); however, there is limited evidence that the sector has seen a significant change in recent years in regard to the management of human resources. The impending leadership crisis has challenged NPOs to develop more sophisticated approaches to create transparency, demonstrate cost efficiency, and compete for funding. A vast majority of these organizations have human resource policies and

procedures in place; however, it is important to note that their practices are often not enforced due to the lack of funding to support them (Gajewski, 2005; Light, 2003; Matthew & Mignon, 2004).

Organizations can employ various human resource practices to enhance the effectiveness of their employees and overall organizations. There has been a growing interest in the nonprofit sector to build capacity and utilize HRD practices and principles to help build more effective organizations and improve performance (Brooks & Nafuhko, 2006). Nonprofits have limited access to the funds needed for improvement efforts. Thus, much of the capacity building in the nonprofit sector is self-funded. However, the great news for the nonprofit sector is that more funders are committing to source organizational capacity. Light (2004a) argued that NPOs could improve and sustain high performance through relatively low costs and high-yield investments in their organizational infrastructure.

Theoretical Framework

Capacity building is comprised of a broad range of activities, including improving leadership, realigning the organization's mission and vision, financial management, program development and implementation, marketing, collaboration, training, fundraising, and evaluation (De Vita, Flemming, & Twombly, 2001). Capacity building for NPOs as an organized activity has grown substantially over the last 15 years, and this recent growth has been driven significantly by the committed support of foundations. Administration, finance, human resources, and facility have all been reported as areas that can be enhanced by nonprofit capacity building strategies (Backer, Bleeg, & Groves, 2004). Services to strengthen nonprofits so they can better achieve their mission are funded and in some cases actually delivered by foundations,

in areas spanning from improving the use of technology to problem solving on long-term fundraising strategy. The McKinsey capacity building framework provides an example of how organizations can develop capacity building strategies and serves as the theoretical framework for this study.

McKinsey Capacity Building Framework

McKinsey and company (McKinsey & Company, 2001) illuminated the fact that the term capacity building lacks a widely shared definition in the nonprofit sector. The McKinsey capacity framework for building organizational capacity presents human service organizations a unique tool to assess, clarify aspirations, and plan strategic investments in building the organization. This particular framework identifies specific types of capacity and elements needed when building organizational capacity. The framework also provided the structure to help guide the process of effective development, which can help build organizational capacity.

The foundational elements of the framework are systems and infrastructure, human resources, organizational structure. The three higher-level elements, aspiration, strategies, and organizational skills build on the three foundational elements and the seventh element is culture, which connects all of the elements to one another. Each element is significant in building capacity and should be examined both individually and in relation to one another.

McKinsey and Company's (2001) framework described aspirations as an organization's mission, vision, and overarching goals, which collectively articulate its common sense of purpose and direction. Strategy is the coherent set of actions and programs aimed at fulfilling the organization's goals and objectives. Organizational skills are the sum of the organization's capabilities, including but not limited to performance measurement, planning, resource

management, and external relationship planning. Human resources are the collection capabilities, experiences, potential and commitment of the organization's board, management team, staff, and volunteers. Systems and infrastructure is the organization's planning, decision-making, knowledge management, and administrative systems, as well as the physical and technological assets that support the organization. Organizational structure is the combination of governance, organizational design, inter-functional coordination, and individual job descriptions that shape the organization's legal and management structure. And finally, culture is the connective tissue that binds together the organization, including shared values and practices, behavior norms, and most important, the organization's orientation toward performance. McKinsey and Company advises nonprofits not to attempt to fix all of the elements of capacity building all at once because it could lead to "institutional paralysis."

The elements that are addressed in this framework target most of the critical areas that require development to improve the overall viability of the organization and improve performance. McKinsey and Company's (2001) researchers concluded that there were three important lessons that emerged as a result of their study that were relevant to the entire nonprofit sector. The first lesson learned from their study was that taking the action to reset aspirations and strategy is often the first step toward making a dramatic improvement in regards to an organization's capacity. The second lesson was that both leadership and management are very important in building capacity. Leadership and management must play an important role in the capacity building interventions. Leaders must be proactive and willing to commit to tackle capacity building and push it through the organization. The third lesson was that patience is a

necessity. Capacity building can be a timely process and leaders must have a long-term view because of this.

Due to the fact that developing capacity requires time and resources some NPOs decided that conforming to the existing norms was their best chance for survival (McKinsey & Company, 2001). The needs and ability of NPOs to build future capacity will vary widely from one NPO to the next and determining an organization's capacity building needs is not a simple process because no one has established the characteristics that actually make an effective organization (Light, 2000). The existing literature did not provide one best way to build capacity or achieve favorable outcomes; however, many of the frameworks that exist have a common element for analyzing and assessing potential pathways to meet the capacity needs of NPOs.

Statement of the Problem

The extent of the use of human resource capacity building in community based NPOs is unknown.

Purpose Statement

The purpose of this study was to analyze the executive leaders' perceptions of their organization's human resource capacity and use of training and development. Thus, it was important to understand the current state of the nonprofit sector and organizational capacity. Equally important was the understanding of capacity building as an effort to increase, replenish, or improve an organization's effectiveness and ability to achieve its mission (McKinsey & Company, 2001).

Research Questions

The following research questions, based upon the self-reported perceptions of the executive

leaders, guided this study:

1. To what extent is human resource capacity present in capacity building initiatives of nonprofit organizations in northwest Arkansas?
2. To what extent is training and development actually used and/or desired by nonprofit organizations in northwest Arkansas? I asked this question with the thought that those executive leaders that desired training would respond Strongly Agree (SA) and Agree (A). Those executive leaders whom did not desire training would respond Disagree (D) or Strongly Disagree (SD) and could potentially already possess the KSAs in question.
3. What is the perception of the importance of human resource development based on the organizational strategies of nonprofit organizations in northwest Arkansas?

Significance of the Study

This study focused on the impact of human resource capacity in capacity building initiatives and explored the perceived importance of HRD practices based on the organizational strategy of the selected organizations. While the literature (Connolly & York, 2002; Light, 2002) suggests that there is no one best way to approach capacity building, through the assessment of the current capacity the researcher aimed to help these organizations identify those areas of capacity that are strongest and those that need improvement.

Limitations

1. A limitation of the study is that self-reported data was collected and the data is dependent upon participant recall and perceptions of their leadership abilities.
2. The data is limited to organizations located in Northwest Arkansas.

3. The study is limited to those employees who are considered leadership members and have decision-making authority.
4. Results may represent data that could change if the data were collected at another time.
5. Responses to the study may be affected by the length of time individuals have been employed at the organization.

Conclusion

Toupin and Plewes (2007) argued that the key to addressing challenges that the nonprofit sector was facing is to simultaneously encourage and support employees in current leadership positions while identifying ways to promote the sector as a viable career destination to a new generation of diverse leaders. Their recommendation failed to address the broader structural issue of the lack of HRD in a majority of organizations in the sector. Much of the research conducted on this topic recommended that organizations increase their investments in leadership and leadership development (Hubbard, 2005; Light, 2004b; Tierney, 2006). Recent literature also suggests that developing and implementing an effective succession planning process can produce tangible benefits for the organization and help to combat the threat of the leadership deficit in both for-profit and NPOs (Enright, 2006; W.K. Kellogg Foundation, 2004; W.K. Kellogg Foundation, 2006; Wolfred, 2008). In today's fast changing, dynamic public sector world; leadership development is more critical than ever before (Green, 2002).

In today's results driven environment the effectiveness of NPO leaders is crucial. The findings could assist interested members of the funding community in developing systematic approaches to support the growth of local nonprofits. This study will benefit the selected

organizations by ensuring the funders, as well as the community at large, have solid research-based information about the human resource capacity building challenges faced by these organizations and the potential HRD strategies best for meeting those challenges.

Definition of Terms

The definitions of terms that were used throughout the study include:

1. **Nonprofit Organization (NPO):** An organization that exists for the benefit of the general public and whose mission is to further develop its community by providing cultural, educational, religious, professional, and public service resources (DiMaggio & Anheier, 1990; Salamon, 2002; Salamon & Anheier, 2008).
2. **Nonprofit Sector:** The collective group of NPOs that fulfill a variety of functions to help build and maintain civil society (Salamon, 2002; Salamon & Anheier, 2008).
3. **Leadership Deficit:** Term introduced by the Bridgespan Group in 2006 to describe the anticipated shortage of executive leaders in the nonprofit sector over the next decade (Tierney, 2006).
4. **Human Resource Development (HRD):** For the purposes of this study HRD is defined as the framework for helping employees develop their personal and organizational skills, knowledge, and abilities. (Brooks & Nafuhko, 2006; Swanson & Holton, 2001; Torraco, 2005). Human Resource Development includes such opportunities as employee training, employee career development, performance and development, coaching, mentoring, succession planning, and organization development (Swanson & Arnold, 1996).
5. **Human Capital:** The knowledge, expertise, and skill one develops through workplace education and training (Carmeli, 2004; Carmeli & Schaubroeck, 2005).
6. **Social Capital:** King (2004) states that social capital encompasses building networks of relationships, which enhance cooperation, trust, shared vision and resource exchange in creating organizational value. By fostering social capital, NPOs can better recruit and develop board members, raise philanthropic support, develop strategic partnerships, engage in advocacy, enhance community relations, and create and expand a shared strategic vision and mission
7. **Capacity Building:** Actions that improve an organization's effectiveness. Capacity building in NPOs can include a broad range of efforts from providing training and development to supporting collaborations (De Vita, Flemming, & Twombly, 2001).
8. **Human Resource Capacity:** An organization's collective capabilities and experiences of

its people (McKinsey & Company, 2001).

9. Human Resource Capacity Building: Encompasses HRD as essential part of development and is a series of actions directed at helping participants in the development process to increase their knowledge, skills and understandings and to develop the attitudes needed to bring about the desired developmental change (Crowder, 1996).

CHAPTER 2: Literature Review

The nonprofit sector as a whole has a reputation for under-investing in human resources. The skills required of the nonprofit workforce have changed drastically and the knowledge driven economy demands workers that are highly functional. The nonprofit sector must be more concerned not only with fundamental human resource issues, but also with the unique challenges of balancing organizational, board, staff, volunteers, and clients. Of the scarce resources that organizations must procure and allocate, perhaps none is more important of the success of a firm than human resources (Swanson & Arnold, 1996, p.14).

Table 1

Summary of Foundation for Research Questions

Question	Topics
#1	Current State of Nonprofit America, Human Resource Challenges Faced by the Nonprofit Sector, Effectively Building Capacity in NPOs, Capacity Building Theories, McKinsey Capacity Building Framework
#2	Human Resource Challenges Faced by the Nonprofit Sector, Effectively Building Capacity in NPOs
#3	Human Resource Challenges Faced by the Nonprofit Sector, Effectively Building Capacity in NPOs, Capacity Building and Organizational Effectiveness, Leveraging Human Resource Development to Enhance NPO Performance, Capacity Building Theories, McKinsey Capacity Building Framework

Current State of Nonprofit America

Nonprofits are where people can come together to address basic needs and problems, to bring new ideas to life, and to engage in meaningful leadership and service. The nonprofit sector is comprised of a vast assortment of hospitals, universities, family service agencies, religious

congregations, environmental advocacy, civil rights groups, and homeless shelters all of which have faced enormous challenges over the last 20 years. NPOs vary in scope and in size, but they all have critical elements that enable them to perform a crucial advocacy role of identifying problems and bringing them to the public's attention. NPOs help foster social capital and have good intentions, tenacity, and passion for achieving their missions. Many of these organizations are under-resourced in developing their own organizational human resource capacity and, thus, lack the ability to differentiate themselves from their competition (Cryer, 2004; Light, 2004a; Light, 2004b).

Human resource capacity includes the areas of technical acumen, organizational development, strategic planning, advocacy, and promotion (McKinsey and Company, 2001). The depth and breadth of the human resource capacity issues undermine the NPOs ability to service its clients and its ability to develop new and innovative ways to fund its activities. NPOs by nature reinvest their profits back into their programs. The aim of NPOs is to benefit its stakeholders through better service delivery of their mission's objectives and goals. Many NPOs are striving to apply more effective business practices and strategies to close the growing economic and social divide that exists within the nonprofit sector (Ban, Drahnak-Faller, & Towers, 2003).

When an organization experiences growth, there is a need for effective leadership within the human resources department. Leaders are expected to be aware of future changes and prepare the organization for the possible effects. Healthy internal growth must be promoted to ensure the agency preserves its potential. Improvement within NPOs is an ongoing phenomenon

that should be cultivated by removing obstacles that come with age and growth of the organization (Barrett & Beeson, 2002; Callen, Klein & Tinkelman, 2003).

Human Resource Challenges Faced by the Nonprofit Sector

There is a breadth of literature on the nonprofit sector and on civil society, specifically conducted by the Johns Hopkins Comparative Nonprofit Sector Project (Salamon, Sokolowski & List, 2003). The key issue facing the nonprofit sector today is not what the sector delivers, but how it operates. Salamon (2002) identified the key challenges and opportunities that NPOs have faced in the United States in recent years as fiscal, competition, effectiveness, technology, legitimacy, and human resources. NPOs are facing fiscal challenges in maintaining their financial resources from year to year. These resources play a critical role for NPOs and enable them to provide services to the communities they serve. NPOs are also facing increased competition internally from their nonprofit counterparts as well as externally from for-profit organizations that offer similar services. In the face of increased competition, NPOs are also feeling growing pressure to demonstrate effectiveness (Barman, 2002; Baruch & Ramalho, 2006; Forbes, 1998). Rapid technological changes have added further to the pressure NPOs are confronting. A serious fault line also seems to have opened in the public's confidence in the nonprofit sector (Abramson & McCarthy, 2002; Schlesinger, Mitchell, & Gray, 2004). It is clearly visible that fiscal duress, increased competition, and expanded accountability demands have taken their toll on the sector's human resources.

The nonprofit sector is projected to experience a human resource shortage as a result of the failure to implement succession planning, a lack of younger talent entering the field, and increased demand for services. In 2016, 640,000 new senior managers will be needed in the

nonprofit sector (Tierney, 2006). This is nearly three times the number of executives employed in 2006. Coupled with the challenges, that nonprofit America has been confronting, are an important set of opportunities that include social and demographic shifts such as the growth of the aging elderly population and the increased female participation in the labor force. These social and demographic shifts are expanding demand for many of the services that nonprofit organizations provide. Because of philanthropic resources resulting from generation to generation transfer of prosperity, new wealth created by the dot-com economy, and a growing willingness of businesses to forge partnerships with nonprofit organizations to help build consumer confidence, and promote employee loyalty and morale. There is also the increased visibility and credibility that nonprofits have gained as a result of the attention directed toward them and the new-found interest in social capital.

The events of September 11 alerted Americans to the importance of the functions of nonprofit institutions. For example, after September 11th the American Red Cross rushed to the aid of the families of the fallen. Immediately after the attacks, the Red Cross established the Liberty Disaster Fund. The Liberty Fund was flooded with \$564 million in donations by October 31. The Red Cross used these funds to provide cash assistance to the families of the victims, services for the rescue workers, and help to thousands of other people who lost their jobs or were affected in other ways by the tragedy.

The health and vitality of the nonprofit sector depends on the ability of board members and executive leaders to develop new visions of leadership and organizational capacity (Barrett & Beeson, 2002; Callen, Klein & Tinkelman, 2003). In their struggle to remain relevant, NPOs must remain vigilant to a number of serious vulnerabilities including program-restricted funding,

heavy reliance on government, difficulties in measuring mission impact, and organizational behavior (Sargeant & Lee, 2002; Schwinn & Sommerfield, 2002; Smith & Lipsky, 1993).

Nonprofit Organizational Capacity

One of the biggest challenges for funders and donors is finding nonprofits with the capacity to deliver their services effectively and efficiently (Chandler, 2003; Connolly & York, 2002). NPOs are being challenged to maximize their social impact and use their resources more adequately. Donors are requiring the NPOs that they fund to operate more like for profit organizations, and these requirements are helping to drive the impending need for research into initiatives to build capacity. Fredericksen and London (2000) noted that while Provan and Milward (1995) did not explicitly define organizational capacity, they posited that effective NPOs usually have stable funding and experienced executives. No organization can achieve success without the basic necessities such as competent management, skilled employees, good fiscal practices, and programs relevant to the communities they serve. Fredericksen and London (2000) proposed four elements of organizational capacity: leadership and vision; management and planning; fiscal planning and practice; and operational support. Their framework was derived for examining the capacity of community based development organizations (CBDO). Fredericksen and London theorized that leadership and vision were two critical components of organizational capacity. The level of support and commitment to planning by the leadership of the organization is also a crucial element of organizational capacity. Although the CBDOs surveyed in the study were less involved in terms of management and planning activities, the researchers concluded that organizational survival required planning and development of a shared vision and goals. The organization's survival also depended on an accurate assessment

and effective management of current and potential human and fiscal resources. Fiscal planning and practice was also noted as a core element of organizational capacity. NPOs must have a formal fiscal system and operate in a fiscally responsible way. The level of the organization's fiscal responsibility is often a major driver of the financial resources that they receive to fund their operations.

Of the 18 assessed organizations in Fredericksen and London's (2002) study there were 102 employees among them. Staff, organization structure, and facilities also affect capacity for effective action. Gajewski (2005) as referred to by Matthewman and Matignon (2004) reported that 36% of organizational revenue is derived from intangible assets such as branding, goodwill, and human capital. Each employee brings value in their capabilities, contributions, potential, and values. NPOs must develop these assets through recruitment, retention, and training. These elements of capacity operate in support to other components of the organization.

The conceptual model of organizational capacity presented by Hall, Andrew, Barr, Brock, DeWit, and Embuldeniya (2003) identified three types of organizational capacity, which are financial capacity, human resource capacity, and structural capacity. Financial capacity refers to the ability to develop and deploy the revenues and assets of the organization. Human resource capacity refers to the organization's ability to deploy paid staff and volunteers within the organization and the competencies, knowledge, attitudes, motivations, and behaviors of staff and volunteers. Structural capacity refers to the ability to develop and use relationships and networks with various stakeholders, infrastructure, and processes. This study focused on human resource capacity.

Hall, Andrew, Barr, Brock, DeWit, and Embuldeniya (2003) sought to improve understanding of capacity challenges of rural nonprofit and voluntary organizations. The organizations represented in the study, as with many nonprofits, receive funding from various sources. Many of the participants agreed that their biggest challenge was financial capacity; more specifically, the lack of core funding was their greatest concern. Because of its nature this financial challenge touches many different organizations that vary in size, mission, organizational structure, and numerous other characteristics. Financial capacity building improves the organization's ability to operate innovatively and sustainably. The study concluded that the participants were also concerned about their organization's human resources capacity. Human resources in the nonprofit sector are also a challenge due to the competition to hire and retain staff members.

Compensation and Benefits

The nonprofit sector as a whole is known to have lower salaries than the for profit sector (Ban, Drahnak-Faller, Towers, 2003; Brown, Yoshioka, and Munoz, 2004; Naff & Crum, 1999; O'Neil, 2007). Due to the lack of human capital, less access to funding, less resources, lack of training and limited networking opportunities, the nonprofit sector continues to be at a severe disadvantage (Cryer, 2004; Light, 2004a). These disadvantages have fueled the growing need for capacity building in the area of human resources within the nonprofit sector. Stowe and Barr (2005) noted that in order to adequately build capacity, training, communication, technology, and collaboration must be included. Peters, Fernandopulle, Masouka, Chan, & Wolfred (2002) found that the lack of resources to afford a dedicated human resource manager led a majority of NPO leaders to subsume the function of human resources. These untrained leaders often performed

tasks such as payroll, benefits related tasks, and administrative tasks. Additionally, these leaders were left with the responsibility of managing turnover and position vacancies.

Compensation rates of NPO employees are often less than the private sector and evidence reflects that nonprofit employees are often motivated more by the meaningful work and missions of their organization (Ban, Drahnak-Faller, Towers, 2003; Cryer, 2004). The perceived difference in compensation in the nonprofit sector in comparison to the for-profit sector also contributes to the recruiting challenges that NPOs face. However, a study by Ruhm and Borkowski (2003) found that:

Persons working for nonprofits receive approximately the same pay as they would if employed in equivalent positions by profit-seeking firms. This is true even though nonprofit employees earn an average of 11% less than their counterparts with similar observed attributes. The reason for the lower earnings is that nonprofit jobs require fewer hours and are concentrated in a small number of industries that tend to offer relatively low pay but are likely to be desirable places in which to work. (p. 2)

Yet, Light (2002) found that 23% of executive leaders being unsatisfied with their salaries.

Turnover and Vacancy

While there are costs to turnover such as retraining, position vacancy also drains resources, creates opportunity costs, and creates to sense of desperation that occurs when the right person cannot be found for a key position. NPOs must proactively manage and minimize the damage of vacancy and turnover, which can be done by implementing HRD strategies (Gajewski, 2005; Matthew & Matignon, 2004; Ridder & McCandless, 2010; Peters, Fernandopulle, Masouka, Chan, & Wolfred, 2002). Peters et al. (2002) also reported that of 425

NPOs just 57 or 13% confirmed their organization had a management position dedicated to human resources. A CompassPoint study of NPOs in the San Francisco Bay area found that 8% of paid staff positions were vacant and 30% had been vacant for four months or more. Of vacant positions 24% were management positions, but 47% were non-program staff. Smaller NPOs are dominant in the nonprofit sector and exhibit higher vacancy and turnover rates due to position vacancies.

Griffith, Hom, & Gaertner (2002) reported that the best predictors of turnover are job satisfaction, organizational commitment, job search, comparison of alternatives, withdrawal cognitions, and quit intentions. Burnout is another workforce challenge for the nonprofit sector. Light's (2003) study on the health of human services workforce found that 81% of executive leaders strongly or somewhat agreed that it was easy to burn out in the work that they did, 75% called their work frustrating, and 70% said they had too much work. Additionally, one-third of new recruits reported they would transition within two years. Cryer (2004) offered that NPOs provide meaningful work that employees found more important than their salary. The Cryer study's results offered benefits of gratitude in serving their community, opportunity to do challenging work, and flexible hours (Light, 2003). Two additional factors contributing to the workforce issues NPOs face are recruiting and retention.

Recruitment and Retention

Turnover is inevitable in today's economy. While developing strategies to retain employees is imperative, having the capacity to manage vacancy is also a necessity. The difficulty of hiring and retaining the right people consistently plagues the nonprofit sector. The function of human resource professionals has moved from simplistic, regulatory compliance to

motivating employees to apply their skills, knowledge, and abilities (KSAS) to deliver high levels of performance (Gajewski, 2005; Matthew & Matignon, 2004).

Effectively Building Capacity in NPOs

While there is no clear cut definition of what capacity building is, the liberality and diversity of the definitions that have been offered helps to argue the case for capacity building. Capacity building is a complex and multidimensional concept. Eade (2007) posited that capacity building is not something that can be broken down into a set of ingredients for a universal recipe with instructions on how to do it. Capacity building embraces an organization's mission, history, organizational culture, leadership, and much more. It can take on many different forms and can be implemented in many different ways. McKinsey and Company (2001) studied executive directors of various NPOs and suggested that capacity building initiatives had a proven impact on nonprofit performance, which in turn increased the organization's competitive advantage. Kinsey and Raker (2003) identified the conceptual foundations of capacity building was to validate mission, reconsider the vision, reaffirm values, develop resources, set strategies, and ensure productivity. Organizations that wish to engage in the process of capacity building and transformation- those that decide to experience the personal and corporate satisfaction of building and achieving the status of a high performing organization will find that many pathways lead to that destination. (Kinsey & Raker, 2003).

Millesen, Carman, and Bies (2010) suggested that capacity building efforts must be organize around four core capacities: adaptive capacity, leadership capacity, technical capacity, and management capacity. Millesen et al. assumed that a nonprofit could build organizational capacity by aligning investments with its organizational goals and objectives. Adaptive capacity

suggests that the organization possesses the ability to advance their mission by making adjustments in anticipation of and in response to changing circumstances (Millesen, Carman, & Bies, 2010). Adaptability allows the organization to make more informed decisions and utilize their resources more successfully. Leadership capacity suggests that the organization's leaders possess the ability to provide direction and propel the organization in an upward direction. Technical capacity, according to Connolly and York (2002) is related to the implementation of core organizational and programmatic functions such as financial management, evaluation, fundraising, information technology, and marketing. The data showed a positive correlation between an organization's technical capacity and the knowledge and skill levels of its employees. Management capacity is management's ability to focus on utilizing human, operational, and volunteer resources adequately.

Connolly and York utilized organizational theories to understand the incentive to engage in capacity building. They determined that there are various predictors of motivation to engage in capacity building efforts. While the participants held different perspectives regarding why organizations engage they also shared views on the impact of capacity building. The participants agreed that capacity building would fundamentally improve organizational operations. For the purposes of this study adaptive capacity and leadership capacity are the most critical components of organizational capacity.

Adaptive Capacity

Change normally causes anxiety, stress, or even trauma to an organization and its people. Coping with change can affect the organization's performance and ultimately its livelihood. NPOs are increasingly encountering opportunities that require them to adapt and abandon the

traditional way that they have done things. Adaptive capacity as stated before refers to the ability to change and even to challenge circumstances internal and external to the organization (Millesen, Carman, & Bies, 2010). In order for NPOs to build adaptive capacity, their leaders must possess the skill to take the initiative in making the necessary adjustments to improve performance, relevance, and impact. Organizations that possess adaptive capacity are focused on and responsive to what is happening inside and outside their organizational boundaries. Effective organizations have the capacity to generate value, stability, and change. Competition in the nonprofit sector is fierce, and while NPOs must possess adaptive capacity to respond to demands for accountability, increased effectiveness, and improvement in overall impact, they must also thrive and be more professional in their management (Millesen et. al, 2010). To be professional in their management, NPO leaders must have the capacity to grow and develop their organizations. NPO leaders must also be able to adapt to constant change and guide their organizations in effectively advancing its mission (Boxall & Steeneveld, 1999; DeVita, Flemming, & Twombly, 2001).

Leadership Capacity

Swanson and Holton (2001) define development as the planned growth and expansion of the knowledge and expertise of people beyond the present job requirements. In business terms leadership development is the investment in and utilization of an organization's human capital. Leadership development focuses on the development of leadership as a learning process (Light, 2006). It addresses the opportunities of both maintaining the work system and changing the work system. Developing individual leaders was once the sole focus of leadership development. The further back one looks into history one notices that the definition of leadership has narrowed

since its inception. Today more importance is placed on leadership development than ever before. In reviewing the entire field of leadership development, McCauley and VanVelsor (2003) noted that the approach of many organizations is events-based rather than systematic. One approach to this new way of thinking in regards to leadership development is to involve more training to impact an individual's effectiveness as a leader. Early leadership behavior researchers classified leadership behavior as styles or roles. These models also became known as the core theories of leadership.

According to Light (2006), participants offered that the purpose of leadership capacity building was to improve the effectiveness of organizations to achieve their missions. Leadership capacity has been described as the ability of NPO leaders to provide direction and propel their organization in an upward direction (Light, 2006; Peters & Wolfred, 2001). Leadership development is of continuing importance in the nonprofit sector due to the mass exodus of baby boomers, and the shortage of and increasing demand for a new generation of leaders. According to Sussman (2003) posited that adaptive capacity is an organization's ability to challenge its own established ways of thinking and operating and to successively craft and adopt more effective means to enhance performance and organizational capacity.

In his study of 250 opinion leaders and 250 executive directors of high performing nonprofits, Light (2002) found that "No matter how the answers are assembled, leadership always emerges as the starting point for the journey toward high performance" (p. 58). Adaptive capacity and leadership capacity building is the key to managing and delivering high quality services in the nonprofit sector.

Human Resource Development

There is an urgent need in the nonprofit sector for human resource capacity and human resource development (HRD) practices such as succession planning, training and development, organization development, and career development. While a universally accepted definition of HRD is nonexistent, many scholars have attempted to identify its essential elements (Brooks and Nafuhko, 2006; Swanson & Holton, 2001; Torraco, 2005). Torraco (2005) defined HRD as the integrated use of training and development, organization development, and career development to improve individual, group, and organizational effectiveness. Swanson and Holton (2001) defined HRD as a process for developing and unleashing human expertise through organization development and personnel training and development for the purpose of improving performance. HRD has borrowed from various disciplines such as systems theory, psychological theory, and economic theory.

NPOs must develop their human resources now for the future so that they can best manage their human capital in order to be self-sustaining and effective. HRD professionals can help develop human capital and leadership capacity. Leadership development is one of many elements of capacity building; however, it has increasingly been viewed as a critical element. The challenge in building leadership capacity is implementing interventions that can develop NPO leaders who can thrive and not just cope with the constant changing environment in which most NPOs operate.

Capacity Building and Organizational Effectiveness

Herman and Renz (1999) findings indicated that the effectiveness of NPOs were always comparative, multidimensional, related to board effectiveness, and related to the use of correct management practices but not in the form of best practices. The population was specific to local

publicly supported NPOs or local chapters of national NPOs that provide health and welfare services to the communities they serve. Data were collected on several classes of variables: (1) use of practitioner defined correct management practices, (2) use of widely recommended board practices (3) judgments of the effectiveness of boards, (4) judgments of the effectiveness of organizations, and (5) other organizational characteristics. It was hypothesized that NPO effectiveness was always a matter of comparison. Nonprofit leaders are also feeling the increased pressure to guarantee results.

The question, often rarely asked, is: What the organization is being compared to? Usually the comparison may be to the same organization, but at different times, to similar organizations, or to some model. Nonprofit organizational effectiveness is multi-dimensional. NPOs are perceived as having multiple criteria to judge effectiveness and these criteria often exist independently of one another. In theory if NPO effectiveness is multidimensional, a single indicator cannot assess it. According to Herman and Renz (2004) program effectiveness is not the same as organizational effectiveness. The literature warns NPOs of the danger of using program outcome assessments to judge organizational effectiveness (Herman, 1997, 1999).

Organizational effectiveness in NPOs is interconnected to program and network effectiveness. In the fierce competition to secure scarce donor resources, NPOs are faced with greater demand for financial accountability and more concrete evidence of program impact. Program evaluations assess whether NPOs are achieving their program goals and satisfying their clients. Current literature on nonprofit organizational effectiveness shows a growing interest in program outcomes (Herman & Renz, 2000, 2003, 2004). There is a gap between a program's

success and overall NPO effectiveness and viability. Determining how to align and measure effectiveness and viability of a NPO is critical.

Increasingly many NPOs operate largely as part of a greater service delivery network. The study of relations between organizations has been a major concern of organization theorists for at the past 25 years. Provan and Milward (1995) stated that much of this interest in the relations between organizations has been generated by an emerging recognition by academics that businesses, as well as organizations in the not-for-profit and public sectors, are increasingly turning to various forms of cooperative alliances as a way of enhancing competitiveness and effectiveness. These alliances would not be possible through the traditional governance mechanisms of market or hierarchy. Individual NPOs make strategic choices to form or become part of a cooperative network with other organizations when the advantages to such an arrangement, especially enhanced survival capacity appears to outweigh the costs of maintaining the relationship, including any potential loss of operating and decision autonomy (Provan and Milward, 1995). In this context, it is less important to assess individual NPO effectiveness than it is to assess the effectiveness of the larger network within which it operates. Emphasis on the effectiveness of the network will lead to more appropriate conclusions. Lindenberg (2001) stated that small, independent NPOs find it hard to keep pace with the more efficient, larger NPOs that take advantage of economies of scale in marketing, operations, and support services. NPOs that fail to adjust their strategies and promote greater impact, efficiency, and accountability run the risk of becoming nonexistent in the future of the nonprofit sector. The focus of human resource capacity building in the nonprofit sector should be to offer NPOs a

variety of promising practices and help them develop capacity to match appropriate practices to their emerging needs.

The public increasingly demands efficiency and effectiveness from nonprofit organizations. Human resource capacity building promises an increase in human resource capacity, which also increases effectiveness (Crowder, 1996). The life stage of an organization is also important in understanding and gauging its effectiveness. Organizational life cycle theories play an important role in the explanation of NPO growth and change. Life cycles and capacity appear to have a relationship that is generalizable to many organizations (Adizes, 1979; Quinn & Cameron, 1983). Once you can identify where the organization falls within its life cycle capacity, the need for capacity building can then be determined. Schuh and Leviton (2006) offered that there is a direct relationship between the idea that change occurs within organizations as they grow, and as the change occurs, the need for increased capacity also grows. By the year 2016, 640,000 new senior managers will be needed in the nonprofit sector. This is nearly three times the number of executives employed by NPOs in 2006 (Tierney, 2006).

Emerging trends in organizational effectiveness literature have identified organizational capacity as one of the most important elements. Nonprofit capacity building includes the core components needed for organizational effectiveness. The mission, governance, leadership, human resources, financial stability, quality and responsiveness, innovativeness, and active organizational learning appear to be critical elements in improving organizational performance. With current charitable contributions on the decline, operating deficits on the climb, and leadership vacancies projected to increase, now seems to be the most opportune time to build

human resource capacity in nonprofit organizations (Millesen & Bies, 2010; McGonagill & Reinelt, 2011).

Leveraging Human Resource Development to Enhance NPO Performance

Developing human resource capital that is in harmony with the organization's design and strategy is becoming the cornerstone of competitive advantage (Pfeffer, 1994, 1998). The goal is to leverage the organization's human resource capacity in ways that enhance organizational performance and effectiveness. As noted by Lado and Wilson (1994), organizational specific human capital enhances the productive capacity of human resources; it is not widely available in the external labor market; and a viable substitute is not available without incurring costs.

According to Boxall and Steeneveld (1999) human resource advantages should allow firms to exploit the potential of outstanding human capital through superior management process, which facilitate such valuable routines.

HRD can serve a critical role in ensuring effective utilization of human resources. The quality of HRD combined with the strategic use of that resource that influences organizational outcomes such as performance and effectiveness. Development of human resource capacity must be aligned with the mission and vision and integrated into the organization's goals and objectives (Gajewski, 2005). Human resource capacity building can help NPOs increase their effectiveness, enhance the quality and volume of services delivered, diversify funding sources, and create collaborative relationships to better serve those in need.

Previous research has argued that there are ideal kinds of HRD practices (e.g. training, performance appraisal) that are universally advantageous to organizations (Delaney & Huselid, 1996). Wright, Dunford, and Snell (2001) stated that no attempt had yet been made to

empirically assess the validity of the proposition that HR practice were path dependent, nor were they difficult to imitate. Organizations that have strong human resource capacity leverage their human resources in a highly effective manner because it is rare, valuable, and difficult to imitate or substitute. Carmeli and Schaubroeck (2005) argued that a high level of human resource capacity is likely to advance organizational performance when special competencies exist for understanding the opportunities and constraints of utilizing their human resources, along with the initiative to put their knowledge into action. NPOs that possess human resource capacity that is scarce, inimitable, and un-substitutable often are more effective than their competitors (Carmeli & Schaubroeck, 2005). Human capital is considered to be a key element that leads to the development of all other capacities. HRD practices must be aligned with the NPO's culture and strategy in order to effectively contribute to overall organizational performance (Delery & Shaw, 2001; Rivkin, 2000; Carmeli, 2005). The major task of human resource professionals in NPOs is to align resources within their organization and to develop a talented and efficient workforce.

Human resource capacity building can be used as a tool for increasing organizational effectiveness in this challenging environment, growing, sustaining, and effectively deploying a skilled, knowledgeable, diverse, and high performing workforce capable of meeting the needs of clients and the organization is just one of the benefits of building capacity (Light, 2004; Millesen & Bies, 2010). With the population in United States becoming more diverse, executive and leadership positions in nonprofit organizations require more diversity in terms of gender, race, and ethnicity as these positions of power and influence continue to be held by white men. In relation to demographic changes, namely aging of the baby boomer population, Halpern (2006) found that a considerable amount of scientific research has been directed to investigating of

executive turnover and transition in the nonprofit sector. Individuals who choose to work in nonprofits are more likely to have non-monetary goals, aspire for a socially meaningful job, and have a philosophy for self-development and social change. Light (2002) concluded that organizational mission and a dedication towards public service inspire both volunteers and paid professional staff to join nonprofit organizations. Mann (2006) found that nonprofit employees had a strong service orientation, sought for a chance to make a difference, and valued more intrinsic work incentives than salaries and benefits. They were more attached to the organizational mission than employees in federal government and private sector employees, and demonstrate dedication to achieve the common good.

Onyx and Maclean (1996) argued that nonprofit employees typically have a spiral career pattern with changing positions that require different skills, creativity and ability to work in challenging working environments. Individuals who choose to work in nonprofits are more likely to have non-monetary goals, aspire for a socially meaningful job, and have a philosophy for self-development and social change. Light (2002) maintained that organizational mission and a dedication towards public service inspire both volunteers and paid professional staff to join nonprofit organizations. Brown et al. (2004) posited compensation is an important factor in employee turnover. Even though employees are attracted by the mission of the organization and are satisfied with their work, they do not consider remaining in the organization because of low compensation (Baber, Daniel, & Roberts, 2002; Barbeito & Bowman, 1998; Ruhm & Borkowski, 2003). Brown et al. also found that mission connection was a strong predictor of retention, but should be combined with other intrinsic rewards to compensate lower salaries and benefits in the nonprofit sector.

Retention of non-leadership staff deserves special attention since the loss of staff is costly in terms of training and development, interrupted service provision, and decreased employee morale (Ban, Drahnak-Faller, Towers, 2003; Halpern, 2006; Lynn, 2001). Researchers argued that the most important goal of the contemporary human resource systems is not to recruit the finest professionals, but to create congruence between people and organizations (Lynn, 2001; Vigoda & Cohen, 2003). To retain employees, supervisors must explore expectations of their employees and sculpt jobs and careers in ways that brings satisfaction and happiness to both sides. The organizational mission attracts people with similar views to the organization and retains them. However, a diversion from the original mission during the course of organizational development can lead to frustration and turnover. Support from the organization can be in the form of empowering employees by involving them in decision-making. Providing job satisfaction, improved communication, and a positive work environment with appropriate rewards and appreciation can also have a positive impact on employee retention. Training and development opportunities are an important tool for attracting and retaining quality employees.

The nonprofit sector must address this challenge and take the lead in developing their people to become efficient leaders and experts in their organizations. Hubbard (2005) identified ample reasons to invest in nonprofit leadership training and development. Expectations for performance, senior-level retirement and turnover, competition for talent, increasing service and management demands have all been highlighted as convergence factors (McGonagill & Reinelt, 2011).

Capacity Building Theories

In recent years, several theories of capacity building have been posited to define essential elements NPOs need to succeed and these relate to one another. A common theme that emerged from a report on capacity building published by the Urban Institute (De Vita & Fleming, 2001) is how theory can be used to enhance understanding of capacity building. For the purpose of this study, resource dependency theory (Pfeffer & Salanick, 1978) and strategic management theory (Bracker, 1982; Lamb 1983; Morgan & Murgatroyd, 1994; Pearce & Robinson, 1982) provide the framework for the analysis of human resource capacity building in the selected organizations. Each of these theories has advanced the field and expanded the collective understanding of how to strengthen NPOs. Resource dependence theory is the ability of an organization to maintain and acquire resources that are critical to their survival. The literature suggests the use of strategic management and resource dependence theory could explain an organization's proactive efforts to engage in capacity building (Millesen and Bies, 2004, 2010; Sussman, 2003).

Resource Dependency Theory

NPOs rely on a variety of activities and resource providers to support their mission driven work. Resource dependency theory was introduced by Pfeffer & Salanick (1978) to explain how an organization's strategy, structure, and survival depend on its resources and dependency relationships with external institutions (Hodge & Piccolo, 2005). Resource dependency theory asserts that the key to organizational survival is the ability to acquire and retain resources. Froelich (1999) posited this task is problematic due to environmental conditions of scarcity and uncertainty; resources are also not adequate, stable, or assured. Therefore, NPOs are constrained or limited by the environment as a consequence of their resource needs. Callen, Klein, and Tinkelman (2009) cited two important aspects of nonprofit performance as management's

responsible stewardship of organizational funds and securing the necessary resources to perform the organization's mission. For NPOs, similar to their for-profit counterparts, limited resources and increased competition in service provision have forced NPOs to improve efficiency without compromising effectiveness (Callen, Klein, & Tinkelman, 2003; Speckbacher, 2003).

Resource dependence theory suggests that organizations engage in capacity building to improve their ability to acquire resources. Millesen and Bies (2010) found that organizations identified with both the strategic management and resource dependence perspectives. The organizations tend to engage in capacity building as a means to leverage their position in the environment as well as their financial resources needed for survival and growth. Resource dependence theory would predict that nonprofit organizations engage in capacity building in order to promote organizational legitimacy and improve performance so they can secure the resources necessary for survival. Resource dependence emphasizes the proactive role of the manager in shaping the organizational environment, thus, it is imperative for NPOs to have a high level of social capital and leaders who can make strategic decisions and manage their resource dependencies.

Social capital is the attitude, spirit and willingness of people to engage in collective, civic activities. Much of the literature on civil society and social capital emphasizes community building at the local level. Hall (1995) discussed the origins of the concept of civil society and stated that civil society's role was increased by changes in the way that society communicated. The advancement of literacy and mass print media increased the ability of people to organize and form social groups. The recent technology revolution has served as a critical force in shaping civil society and researchers suggest that it will strengthen communities and provide

new opportunities in building a healthy and productive civil society. Strategic management theory suggests that organizations make strategic decisions to better position themselves in their environment.

Strategic Management Theory

There is a tendency to look at a successful organization and conclude that since everything seems to be working well, no changes are necessary. While strategic management means different things to different people, it emphasizes formal technique for setting an organization's long-term course, developing plans in the light of internal and external circumstances, and undertaking appropriate action to reach those goals (Rusaw & Rusaw, 2008). Strategic management can be used as a tool to guide the actions and decisions of NPO managers whereby their organization's success or failures depend on how they manipulate and utilize it.

Strategic management refers to the general process of adapting the organization to its environment to better accomplish organizational purposes (Hodge & Anthony, 1991). The process of strategic management generally involves making fundamental decisions about the external environment as they relate to the organization's purpose, philosophy and mission; articulating key goals and objectives; allocating resources; and developing organizational structures and systems (Bracker, 1982; Lamb, 1983; Morgan & Murgatroyd, 1994; Pearce & Robinson, 1982). Strategic management theory focuses analytic attention on the proactive actions of managers who have a desire to engage in capacity building so they can improve decision-making, make practical changes that are responsive to constituent expectations, and make the most of environmental opportunities. Strategic management perspective emphasizes the importance of engaging in capacity building to respond to environmental contingencies such

as the identification of training needs or technical assistance, the incorporation of feedback to guide implementation, and improving individual and organizational learning. Building nonprofit capacity is consistent with a strategic management theory. De Vita, Fleming, & Twombly (2001) explicitly link strategic management theory with capacity building.

Strategic management theory suggests that nonprofits can revamp their operational activities to enhance their organizational capacity. Strategies such as increased staff training, greater use of volunteers or more public outreach programs can reduce the costs of delivering services or build a stronger community constituency (p.11).

De Vita et. al (2001) offered that a new vision of nonprofit development was needed to nurture and grow the nonprofit sector's capacity. Their study helped to highlight the diverse aspects of the associations linking communities and NPOs and elucidated the advantages and disadvantages associated with investing in capacity building when compared to the consumption of physical and human resources. Courtney, Marnoch, and Williamson (2005) showed that Chief Executive Officers (CEOs) perceived strategic management had various impacts on the organization, of which the most important were: creating a clearer organizational focus (more than three-quarters of the sample) and increasing organizational unity (half of the sample). More than 25% of the sample also reported that strategic management had improved financial planning; programming and monitoring of performance; the quality of service; organizational structure; the sense of ownership by the staff; professionalism; fundraising and the likelihood of long-term survival as well as assisting creative thinking and making the organization more business-like (p.11). The commitment and passion that NPOs bring to their work will continue to drive the quest for stronger, more sustainable organizations and improved mission impact.

Conclusion

Typically, NPOs are thought of as small organizations that are understaffed, struggling financially, and provide basic human needs to the most vulnerable in our society or as organizations that support the civic and social infrastructure of our communities, states, and nation, and serve as a vital component of the nation's economic engine. While nonprofits address increasingly demanding and complex social problems, a vast majority of studies have illuminated the resource deficiencies and challenges that the nonprofit sector faces. Nonprofit America is projected to experience the effects of the aging workforce and a shortage of managers and executive leaders to replace returning baby boomers in the coming years. A systematic failure of the nonprofit sector to recruit and retain qualified employees, provide required training, and an increased demand for services is projected to result in a human resource shortage perfect storm (Tierney, 2006; Light, 2004; Peters, Fernandopulle, Chan, Masaoka, & Wolfred, 2002).

With the increased pressure to become more effective and more efficient, operating strategies of the nonprofit sector are drastically changing. Human resources are the primary asset of NPOs (Barbeito & Bowman, 1998); the need to adapt to change and the pressure to do more is intricately linked to HRD. The future of the nonprofit sector will require NPOs to recruit and retain qualified employees, train and develop talent in house, and offer competitive terms and conditions of employment. The lack of alignment between HRD and organizational strategy illuminates the need for NPOs to find ways to address their human resource capacity challenges and enhance their organization's effectiveness. Human resource capacity, once created, is consumed by fulfilling the organization's mission. The greatest incentive for engaging in human

resource capacity building is the nonprofits ability to meet its goals and objectives, which are aligned with its mission while building long-term sustainable capacity.

CHAPTER 3: Methodology

The purpose of this study was to analyze the human resource capacity and use of training and development by examining the executive leaders' perceptions, as applicable, of their organization's current human resource capacity. By assessing the participants' perceptions of their organization's human resource capacity, the researcher aimed to illuminate the benefits of HRD and its impact on the organization.

Research Design

Descriptive research provides information describing the topic and information about the participants involved within the research study (Leedy & Ormond, 2005). Using descriptive techniques, the researcher analyzed the perceptions of human resource capacity by administering a survey. The primary design of this study was non-experimental quantitative utilizing survey research. Survey research involves acquiring information about a group of people by asking questions and tabulating answers to produce numerical statistics.

The Likert Scale was chosen for the survey instrument because it offers the advantage that it does not require a simple yes / no answer from the executive leader, but rather allows for degrees of opinion, and even no opinion at all. Jamieson (2004) posited that Likert scales are commonly used to measure attitude and typically offer the executive leader five categories of response. There are arguments that are in favor of scales with seven or an even number of response categories. Garland (1991) postulated that the purpose of a rating scale was to allow executive leaders to express both the direction and strength of their opinion about a topic. A four-point scale was not chosen for this study because it forces the executive leader to choose a side to some degree and could potentially skew the data to one side. Garland also cited the

Worcester and Burns (1975) study that concluded that a four-point scale without a mid-point appears to push more executive leaders towards the positive end of the scale. For the purpose of this study five response categories were used on the survey instrument. The researcher's focus was to describe the variables that existed and to describe any potential relationships that existed among the variables.

Population

The researcher chose a nonprobability sampling method. Using purposive sampling the researcher selected the United Way of Northwest Arkansas community partners as the population for the study. A list of partners was collected from the organization's website. The following eligibility criteria were used to obtain the sample.

United Way of Northwest Arkansas Partner Inclusion Criterion:

- Organization founded prior to 2005
- Total Revenue >\$10,000
- Total Assets >\$1,000

The researcher used the National Center for Charitable Statistics database, the Arkansas Secretary of State's Nonprofit Organization Registry, and the IRS' listing of registered nonprofit organizations to verify the organizations' financial standings and origination dates. The majority of the organizations were community-based organizations with no ties to a national office, thus the researcher felt it was appropriate to allow a low threshold on the criterion of total assets and total revenue. There were a total of 80 organizations in the population. The sampling method allowed the researcher to obtain a sample of 61 partner organizations from which to recruit the

chief executive officer (CEO), executive director (ED), or assistant director (AD) (where applicable) to participate in the study.

The study was designed to allow one executive leader from each organization to participate in the study in order to capture the individual perceptions of executive leaders from 61 different organizations; however, in order to ensure confidentiality of their responses they were not asked to identify their organization. Thus, one can only assume that each executive leader is from a different organization. By ascertaining their position title in the demographic section of the instrument, the researcher was able to identify 16% were CEOs, 75% were EDs, and 9% were ADs. Upon IRB approval the researcher contacted each organization to verify the contact information for the executive director, assistant director (where available), and the executive committee chair and the invitation was extended to those individuals to participate in the study.

Instrumentation

The McKinsey & Company capacity framework identified fundraising, human resources, program development, and organizational skills as elements necessary to include when building organizational capacity. This framework was most relevant to this research because it provided the structure necessary to help guide the process of effective development, which can help build organizational capacity. This model had seven elements: (1) Aspiration, (2) Strategy, (3) Organizational Skills, (4) Human Resources, (5) System and Infrastructure, (6) Organizational Structure, and (7) Culture. Systems infrastructure, human resources, organizational structure, and culture are the foundational elements that connect to all of the other elements in the pyramid. This study used element 4, human resources. Several organizations have adapted the McKinsey

& Company Capacity Assessment Grid to meet their assessment needs. For example, The Oklahoma City Community Foundation OCAT is based upon the McKinsey Capacity Assessment Grid created by McKinsey & Company and published in *Effective Capacity Building in NPOs* (2001), produced for Venture Philanthropy Partners (www.vppartners.org).

“The McKinsey Capacity Assessment Grid was created by McKinsey & Company and published in *Effective Capacity Building in Nonprofit Organizations* (2001), produced for Venture Philanthropy Partners (www.vppartners.org). It is reprinted, copied, or distributed with the permission of Venture Philanthropy Partners.” For the purpose of this study the researcher was granted permission by Venture Philanthropy Partners to create a survey using elements from the McKinsey & Company Capacity Grid. These items account for over 80% of the 55 items on the instrument. The use of pre-existing questions is beneficial to the researcher in that the measures are certain to be accurate measures of the concept of interest due to being pre-tested (Hyman, Lamb, & Balmer, 2006). As a result the degree of validity is likely to be high resulting in obtaining a higher quality of data. This also presents the advantage of convenience and saving time.

The remaining 20% of questions were developed according to the types of questions found in the Office of Faith Based & Community Initiatives Needs Assessment Survey (Butler, Krause, Luboff, & Singer, 2010), California Department of Consumer Affairs Office of Human Resources Capacity Building Project (Ganse, Navarro, Capual, Cousins, DeSousa, Kanemoto, & Schaefer, 2010), the U.S. Department of Health and Human Services’ Administration for Children and Families’ Capacity Benchmarking Tool for Faith- and Community-Based Organizations (Fink, Engel, & Branch Associates, 2006), the Substance Abuse and Mental

Health Services Administration's Center for Substance Abuse Treatment's Sustainable Grassroots Community Based Programs: A Toolkit for Community and Faith Based Service Providers (Center for Substance Abuse Treatment , 2008), and the Human Resources Benchmarking for telecommunication organizations in English-speaking countries in Africa (Mallango, Tenningas, & Nxele, 2008) as a benchmark for the survey instrument. These instruments collected self-reported data, which is one reason they were chosen to be used a benchmark questions. The researcher reviewed the items on these instruments and compared structure, verbiage, word choice, and response types in order to develop design the remaining 20% of questions on the instrument.

The survey contained 55 items on human resource capacity, training and development, knowledge management, and organizational capacity. Participants were asked to score their organization on the continuum of "1" to "5" with "1" being "Strongly Agree" and "5" being "Strongly Disagree" for the 40 items in Section I that address the organization's human resource capacity. Additionally, Section I requested participants to rank their top three areas of training most important to their development over the next two years from nine identified categories. They were also asked to rank the eight areas of organizational capacity with "1" signifying the least challenging and "8" signifying the most challenging. Section II asked participants to assess their level of need for training and/or development. Section III contained demographic questions. Demographic data was collected to provide a general description of the research participants.

The survey data provided by the organizations' leadership helped to illuminate their current organizational structure, architecture, the influence of their human resources, and current HRD practices. The scope of this study spanned across NPOs that were large and small in size,

technologically savvy, and dependent on the work of independent contractors. Additionally, these organizations were founded prior to 2005 and; they ranged from educational organizations to human service providers. Finally, these organizations had total revenue of at least \$10,000, assets of at least \$1,000, and most importantly they were all volunteer dependent.

Table 2

Summary of Survey Items Used to Answer Research Questions

Question	Survey Item(s)
#1	1, 3, 5, 7, 9, 11, 13, 15, 17, 19, 21, 23, 25, 27, 29, 31, 33, 35, 37, 39, 42
#2	2, 4, 6, 8, 10, 12, 14, 16, 18, 20, 22, 24, 26, 28, 30, 32, 34, 36, 38, 40, 41
#3	43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55

Data Collection

Extensive recruitment efforts were employed. Initially, letters of invitation were sent to participants through e-mail. These letters explained the purpose of the research, confidentiality, benefits to the organizations, and plans to share the results with the organizations. The letter directed participants to the web based survey. The participants completed the survey through the University of Arkansas’ Qualtrics system. A reminder was sent through email one week after the survey was activated and three days prior to the deadline. The process flow utilized by the researcher to administer the survey was as follows: Survey constructed → Transmitted via Internet → Through E-mail → Embedded link to direct participant to web survey.

Data Analysis

Data obtained from the survey was imported into the Statistical Package for the Social

Sciences (SPSS) Version 20.0. This software was used to describe and analyze the data. Data from Section I of the survey was quantified using frequency distributions and descriptive statistical tests.

The research objective was descriptive, thus descriptive statistics focused on describing, summarizing, and explaining the data to convey essential characteristics of the data by arranging it into a more interpretable form. In terms of univariate statistics, frequency of distribution was used to calculate numerical indexes such as averages, percentile ranks, and measures of spread. This technique allowed the researcher to summarize variables one at a time and/or to examine correlations and measures of central tendency.

Bivariate analysis was used to analyze two or more variables at a time. T-tests and ANOVAs were used to determine whether differences between group means were statistically significant. These tests allowed the researcher to test whether or not the difference between groups was greater than what one would expect to see by chance alone. Group means that were very different were statistically significant and the researcher drew the conclusion that there was a real relationship between independent and dependent variables. This study presented categorical independent variables and quantitative independent variables categorized as dichotomous, ordinal, or rank order.

Summary

The researcher employed quantitative research using descriptive methods in the form of a survey. Use of a survey to collect data allowed for the gathering of specific data from a pre-determined population in a relatively short period of time, and allowed for inferences to be made about a group of people. The participants were asked to complete a web-based survey to attain

their perspectives of their organization's human resource capacity. The researcher sent e-mails with letters to the leaders seeking participants for the study.

The researcher aimed to help develop a common understanding of the human resource capacity building challenges faced by NPOs. The findings could serve to assist interested members of the funding community in developing systematic approaches to support the organizational health of local nonprofits in addition to their programmatic requests. This may benefit the nonprofit organizations by ensuring that the funders, as well as the community at large, have solid, research-based information about the capacity-building challenges they face and the potential effectiveness of strategies for meeting those challenges.

CHAPTER 4: Results

The purpose of this study was to analyze the executive leaders' perceptions of their organization's human resource capacity and use of training and development. The following research questions, based upon the self-reported perceptions of the executive leaders, guided this study:

1. To what extent is human resource capacity present in capacity building initiatives of nonprofit organizations in northwest Arkansas?
2. To what extent is training and development actually used and/or desired by nonprofit organizations in northwest Arkansas? I asked this question with the thought that those executive leaders that desired training would respond Strongly Agree (SA) and Agree (A). Those executive leaders whom did not desire training would respond Disagree (D) or Strongly Disagree (SD) and could potentially already possess the KSAs in question.
3. What is the perception of the importance of human resource development based on the organizational strategies of nonprofit organizations in northwest Arkansas?

Demographics

The population for this study was N=61. Thirty-two surveys were completed on Qualtrics.com for a response rate of 52%. Additionally, seven or 12% of the 61 potential participants began the survey, but failed to respond to any of the items. Demographics of the executive leaders are noted in Table 3. Fifty eight percent were female and 41.9% were male. Forty-two percent were 50 years or older, 35.5% were between the ages of 40 and 49 years, 12.9% were between the ages of 30 and 39, and 9.7% were between the ages of 21 and 29 years.

Of those surveyed, the majority of the executive leaders (64.5%) indicated they were familiar with organizational capacity and 48.4% reported being familiar with human resource capacity building. Thirty-nine percent of executive leaders transitioned from the field of business, 35.5% had a background in nonprofit management, 12.9% indicated that they were from a field other than those listed on question 5 on the demographics survey and 6.5% had a background in education or social work. Most of the executive leaders (64.5%) possessed at least a bachelor's degree, 29% held a graduate degree, 3.2% held an associate's degree, and 3.2% held a high school diploma or GED.

In terms of years of experience, 47% of executive leaders reported they had between 5 and 10 years of experience in the nonprofit sector, 19% reported between 11 and 15 years of experience in the nonprofit sector, 19% reported over 15 years of experience, and 16% reported zero to four years of nonprofit experience. Eighty-six percent of executive leaders stated they intended to be in their current position for the next five years while 19.4% indicated they would not be in their positions within the next five years. Most (38.7%) of the executive leaders worked in organizations with budgets of \$250,000 or greater, 25% worked in organizations with budgets between \$100,000 and \$149,000, and 25% worked in organizations with budgets between \$150,000 and \$249,000, and 9.7% of executive leaders worked in organizations with budgets between \$50,000 to \$99,000.

Table 3

Descriptives of Demographic Information

Item	Response	N	%
Familiar with organizational capacity	Yes	21	66%
	No	11	34%
Familiar with human resource capacity	Yes	15	47%
	No	17	53%
Gender	Male	13	41%
	Female	19	59%
Age	21-29	3	9%
	30-39	4	13%
	40-49	11	34%
	50 and Above	14	44%
Background	Education	2	6%
	Business	12	38%
	Social Work	2	6%
	Nonprofit Management	12	38%
	Other	4	13%
Highest level of education	High School Diploma / GED	1	3%
	Associate Degree	2	6%
	Bachelor Degree	20	63%
	Graduate Degree	9	28%
Years of experience in nonprofit sector	0-4 Years	5	16%
	5-10 Years	15	47%
	11-15 Years	6	19%
	Over 15 Years	6	19%

Table 3 Continued

Item	Response	N	%
Years in current position	0-4 Years	15	50%
	5-10 Years	12	38%
	11-15 Years	2	6%
	Over 15 Years	3	6%
In current position for next five years	Yes	25	81%
	No	7	19%
Chapter's annual budget	\$50,000 to \$99,000	3	9%
	\$100,000 to \$149,000	8	25%
	\$150,000 to \$249,000	9	25%
	\$250,000 and above	12	41%

*Note: N = 32

The literature review reflected that baby boomers are leading the nonprofit sector, and that there are fewer younger workers in these leadership roles; and subsequently there is a lack of knowledge on organizational capacity and human resource capacity. As a result, Analysis of variance (ANOVA) was calculated between the demographic items represented by the statements: “Are you familiar with organizational capacity building” and “Years of experience in the nonprofit sector”. The researcher used this test to assess the statistical significance of the relationship between the two items. The level of significance was set at .05. $F(3,28) = .875$, $p > .05$, thus the results were not statistically significant (at the $p < .05$ level) indicating no relationship between the groups. See Table 4

Table 4

Leaders' Perception of Organizational Capacity

Item	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups (Combined)	.619	3	.206	.875	.466
Within Groups	6.600	28	.236		
Total	7.219	31			

*Note: N = 32

To further evaluate the results of the ANOVA the measure of association (See Table 5) was calculated to show the degree of the relationship between the dependent and independent variables: “Years of experience in the nonprofit sector” and “Are you familiar with organizational capacity building”. Eta squared reflects the percentage of the dependent variable variance explained by the independent variable. Eta Squared = .086 means that 8.6% of the variability in years of experience is dependent upon the executive leaders familiarity with organizational capacity building.

Table 5

Measure of Association

Item	Eta	Eta Squared
Are you familiar with organizational capacity building? * Years of experience in nonprofit sector:	.293	.086

*Note: N = 32

Research Question One

To what extent is human resource capacity present in capacity building initiatives of nonprofit organizations and their community partners in Northwest Arkansas?

De Vita et al. (2001) referred to nonprofit capacity building as activity that improves and enhances NPOs abilities to achieve its mission and sustain itself. Capacity building can take on the form of improving volunteer commitment, training, and workshops that discuss strategic planning, board development, fund development, human resources, and resource mobilization (Chandler, 2003). Section I of the survey-required executive leaders to assess their organization's current human resource capacity. Executive leaders rated each statement using a 5-point Likert scale on the following choices: strongly agree (SA), agree (A), undecided (U), disagree (D), and strongly disagree (SD).

From the literature review the following topics, Current State of Nonprofit America, Human Resource Challenges Faced by the Nonprofit Sector, Effectively Building Capacity in NPOs, Capacity Building Theories, and the McKinsey Capacity Building Framework, were used to address research question one. These items were categorized as capacity to perform or manage the basic functions of human resources, employee relations related tasks, training and development, and strategic organizational planning in order to assess the extent of the executive leader's perception of the existence of these aspects of human resource capacity. The items on the instrument that reflect these categories were:

1,3,5,7,9,11,13,15,17,19,21,23,25,27,29,31,33,35,37,39, and 42.

The researcher measured frequency of distribution for each statement used to answer research question one. Favorable responses of (SA) and (A) were combined and coded as "Agree" and the unfavorable responses of (D) and (SD) were combined and coded as "Disagree." Table 6 shows the combined percentages of agree and disagree for each survey item and Table 7 shows the means and standard deviations for each item.

Table 6

Frequency Table – Leaders’ Perceptions of Human Resource Capacity

Item	Agree	Disagree
1	88	12
3	82	9
5	85	6
7	91	3
9	85	13
11	88	13
13	78	21
15	87	12
17	78	13
19	78	6
21	69	25
23	91	6
25	78	13
27	75	16
29	97	3
31	88	3
33	87	13
35	85	9
37	76	19
39	76	16

Note: N = 32

Factor values were determined using the following rating scale:

SA = Strongly Agree & ,A = Agree = Combined Code Agree

D = Disagree & SD = Strongly Disagree = Combined Code Disagree

When using the combined codes the majority (87%) of the executive leaders indicated that their organization had the capacity to strengthen the role of human resources in their organization. While 85% reported their organization had the capacity to implement policies and procedures to recruit, hire, deploy, transfer, and promote staff in a timely manner. Additionally, 76% indicated organizational human resource capacity to effectively manage employee turnover and burnout.

Table 7

Leader's Perception of organization's Human Resource Capacity

Item	Mean	Std. Deviation
1	1.87	1.04
3	1.97	1.06
5	1.97	.999
7	1.78	.941
9	2.00	1.10
11	1.91	1.11
13	2.22	1.12
15	1.97	.999
17	2.06	.914
19	2.09	.777
21	2.44	1.19
23	1.88	.871
25	2.22	1.00
27	2.28	.991
29	1.87	.707
31	1.97	.695
33	1.94	.914
35	2.13	.871
37	2.31	.931
39	2.34	.937

Note: N = 32

Factor values were determined using the following rating scale:

SA = Strongly Agree & ,A = Agree = Combined Code Agree

D = Disagree & SD = Strongly Disagree = Combined Code Disagree

According to Sherman (2008) without strong organizational capacity, nonprofits have found it difficult to consistently develop and implement high-quality, high-impact programs (p. 26). From a collective perspective of the responses, there were similarities amongst the executive leaders in terms of the presence of human resource capacity in capacity building initiatives within their organizations; however, there were some executive leaders that disagreed with

certain statement in terms of the existence of human resource capacity within their organizations. Executive leaders also assessed their organization on their capacity to address employee turnover and burnout, 19% of executive leaders disagreed that the capacity existed. With regards to the availability for opportunities for career development and advancement within their organizations, the majority (69%) agreed, but 25% disagreed.

It was also reported that 66% of executive leaders were familiar with organizational capacity building and 15 or 71% of those familiar with organizational capacity building were familiar with human resource capacity. Of those executive leaders familiar with organizational capacity building 38% had five to 10 years of experience, 24% had 11 to 15 years of experience; 24% had over 15 years experience, and 14% had zero to four years of experience.

Employee retention and recruitment were cited in the literature as one of the greatest challenges for nonprofit organizations. Survey items examining these issues were: 17, 19, 21, 27, 35, and 37. A visual comparison and One-way ANOVA were used to examine whether there was significance or differences for the executive leaders' perceptions of their organization's employee retention and recruitment capacity based on their years of experience. Each of the items was analyzed individually.

Table 8

Employee Recruitment and Retention ANOVA

Item	F	P
17	.497	.465
19	.248	.862
21	.459	.713
27	.621	.607
35	.238	.869
37	.222	.880

*Note = 32

For item 17 $F(3,28) = .497$, the significance was $.465 (p > .05)$; item 19 $F(3,28) = .248$, the significance was $.862 (p > .05)$; item 21 $F(3,28) = .459$, the significance was $.713 (p > .05)$; item 27 $F(3,28) = .621$, the significance was $.607 (p > .05)$; item 35 $F(3,28) = .238$, the significance was $.869 (p > .05)$; and item 37 $F(3,28) = .222$, the significance was $.880 (p > .05)$. The researcher concluded there were no significant differences in the executive leaders' years of experience and their perception of their organization's employee retention and recruitment capacity for any of the 6 survey items.

A post ad hoc test of Student-Newman-Keuls (SNK) showed similar results. The group sizes were unequal, thus, the harmonic mean sample for each survey item used was 4.068. Type I levels of error were not guaranteed.

Survey Item 42 was also used to assess the executive leaders' perception of the most challenging area of organizational capacity. Executive leaders were required to rank the items from most challenging (1) to least challenging (8). Their selections were: financial resources, marketing, human resources, networking advocacy, information technology, operations and governance, organizational assessment, and planning and programming. According to the results the most challenging area of organizational capacity was financial resources capacity at 16 or 50% executive leaders. Tables 9, 10, 11, 12, 13, 14, 15, and 16 illustrate the rank order and the percentage of the total for each of the organizational capacity areas. Table 17 illustrates the means and standard deviations for each area of organizational capacity.

Table 9

Financial Resources Capacity Ranking

Rank	N	% of Total
1	15	46.88%
2	6	18.75%
3	1	3.13%
4	4	12.50%
5	1	3.13%
6	2	6.25%
7	1	3.13%
8	2	6.25%

*Note: N = 32

Table 10

Marketing Capacity Ranking

Rank	N	% of Total
1	4	12.50%
2	8	25.00%
3	5	15.63%
4	3	9.38%
5	6	18.75%
6	2	6.25%
7	2	6.25%
8	2	6.25%

*Note: N = 32

Table 11

Human Resources Capacity Ranking

Rank	N	% of Total
1	3	9.38%
2	6	18.75%
3	7	21.88%
4	2	6.25%
5	4	12.50%
6	3	9.38%
7	3	9.38%
8	4	12.50%

*Note: N = 32

Table 12

Networking Advocacy Capacity Ranking

Rank	N	% of Total
1	1	3.13%
2	2	6.25%
3	4	12.50%
4	8	25.00%
5	3	9.38%
6	6	18.75%
7	5	15.63%
8	3	9.38%

*Note: N = 32

Table 13

Information Technology Capacity Ranking

Rank	N	% of Total
1	3	9.38%
2	2	6.25%
3	1	3.13%
4	2	6.25%
5	8	25.00%
6	5	15.63%
7	4	12.50%
8	7	21.88%

*Note: N = 32

Table 14

Operations and Governance Capacity Ranking

Rank	N	% of Total
1	2	6.25%
2	3	9.38%
3	2	6.25%
4	2	6.25%
5	4	12.50%

6	9	28.13%
7	7	21.88%
8	3	9.38%

*Note: N = 32

Table 15

Organizational Assessment Capacity Ranking

Rank	N	% of Total
1	1	3.13%
2	1	3.13%
3	7	21.88%
4	5	15.63%
5	3	9.38%
6	4	12.50%
7	7	21.88%
8	4	12.50%

*Note: N = 32

Table 16

Planning and Programming Capacity Ranking

Rank	N	% of Total
1	4	12.50%
2	3	9.38%
3	5	15.63%
4	5	15.63%
5	3	9.38%
6	1	3.13%
7	3	9.38%
8	8	25.00%

*Note: N = 32

Table 17

Organizational Capacity Means and Standard Deviations

Capacity	Mean	Std. Deviation
Financial Resources	2.50	2.110
Marketing	3.56	1.933
Human Resources	4.28	2.372
Networking and Advocacy	4.94	1.848

Information Technology	5.47	2.170
Operations and Governance	5.38	1.913
Organizational Assessment	5.03	2.087
Planning and Programming	4.84	2.438

*Note: N=32

Research Question Two

To what extent is training and development results actually used and/or desired by nonprofit organizations and their community partners in Northwest Arkansas?

The items on the instrument that addressed question two were 2, 4, 6, 8, 10, 12, 14, 16, 18, 20, 22, 24, 26, 28, 30, 32, 34, 36, 38, 40, and 41. Frequency of response was obtained for each statement on the executive leaders’ desires for training and development in human resource capacity (See Table 8). The areas of training and development were categorized as capacity to perform or manage the basic functions of human resources, employee relations related tasks, and strategic organizational planning.

The demographic results of this study showed that 59% of the executive leaders were female with the remaining 41% being male. Demographic data also indicated that the majority of the female executive leaders were ages 40 and above. An Independent t-test was computed to compare the means of females and males in regards to their use and/or desire of training and development for the rank order items on the survey that addressed research question two. After careful review of the data it was concluded that there were no significant differences between the means of females and males in regards to their use and/or desire for training and development in human resource capacity. At the .05 significance level each survey item had a $p > .05$.

Table 18

Training and Development Means & Standard Deviations

Item	Mean	Std. Deviation
2	2.84	1.110
4	3.16	1.247
6	2.81	1.230
8	3.00	1.295
10	2.97	1.307
12	2.97	1.332
14	2.88	1.129
16	2.84	1.221
18	2.78	1.157
20	2.66	1.035
22	2.69	1.120
24	3.09	1.376
26	2.91	1.201
28	2.84	1.110
30	3.09	1.146
32	3.00	1.191
34	2.84	1.247
36	2.78	1.070
38	2.53	1.016
40	2.72	1.023

*Note: N = 32

Factor values were determined using the following rating scale:

SA = Strongly Agree, A = Agree, U = Undecided, D = Disagree, SD = Strongly Disagree

When asked if training would be “needed to assume responsibility to implement policies and procedures to recruit, hire, deploy, transfer, and promote staff in a timely manner,” 53% of executive leaders reported yes, while 41% reported they would not need this training. Means were calculated and analyzed in terms of desire for training and non-desire for training based on the years of experience of the executive leaders. Additionally, the researcher examined the

relationship between years of experience and the desire for training in human resource capacity to determine if the executive leaders' years of experience were linked to their desire for training. Sixty-three percent of executive leaders reported a higher desire for training; however, there were a small portion of executive leaders (34.38%) that indicated no desire to receive training, and 3.12% of executive leaders were undecided. Two statements in particular showed frequencies that were very close in proximity:

- Need for training to produce and update an employee manual (50% desired training and 47% did not)
- Need for training to project number of staff members needed to meet the organizations goals (53% did not desire training and 47% indicated a desire to receive training)

On the statement regarding the need for training to manage a program to strengthen management and leadership, 34% of executive leaders indicated no desire for training. For the non-training executive leaders, 45% had over 15 years of experience, 36% had between 5 and 10 years of experience, and 18% had between 11 and 15 years of experience.

Survey Item 41 was also used to assess the use and/or desire for training and development in regards to research question two. Executive leaders were required to rank the items from (1) being most important to (3) being least important based upon the top three areas that they would desire training and development in over the next two years. The selections were: fundraising, computer software, presentation skills, marketing skills, technical and professional, time management, negotiating skills, management development, leadership, and coaching skills (Summarized in Tables 19 through 27).

Fundraising, which had a mean of 1.26 (SD= .56), was reported as the most important area of development at 44%, management development, which had a mean of 2.06 (SD= .68), was reported as the second most important at 28%, and the third most important area was equally distributed as marketing skills technical and professional (mean 1.94, SD= .85); time management (mean 2.63, SD= .52); negotiating skills (mean 2.50, SD= .76); leadership (mean 1.93, SD= .83); and coaching skills (mean 2.57, SD= .79). Of the executive leaders that ranked fundraising as most important (13%) had between zero and four years of experience, 46% indicated between five and 10 years of experience, and 40% indicated between 11 and 15 years or over 15 years of experience.

Management development was reported as the second most important area at 28% for desired training and development. Of these executive leaders 56% indicated 5-10 years of experience, (22%) had between 0 to 4 years of experience, and 11% indicated 11 to 15 years or over 15 years of experience. The least important areas for training and development identified were marketing skills technical and professional, time management, negotiating skills, leadership, and coaching skills by 20 executive leaders or (63%) of the sample.

Table 19

Fundraising Training

Rank	N	%
0	13	41
1	14	44
2	4	13
3	1	3
Total	32	100.0

*Note: N = 32

Table 20

Computer Software Training

Rank	N	%
0	23	72
1	2	6
2	4	13
3	3	9
Total	32	100.0

*Note: N = 32

Table 21

Presentation Skills Training

Rank	N	%
0	31	97
2	1	3
Total	32	100.0

*Note: N = 32

Table 22

Marketing Skills Technical/Professional Training

Rank	N	%
0	16	50
1	6	19
2	5	17
3	5	17
Total	32	100.0

*Note: N = 32

Table 23

Time Management Training

Rank	N	%
0	24	75
2	2	6
3	6	19
Total	32	100.0

*Note: N = 32

Table 24

Negotiating Skills Training

Rank	N	%
0	24	75
1	1	3
2	2	6
3	5	16
Total	32	100.0

*Note: N = 32

Table 25

Management Development Training

Rank	N	%
0	17	53
1	3	9
2	9	28
3	3	9
Total	32	100.0

*Note: N = 32

Table 26

Leadership Training

Rank	N	%
0	18	56
1	5	16
2	5	16
3	4	13

Total	32	100.0
-------	----	-------

*Note: N = 32

Table 27

Coaching Skills Training

Rank	N	%
0	25	78
1	1	3
2	1	3
3	5	16
Total	32	100.0

*Note: N = 32

A Pearson-product moment correlation coefficient was computed to assess the relationship between the top two areas of desired training and development: fundraising and management development. There was no correlation between the two areas of desired training, $r = -.016$, $n = 32$, $p = .930$. Overall, the relationship between the areas was weak, with a negative correlation. Further analysis of the correlations between fundraising and the remaining areas of training revealed a statistically significant correlation between fundraising and negotiating skills, $r = .444$, $n = 32$, $p = .011$. This correlation was significant at the .05 level; however, the relationship between these areas was weak and negatively correlated.

Visual comparisons were then performed to examine relationships between fundraising and the areas not ranked within the top two areas of desired training. The researcher concluded that there was no statistically significant correlations among the comparisons and the relationships were weak and negatively correlated for computer software ($r = -.111$), leadership ($r = -.223$), and coaching skills ($r = -.289$). The relationships between fundraising and presentation skills ($r = .281$), marketing skills technical/professional ($r = .276$), and time management ($r = .093$) were weak, but positively correlated.

Similarly, the researcher examined the relationships between management development and the remaining areas not ranked within the top two areas of desired training and development. Statistically significant correlations were found between management development and computer software ($p = .011$) and marketing skills technical/professional ($p = .031$); however, the relationships between computer software ($r = -.422$) and marketing skills technical/professional ($r = -.382$) were weak and exhibited negative correlations. As did the relationships between management development and presentation skills ($r = -.155$), time management ($r = -.062$), negotiating skills ($r = -.271$), leadership skills ($r = .018$), and coaching skills ($r = .158$). Statistically significant correlations were also identified between leadership and computer software at $p = .041$ and between coaching skills and marketing skills technical/professional at $p = .014$; however the relationships for both comparisons were weak and negatively correlated.

The researcher analyzed the case summaries report on the desired areas of training and development and discovered 19 or (59%) of executive leaders ranked fundraising as one of their top three desired areas of training and development, 16 or (50%) ranked computer software in their top three areas of desired training, and development, 0% ranked presentation skills in their top three desired areas of training and development, 16 or (50%) ranked marketing skills technical/professional in their top three areas of desired training, 8 or (25%) ranked time management within their top three areas of desired training and development, 8 or (25%) ranked negotiating skills within their top three areas of desired training and development, 15 or (47%) ranked management development within their top three areas of desired training and development, 14 or (42%) ranked leadership within their top three areas of desired training and

development, and 7 or (22%) ranked coaching skills within their top three areas of desired training and development.

Research Question Three

What is the perception of the importance of human resource development based on the organizational strategies of nonprofit organizations and community partners in Northwest Arkansas?

Research from the literature review showed that a vital objective is to address HRD in an integrated way; aligning HRD with the organization's strategic directions can contribute to overall organizational performance (Carmeli, 2005; Delery & Shaw, 2001; Rivkin, 2000). Survey Items 43 through 55 were used to assess the executive leaders' perceived importance of HRD in relation to their organization's strategy. Executive leaders rated each statement using a 5-point Likert scale on the following choices: not a priority (NP), low priority (LP), medium priority (MP), high priority (HP), and essential (E). McDonald and Hite (2005) argued that HRD's presence is critical in determining a company's role and responsibility regarding employee's careers. Frequency of response was obtained for each statement on the executive leaders' perceived importance of HRD in relation to their organization's strategy. Of the 13 statements on KSAs (See Table 28), 53% received a minimum response of low priority 38% received a response of medium priority or greater and 8% received a response of not a priority. There were 10 items that had a highest rating of "High Priority", 2 items had a highest rating of "Essential," and 1 item with a highest rating of importance equally divided between "High Priority" and "Essential".

Table 28

Knowledge, Skills, and Abilities Assessment

Item #	NP	LP	MP	HP	E
43	NR	3	9	31	56
44	NR	16	22	46	16
45	NR	6	9	59	25
46	NR	3	9	58	28
47	NR	9	23	53	25
48	NR	6	22	53	25
49	NR	3	28	34	34
50	NR	NR	3	38	59
51	NR	NR	19	47	34
52	NR	NR	19	56	25
53	NR	NR	6	56	37
54	NR	NR	13	50	38
55	3	33	13	41	22

*Note: N = 32

Numbers represent percentages

NR= No Response, NP = Not Priority, LP = Low Priority, MP = Medium Priority,

HP = High Priority, E =Essential

The average mean of the statements with a minimum response of low priority ranged from 3.56 to 4.38, standard deviation ranged from .69 to .98 and variance ranged from .47 to .96. Of the 38% of statements that received a response of medium priority or greater mean ranged from 4.09 to 4.56, variance ranged from .32 to .52, and standard deviation ranged from .56 to .72. See Table 29

Table 29

Knowledge, Skills, and Abilities Means and Standard Deviations

Item #	KSA	Mean	Std. Deviation
43	Organization's mission and purpose	4.56	.564
44	Your role and how it fits into the organization's mission and purpose	4.41	.798
45	Ability to communicate effectively verbally and in writing	4.31	.592
46	Ability to adapt and adjust your leadership style to the demands of the situation	4.25	.672
47	Where to get help to deal with issues you cannot resolve on your own	4.16	.723
48	Ability to coach and counsel others in the performance of their work and in their pursuit	4.13	.707
49	Ability to cope with stress and resolve conflict	4.06	.669
50	Ability to listen, understand, and appreciate feelings and contributions of others	4.03	.782
51	Ability to set high, but achievable objectives and standards for others to inspire and guide their p...	4.00	.880
52	Ability to delegate work to others	3.94	.878
53	Ability to administer appropriate discipline when necessary	3.91	.856
54	Organization's human resource policies, practices, and procedures	3.63	.942
55	Ability to determine the training needs of your people and conduct training activities	3.56	1.162

*Note: N = 32

The researcher did a visual comparison and examined the items by categories of importance. Favorable responses of (HP) and (E) were combined and coded as "Important" and the unfavorable responses of (NP) and (LP) were combined and coded as "Not Important."

Table 30

Knowledge, Skills, and Abilities Level of Importance Assessment

Item #	NI	I
43	3	87
44	16	62
45	6	84
46	3	86
47	9	78
48	6	78
49	3	68
50	0	97
51	0	81
52	0	81
53	0	93
54	0	88
55	36	63

*Note: N = 32

Numbers represent percentages

NP = Not Priority + LP = Low Priority = Combined Code NI (Not Important)

HP = High Priority + E =Essential = Combined Code I (Important)

Each of the survey items that addressed research question three were rated Important (50% or higher) by executive leaders. The items ranked highest in terms of importance with average scores above 90% were “Ability to listen, understand, and appreciate feelings and contributions of others” at 97% and “Ability to administer appropriate discipline when necessary” at 93%. “Your role and how it fits into the organization’s mission and purpose”, “Where to get help to deal with issues you cannot resolve on your own,” “Ability to listen, understand, and appreciate feelings and contributions of others,” “Ability to coach and counsel others in the performance of their work and in their pursuit of their careers,” “Ability to cope with stress and resolve conflict,” and “Ability to adapt and adjust your leadership style to the demands of the situation” received ratings between 80% to 90%. “Ability to set high, but achievable objectives and standards for others to inspire and guide their performance,” and

“Ability to delegate work to others,” received ratings between 70% and 79%. “Organization’s human resource policies, practices, and procedures,” and “Ability to determine the training needs of your people and conduct training activities,” received ratings between 60% and 69%. The survey item regarding the executive leaders’ ability to determine training needs of their people and conduct training activities received a minimum response of not a priority; however, a majority of executive leaders (63%) considered it an important priority for their organization. The statement on the importance of the organization’s mission and purpose ranked highest at 97% with the lowest ranked statement of the importance of the organization’s human resource policies, practices, and procedures reported at 60%.

A Pearson-product moment correlation coefficient was computed to assess the relationships between the KSAs perceived as “Important” within their organizations. The researcher concluded that there were 13 correlations that were statistically significant at the .05 level; however, their relationships were weak, but positively correlated (See Table 31).

Table 31

KSAs Pearson Correlations

Item #1	Item #2	Pearson Correlation Coefficient	P
43	45	.410	.020
43	47	.397	.024
43	52	.387	.029
44	50	.436	.013
44	53	.435	.013
45	49	.372	.036
45	55	.382	.031
47	49	.426	.015
47	50	.414	.018
47	53	.428	.015
48	54	.443	.011
50	54	.441	.011
53	54	.438	.012

*Note: N = 32

Similarly Spearman's Rho was computed to assess the magnitude and direction of the association of the variables. The researcher concluded that there were 10 correlations that were statistically significant at the .05 level; however, their relationships were also weak, but positively correlated. See Table 32.

Table 32

KSAs Spearman's Rho Correlations

Item #1	Item #2	Correlation Coefficient	P
43	45	.405	.022
43	52	.411	.019
43	54	.393	.026
44	50	.395	.025
44	55	.400	.023
45	49	.431	.014
45	55	.400	.023
46	54	.405	.021
50	54	.446	.010
53	54	.416	.018

*Note: N = 32

A visual comparison of both methods of computing the correlation shows similar combinations in the correlations (43/45, 43/52, 44/50, 45/49, 45/55, 50/54, and 53/54).

The literature showed that there has been a growing interest in the nonprofit sector to build capacity and utilize HRD practices and principles to help build more effective organizations and improve performance. The major task of human resource professionals in NPOs is to align resources within their organization and to develop a talented and efficient workforce. Table 33 illustrates the HRD components aligned with the survey items used to answer research question three.

Table 33

Importance of HRD Components to Organization Strategy

Item #	HRD Component Addressed	% Primary Strategy
43	Organizational Development	97%
44	Organizational Development	87%
45	Training and Development	81%
46	Organizational Development	60%
47	Training and Development	88%
48	Training and Development	87%
49	Training and Development	78%
50	Training and Development	69%
51	Organizational Development, Training and Development, Career Development	72%
52	Career Development, Training and Development	63%
53	Training and Development	81%
54	Training and Development	94%
55	Training and Development, Organizational Development	88%

*Note: N = 32

Independent t-tests were conducted to compare the relationships between executive leaders that indicated familiarity with organizational capacity building and their perceptions of importance of the KSAs with regard to their organizations and also to compare the relationships

between executive leaders that indicated familiarity with human resource capacity building and their perceptions of importance of the KSAs with regard to their organizations. For both tests the researcher concluded that the relationships were not statistically significant and the executive leaders' familiarity with neither organizational capacity building nor human resource capacity had an effect on the executive leaders' perceptions of the importance of the KSAs with their organizations.

ANOVAs were conducted to assess statistical significance of the relationships between the position title, education level, professional background, and years of experience in the nonprofit sector of the executive leaders and their perceptions of importance of the KSAs with regard to their organizations. For each of the ANOVA tests on position title, education level, professional background the means were not statistically significant between the groups for any of the KSA survey items, thus there were no significant relationships present. Yet the results of the ANOVA test on years of experience showed statistical significance between the means of the groups and the executive leaders' perceived importance of the ability to delegate work to others $F(3,28) = 4.711, p=.009$, thus indicating a relationship between the groups. The researcher concluded the executive leaders' years of experience had an effect on their perception of the importance of delegating work to others. Additionally, statistical significance was identified between the means of the groups and the executive leaders' perceived importance of the ability to determine the training needs of your people and conduct training activities, $F(3,28) = 2.830, p= .056$. For the remaining 11 KSA survey items there was no statistical significance in the means between the groups examined.

Summary

This chapter reported the results of the research study. Descriptive statistics revealed the extent to which it was perceived that human resource capacity building was present in the organizations studied, the extent to which training and development was used and/or desired by the organizations studied, and the perceived importance of HRD based on organizational strategies of the organizations studied. A more detailed summary and discussion of the findings are presented in the next chapter.

CHAPTER 5: Discussion and Conclusion

This chapter summarizes and discusses the findings of the research study including the study's purpose and aim, theoretical framework, and literature in relation to the research questions and supplemental findings. It also discusses the significant findings, strengths, limitations, implications, and recommendations of the study.

Purpose

The purpose of this study was to analyze the human resource capacity and use of training and development capacity by examining the executive leaders' perceptions, as applicable, of their organization's current human resource capacity. By assessing the participants' perceptions of their organization's human resource capacity, the researcher hoped to illuminate how HRD affects the organization's human resource capacity. Examining the need for human resource capacity building in nonprofit organizations was the central focus of this study. The McKinsey & Company (2001) framework had elements they defined as necessary to address nonprofit capacity building. The present study covered the human resource element of the McKinsey and Company framework that can help build and strengthen the infrastructure of NPOs.

The items are paired in the instrument to reflect whether or not the capacity for certain elements of HR capacity was either present in the organization or whether the individual needed training to manage the HR capacity element. The presence of the element within the organization does not directly reveal that the executive leader uses the element. The research in question #2 had the potential to be determined for use, but it appears that the survey questions do not clearly reflect use as much as they reflected desire for training. It can; however, be inferred that if the executive leader knows that it is present within the organization, by virtue of their level of

expertise, it is being used. To further clarify this situation a follow-up study can be developed that more clearly asks for use.

Research Questions

The following research questions, based upon the self-reported perceptions of the executive leaders, guided this study:

1. To what extent is human resource capacity present in capacity building initiatives of nonprofit organizations in northwest Arkansas?
2. To what extent is training and development actually used and/or desired by nonprofit organizations in northwest Arkansas? I asked this question with the thought that those executive leaders that desired training would respond Strongly Agree (SA) and Agree (A). Those executive leaders whom did not desire training would respond Disagree (D) or Strongly Disagree (SD) and could potentially already possess the KSAs in question.
3. What is the perception of the importance of human resource development based on the organizational strategies of nonprofit organizations in northwest Arkansas?

Data Collection Method

Using descriptive techniques, the researcher analyzed the perceptions of human resource capacity by administering a Likert-scale survey. The response rate was 52% with responses recorded for 32 executive leaders of a population of 61 NPOS. The researcher used univariate statistics to look at single variables. Frequencies were used to look at detailed information on nominal data and to describe the results. Through the literature review, research was conducted on the perceived changes in the nonprofit sector, the skills required to fill the top leadership

positions, and the implications of leadership development and HRD. Bivariate analysis was used to analyze two or more variables at a time. T-tests and ANOVAs were used to determine whether differences between group means were statistically significant. These tests allowed the researcher to test whether or not the difference between groups was greater than what one would expect to see by chance alone. Group means that were very different were statistically significant and the researcher drew the conclusion that there was a real relationship between independent and dependent variables. This study presented categorical independent variables and quantitative independent variables categorized as dichotomous, ordinal, or rank order.

Findings

As noted in Table 1 several topics in the literature review were used as the foundation for the (3) research questions. The literature review addressed recruitment, selection, training and development, compensation and benefits, retention, evaluation and promotion, and the KSAs required for the future leaders of the nonprofit sector. The findings of the present study allowed the researcher to analyze, assess, and interpret the strengths and weaknesses of the selected NPOs.

Demographic Data

Research from the literature review supported the findings from the present study. For example, the literature speaks of the human resource shortage in the nonprofit sector and the shortage resulting from the lack of younger talent entering the field and the mass retiring of baby boomers. This is supported in the demographics of the present study's findings. Findings from this study also corresponded with the Hall et al. (2003) study that identified the most significant challenge of the organizations as financial capacity. Both the Hall et al. study and the present

study (21%) also concluded that executive leaders were concerned with their level of human resource capacity within their NPO. The research indicated that 87% of executive leaders perceived their organizations had the capacity to strengthen the role of human resources in their organization. As stated earlier this study showed that executive leaders were familiar with organizational capacity building and human resource capacity building.

This study examined personal characteristics and employment characteristics of the executive leaders to determine whether there were significant differences within each characteristic. Data indicated that the majority of executive leaders were female, ages 40 and above. Of the 32 executive leaders 22% were between the ages of 21 and 39 and the remaining 74% at the age of 40 or above. The largest percentage (62.5%) of executive leaders held a bachelor's degree, 46.9% between zero and 10 years in their current position, and 46.9% between 5 and 10 years of experience in nonprofit sector. A majority of executive leaders (78.1%) reported they would be in their position for the next five years, 65.6% indicated they were familiar with organizational capacity building, and 46.9% were familiar with human resource capacity building.

Research Question One

To what extent is human resource capacity present in capacity building initiatives of nonprofit organizations and their community partners in Northwest Arkansas?

Survey items 1,3,5,7,9,11,13,15,17,19,21,23,25,27,29,31,33,35,37,39,and 42 were used to address research question one. These items were categorized as capacity to perform or manage the basic functions of human resources, employee relations related tasks, training and development, and strategic organizational planning in order to assess the extent of the executive

leader's perception of the existence of these aspects of human resource capacity. The literature suggested that there is a human resource capacity deficit within the nonprofit sector (Light 2004a, Tierney, 2006). Thomas Tierney, chair and cofounder of the Bridgespan Group, estimated the nonprofit sector would have to fill 640,000 leadership and senior management positions in the next ten years.

Investing in training and development, intellectual capital, succession planning, and many other for-profit business practices is expected to help alleviate some of the pressures that arise as a result of the increased growth of the nonprofit sector (Tierney, 2006; Light, 2004a; Peters, Fernandopulle, Chan, Masaoka, & Wolfred, 2002). Most nonprofits do not employ full-time, dedicated human resources professionals, and the organizations' leaders are often relied on to fill that void (Tierney, 2006). High turnover and extended vacancies at the executive level can create significant problems for nonprofits. These organizations tend to rely heavily on hands-on executive directors to manage all aspects of their operations (Griffith et al., 2000).

The literature suggests that employee recruitment and retention are two of the nonprofit sector's greatest challenges. Items 17, 19, 21, 27, 35, and 37 addressed employee retention and recruitment. Those items were analyzed, using an ANOVA, in regards to the executive leaders' years of experience; however, the researcher concluded there were no significant differences in the executive leaders' seniority and their perception of their organization's employee retention and recruitment capacity. This finding has no implication on the present study other than providing support of the literature regarding the lack of employee retention and recruitment capacity in NPOs.

The findings of this study for research question one informs us that nonprofit leaders in

Northwest Arkansas have an understanding of organizational capacity building and human resource capacity building. In this study, 66% of executive leaders reported being familiar with organizational capacity building; however, only 47% were familiar with human resource capacity building. The mean score (1.53) for those executive leaders that were not familiar with human resource capacity building was higher than the mean score (1.34) for executive leaders that were familiar with organizational capacity building. While the value of improving performance in NPOs seems obvious, the answer to the question of how to do this effectively is not so obvious. McKinsey and Company (2001) supported the assumption that capacity building improves organizational effectiveness.

It was evidenced in the present study that the NPO leaders perceived that their organizations were engaged in human resource capacity building to some extent resulting in the desire for additional training in HRD; specifically in the areas of career development, training and development, and organizational development within their organizations. Survey Item 42 was also used to assess the executive leaders' perception of the most challenging area of organizational capacity. The executive leaders reported that the most challenging areas of organizational capacity were financial resources, marketing, and human resources. The most challenging area of organizational capacity was noted as financial resources at 16 executive leaders for a total of 50%, marketing was the second most challenging area at eight executive leaders for a total of 28%, and human resources came in 3rd at seven executive leaders for a total of 22%. This finding is evidence that the executive leaders in the present study recognize the areas of organizational capacity that they are strongest in and the areas where they could use improvement. The CompassPoint study conducted by Peters, Fernandopulle, Chan, Masaoka, &

Wolfred (2002) described staff turnover as a human resources issue that was widely recognized because NPOs did not have the staff or financial resources to address the issue.

In the present study a majority of executive leaders (63%) reported their organizations had the human resource capacity to effectively manage employee turnover and employee burnout. The majority (59%) of executive leaders reported that their organization had capacity to develop and implement effective workplace strategies to retain staff while 50% also reported they would need additional training on this practice. Millesen and Bies (2005) found that increased levels of engagement were indicative of increased organizational capacity. Robust changes and measurement processes are needed to show success in achieving the desired outcomes from human resource strategies and activities. De Vita and Flemming (2001) argued that strategic management in nonprofits encourages change in their operational activities to enhance organizational capacity. Light (2004a) surveyed NPOs and found that they were engaged in collaboration, fundraising, and accountability efforts. Light (2004a) posited:

Capacity can be contained in organizations and people, imported through education and practice exported through peer-to-peer learning and rigorous research, and replenished through even more education and practice (p.45).

This study explored the perception of the presence of human resource capacity building activities of NPOs in Northwest Arkansas. Executive leaders indicated that their organizations did have some degree of human resource capacity and they would like additional training in the area of human resource capacity. This was a very encouraging result of the study because the pressing need for organizations to maintain a diverse pool of talented leaders and outsource transactional activities to focus on core capabilities has heightened. Those that want to remain

relevant must focus on strategically supporting their organizations and the customers they serve (Bracker, 1982).

Research Question Two

To what extent is training and development results actually used or desired by nonprofit organizations and their community partners in Northwest Arkansas?

Survey items 2, 4, 6, 8, 10, 12, 14, 16, 18, 20, 22, 24, 26, 28, 30, 32, 34, 36, 38, 40, and 41 were used to address research question two. The initial step in analyzing the data was to obtain frequency of response for each statement on the executive leaders' perceived desires for training and development in human resource capacity. Based on findings in the literature the researcher categorized the areas of training and development as capacity to perform or manage the basic functions of human resources, employee relations related tasks, and strategic organizational planning.

Survey items 18, 20, 22, 26, 28, 30, 32, 34, and 36 addressed training and development in regards to leadership development. Results from the present study showed that the most important areas for desired training and development were fundraising and management development. For example, survey item 18 stated, "that I would need training to assume responsibility to manage a cost effective, needs based training program to enhance employees' skills." A majority (59%) of executive leaders agreed that they would need this training. Item 30, "I would need training to assume responsibility to work together in teams to identify and solve problems," received a majority response (53%) of no desire for training in this leadership competency. Contrastingly, 97% of executive leaders indicated a high level of capacity to work together in teams and solve problems within their organizations. Item 30 was the only item for

which executive leaders indicated no desire for training and development; the remaining 8 items received a rating of agree or strongly agree (50% or more) indicating a strong desire for training and development in regards to leadership development. It is critical to have leaders with the appropriate orientation defining tasks and managing interrelationships; however, it is even more important to have leaders who can bring organizations into futures they have not yet imagined (Bolden et.al, 2003).

Research in the literature review supported training as a way to help nonprofit groups improve their effectiveness. De Vita et al. (2001) stated, “One way to use resources wisely is to . . . train staff, volunteers, and board members” (p. 59). Employee training and development is one HRD practice that can increase organizational effectiveness (Swanson & Arnold, 1996). This study found that more executive leaders desired to be more engaged in training and development to increase the human resource capacity of their organizations. Training and development is a commitment to building and supporting nonprofit leaders (Enright, 2006; Hubbard, 2005).

Survey items 2, 4, 6, 8, 10, 12, 14, 16, 24, 38, 40 addressed training and development in regards to human resource manager or department tasks and responsibilities. Of these statements 9 received ratings of agree or strongly agree (50% or more in) indicating a desire for training and development in these HR functions. Item four, “I would need training to assume responsibility to project the number of staff needed to meet the goals of the organization” received a majority response of disagree or strongly disagree at 53%; however, in regards to perception of current capacity item three, “My organization has capacity to project the numbers of staff needed to meet the organization’s goals” 82% of executive leaders agreed or strongly agreed. The lower response to the desire for training in this area could be a result of the lack of leadership capacity

within the executive leaders' organization. See Appendix G.

Executive leaders were equally divided on Item 24, "I would need training to assume responsibility to maintain records of each employee work history in the organization." Executive leaders desiring training were 16 or (50%) and executive leaders not desiring training were 16 or 50%. When compared to Item 23, "My organization has capacity to main records of each employee work history in the organization," the results were similar to Items three and four with 91% recording their organization possessing capacity to perform this task. Analysis of the results for the 20 statements on the NPO leaders' desire for training and development showed that executive leaders desired training on 17 or 81% of the items. Training can help improve skills in a fast changing environment and can teach staff how to use resources in innovative and effectual ways (De Vita et al., 2001).

Case summary analysis of survey item 41 revealed 59% of executive leaders ranked fundraising as one of their top three desired areas of training and development, 50% ranked computer software in their top three areas of desired training, and development, 0% ranked presentation skills in their top three desired areas of training and development, 50% ranked marketing skills technical/professional in their top three areas of desired training, 25% ranked time management within their top three areas of desired training and development, 25% ranked negotiating skills within their top three areas of desired training and development, 47% ranked management development within their top three areas of desired training and development, 42% ranked leadership within their top three areas of desired training and development, and 22% ranked coaching skills within their top three areas of desired training and development. See Appendix F. An interesting finding of the case summary analysis was that 0% of executive

leaders ranked presentation skills in their top three areas of desired training; however, the other seven areas of desired training all ranked in the top three for the executive leaders. Traditionally, fundraising and financial resources have been very important in the nonprofit sector because these elements drive the organization's livelihood. This finding supports the literature in that NPOs are more focused on securing funding and managing those resources that may not recognize presentation skills as a beneficial skill to have when seeking funding. Additionally, it illuminated the key areas of training and development that NPOs can invest in to potentially increase their organizational effectiveness.

Research Question Three

What is the perception of the importance of human resource development based on the organizational strategies of nonprofit organizations and their community partners in Northwest Arkansas?

The overall human resource plan should be derived from the organization's strategic and business planning. Primary directions and resourcing should support its overall strategic directions (Connors, 2009).

Survey Items 43 through 55 were used to assess the executive leaders' perceived importance of HRD in relation to their organization's strategy. Executive leaders rated the 13 statements on the importance of HRD and the perceived presence of these components in their organizations' strategies. Frequency of response was obtained for each statement on the executive leaders' perceived importance of HRD in relation to their organization's strategy. This study found that of the 13 statements, each had a response rate of 60% or greater indicating a high sense of priority for their organization, indicating a high degree of perceived importance of

those items within their organizations. McDonald and Hite (2005) suggested that the presence of HRD is critical in determining a company's role and responsibility.

It is difficult to find an article on HRD that does not present a reference to linking HRD to strategic goals of the organization and that if HRD is to become a strategic partner within these organizations they must assume the same level of importance as the core organizational processes: finance, production, and marketing (Swanson & Arnold, 1996; Torraco & Swanson, 1995). Swanson and Arnold (1995) argued that the purpose of HRD is to improve performance and when practiced in productive organizations should strive to contribute to the organization's performance goals.

This study shows that HRD components such as career development, training and development, organizational development, process effectiveness, and performance improvement are perceived as important and can be aligned with the organization's strategy, which supports the literature's implication that there is an urgent need in the nonprofit sector for human resource capacity and human resource development (HRD) practices such as succession planning, training and development, organization development, and career development. There were 10 items that had a highest rating of "High Priority", two items had a highest rating of "Essential," and one item with a highest rating of importance equally divided between "High Priority" and "Essential". The statement on the importance of the organization's mission and purpose ranked highest at 97% with the lowest ranked statement of the importance of the organization's human resource policies, practices, and procedures reported at 60%.

The researcher concluded that there were 13 correlations between the KSAs that were statistically significant at the .05 level; however, their relationships were weak, but positively

correlated. This research finding is true in that there was statistical significance; however, it did not prove to be relevant in answering research question three nor does it support any findings in the literature review. A vital objective is to address HRD in an integrated way; aligning HRD with the organization's strategic directions can contribute to overall organizational performance (Carmeli, 2005; Delery & Shaw, 2001; Rivkin, 2000). HRD is the functional area and focal point within many organizations for all-important human resource practices; those directed toward the creation and sustainability of a high performance workplace. A vital objective is to address HRD in an integrated way; aligning HRD with the organization's strategic directions.

Summary

While this study is not generalizable to all NPOs, it is useful to assist NPOs in better understanding the leadership deficit and the enormity of the human resource capacity problem. A greater understanding of the necessity to meet these leadership needs will have a tremendous effect on those organizations with current leadership roles to fill. In addition, this study contributes to the field by encouraging debate and invoking much needed conversations regarding organizational structure and the influence of HRD in those organizations. This study serves as a resource for the nonprofit sector to build upon, to collaboratively reshape the thoughts about how the sector and specific organizations can increase their HRD efforts to strengthen the nonprofit workforce. The executive leaders of this study indicated that they have and understanding of organizational capacity building and human resource capacity, but they desire to do more with human resource capacity building. The results of the survey items used to answer research questions one, two, and three provide an answer to the extent of the use of human resource capacity building and the desire for training and development as perceived by

the executive leaders of the NPOs within the sample of this study.

Recommendations for Future Research

An organization cannot execute its daily functions without staff, volunteers, directors, and board members. These groups of people bring different capacities that contribute to the success of the organization. In spite of these realizations, some organizations pay little attention to HRD. Effective HRD can attract talented individuals to the organization, and it can motivate staff and volunteers to work harder. In contrast, organizations that do not build HR capacity, staff and volunteers feel undervalued, and as a result are not as motivated to perform (McKinsey & Company, 2001).

The McKinsey and Company (2001) capacity building framework provides an example of how organizations can develop capacity building strategies and served as the theoretical framework for this study. Although the response rate from the selected leaders was 52%, additional studies with larger samples may yield more insights into the issues described within this study. Increasing the study to more organizations and inviting more members in the organizations that have decision-making authority may help to generate a larger population and a greater response rate.

According to Light (2004a) the key link in the case for capacity building is between organizational capacity effectiveness.

Relatively small investments in capacity building can improve organizational capacity, which, in turn, can produce significant gains in output such as staff morale, management focus, public reputation, efficiency, and productivity, which, in turn, can produce significant gains in perceived management and program effectiveness (p. 12)

McKinsey and Company (2001) stated the nonprofit sector will:

1. Continue to experience increase demand for services;
2. Continue to see a strain on funding;
3. Need to hire and retain qualified staff in order to deliver these services; and
4. Face high turnover and burnout in key leadership roles as well as regular staff roles.

A question that arises from these needs and results of this study is: To what extent are nonprofits focused on the areas of organizational assessment, networking and advocacy, information technology, operations and governance, and planning and programming as opposed to financial resources, marketing, and human resources. Additionally, for the executive leaders that indicated their perception was of human resource capacity being present within their organizations, the question that also arises and could potentially be the focus of future research.

The Role of HRD in Nonprofit Capacity Building

Every NPO wants to attract, retain, and motivate the most qualified employees. There is a significant role for HRD to be used to enhance the human resource capacity building efforts of NPOs. As a result of this research, the following recommendations are offered from the perspective of career development, organizational development, and training and development.

Career Development

As the nonprofit sector continues to grow and more skilled workers are needed to service the increased demand for services, recruitment and retention must become a focal point for NPOs. In an effort to enhance morale and performance, limit job turnover, and increase results. NPOs must effectively use their employees' skills. Offering career growth opportunities,

mentoring, and initiating succession planning may help to attract workers to the nonprofit sector and provide current employees with the expertise to recruit potential candidates and make them aware of the advantages and benefits of working in the sector. This in turn, can improve the ability of NPOs to promote and advertise their employment opportunities and to promote the nonprofit sector as an industry of choice. Future studies are recommended on examining turnover patterns in NPOs and strategies used (if any) to retain valued employees. An additional recommendation for future research is to examine the organizational strategies of NPOs and determine whether or not their strategy is tied to the importance of organizational and individual career development.

Organizational Development

Millesen and Bies (2005) argued that outstanding organizations continually adapt and refine their missions and visions, have effective leaders, develop revenue strategies appropriate to the mission and vision, develop and refine innovative approaches, and collaborate. Recent attention to this topic has focused on the role that foundations can play in capacity building activities in the nonprofit sector. Capacity building grants are becoming more readily available for organizations seeking to build their capacity. By pursuing capacity building grants to enhance human resource capacity, NPOs can focus on developing a high performance workforce.

- a. This can be done through education and training. Investing in leadership development for all employees is a human resource capacity building initiative that will help NPOs to face their significant challenges.
- b. A great opportunity facing NPOs in the future will be to identify return on investment in regards to the investments in leadership development.

As NPOS continue to develop organizational strategies understanding the role and position of leaders in regards to the financial viability of the organization is essential. Knowing who, what, when, and where allows a leader to execute goals and strategies to achieve the mission and vision of the organization.

Training and Development

According to Shultz (1961) economic growth and development is a function of the investment in and accumulation of productive human capital, which would include efforts to increase the health, skills, and education of the workforce. Results from this study indicated that NPO leaders desired training and development; however, training and development is crucial for all levels of nonprofit staff. Training and development can also help employees maintain and improve their skill sets and prepare them for jobs requiring greater levels of skill. As earlier defined by Swanson and Arnold (1996) HRD includes, but is not limited to employee training, performance and development, coaching, mentoring, and succession planning. Mentoring is one way for NPOs to provide on-the-job development opportunities for employees. Noe (2008) posited that both the mentor and mentee can benefit from a mentoring relationship. A recommendation for future research is to examine the relationship between mentoring and training and development in NPOs.

A study is also needed to examine whether or not mentoring can be used to facilitate training and development practices and if that training transfers back to the job of the mentee. It was evidenced in this study that training and development is desired as the two top areas of desired training were fundraising and management development. NPOs must also integrate knowledge management into their organizational cultures in order to create, capture, acquire and

use the knowledge that it possesses to improve their organization's performance and effectiveness. An additional recommendation for future study is to conduct a study to capture the retaining and transfer of fundraising and management development training implemented in NPOs and the organizational benefits.

Conclusion

The growing diversity of the workforce requires employees of various ages, cultural backgrounds, levels of education, and experience. Very few nonprofit organizations (NPOs) utilize their resources to help their organizations internally. Instead their focus is on external support to those they serve; however, investing in their organizations is the key to keeping them relevant in the future. Effective leaders are critical in keeping these organizations running so that they can serve their communities. The role of HRD is very critical as a tool for transforming and revitalizing NPOs for the future. The presence of HRD is critical in determining the NPOs role and responsibility to its employee's careers. Enhancing an employee's skills can increase individual and organizational performance, which may help to achieve critical business results.

This study has shown that an understanding of human resource capacity building is present in NPOs in Northwest Arkansas, and their leaders' desire training and development to increase their human resource capacity. Human resource capacity building is one of many solutions to the impending leadership crisis, but the investment must be made by NPOs. This investment will provide them with a competitive advantage and better position them to continue to help those that they currently serve.

References

- Abramson, A., & McCarthy, R. (2002). *Infrastructure organizations*. In L. Salamon (ed.), *The state of nonprofit America*. Washington, DC: Brookings Institution Press.
- Abt Associates. (2010). Improving capacity among nonprofits—impact study of the compassion capital fund demonstration program. Retrieved from http://www.acf.hhs.gov/programs/opre/other_resrch/ccf/reports/ccf_impact_study/ccf_impact_rprt_final.pdf
- Abzug, R. (1999). The Nonprofit sector and the informal sector: A theoretical perspective. *Voluntas: International Journal of Voluntary & Nonprofit Organizations*, 10, 131-149. doi: 10.1023/A:1021473821881
- Adizes, Isaac. (1979). Organizational passages: Diagnosing and treating life cycle problems in organizations. *Organizational Dynamics*, 8, 3-24. doi:10.1016/0090-2616(79)90001-9
- Baber, W. R., Daniel, P. L., & Roberts, A. A. (2002). Compensation to managers of charitable organizations: An empirical study of the role of accounting measures of program activities. *The Accounting Review*, 77, 679-693. Retrieved from <http://www.jstor.org/stable/3068892>
- Backer, T.E., Blegg, J.E., Groves, K (2004). *The expanding universe: New directions in nonprofit capacity building*. Washington, DC: The Alliance for Nonprofit Management.
- Ban, C., Drahnak-Faller, A., & Towers, M. (2003). Human resource challenges in human service and community development organizations. *Review of Public Personnel Administration*, 23, 133-153. doi:10.1177/0734371X03023002004
- Barbeito, C. L., & Bowman, J. P. (1998). *Nonprofit compensation and benefits practices*. New York: John Wiley & Sons, Inc.
- Barman, E. A. (2002). Asserting difference: The strategic response of nonprofit organizations to competition. *Social Forces*, 80, 1191-1222. doi:10.1353/sof.2002.0020
- Barrett, A. & Beeson, J. (2002). *Developing business leaders for 2010*. New York, NY: The Conference Board.
- Baruch, Y., & Ramalho, N. (2006). Communalities and distinctions in the measurement of organizational performance and effectiveness across for-profit and nonprofit sectors. *Nonprofit and Voluntary Sector Quarterly*, 35, 39-65. doi:10.1177/0899764005282468
- Berman, E., & Wang, X. (2000). Performance measurement in U.S. counties: Capacity for

- reform. *Public Administration Review*, 60, 409-420. doi:10.1111/0033-3352.00104
- Boxall, P. and Steeneveld, M. (1999). Human resource strategy and competitive advantage: A longitudinal study of engineering consultancies. *Journal of Management Studies*, 36, 443-63. doi:10.1111/1467-6486.00144
- Bracker J. (1982). The historical development of the strategic management concept. *Academy of Management Review*, 5, 219-224. Retrieved from <http://www.jstor.org/stable/257431>
- Brooks, A. C. (2002). Can nonprofit management help answer public management's "big questions"? *Public Administration Review*, 62, 259-266. doi:10.1111/1540-6210.00177
- Brooks, K. & Nafukho, F. M. (2006). Human resource development, social capital, and emotional intelligence: Any link to productivity? *Journal of European Industrial Training*, 30, 117-128. doi:10.1108/03090590610651258
- Brown, W., Yoshioka, C.F., & Munoz, P. (2004). Organizational mission as a core dimension in employee retention. *Journal of Park and Recreation Administration*, 22, 28-43. Retrieved from EBSCOhost.
- Callen, J. L., Klein, A., & Tinkelman, D. (2003). Board Composition, committees, and organizational efficiency: The case of nonprofits. *Nonprofit and Voluntary Sector Quarterly*, 32, 493 -520. doi: 10.1177/0899764003257462
- Carmeli, A. (2004). Strategic human capital and the performance of public sector organizations. *Scandinavian Journal of Management*, 20, 375-392. doi:10.1016/j.scaman.2003.11.003
- Carmeli, A., & Schaubroeck, J. (2005). How leveraging human resource capital with its competitive distinctiveness enhances the performance of commercial and public organizations. *Human Resource Management*, 44, 391-412. doi: 10.1002/hrm.20081
- Center for Substance Abuse Treatment. (2008). Sustaining grassroots community-based programs: A toolkit for community- and faith-based service providers. (HHS Publication No. (SMA) 08-4340). Rockville, MD: Substance Abuse and Mental Health Services Administration, U.S. Department of Health and Human Services, 1-156. Retrieved from <http://www.nami.org/Content/NavigationMenu/NAMILand/EXCSMA08-4340SAMSHAToolkit.pdf>
- Chandler, S. (2003). Writing proposals for capacity building. *Grantmanship Center Magazine*, 50, 22-22. Retrieved from <http://www.tgci.com/magazine/Writing%20Proposals%20for%20Capacity%20Building.pdf>
- Connolly, P., & York, P. (2002). Evaluating capacity-building efforts for nonprofit

- organizations. *OD Practitioner*, 34, 33-39. Retrieved from http://tccgrp.com/pdfs/per_art_evaluating.pdf
- Connors, T.D., (2009). Volunteer management in nonprofit organizations: Nonprofit organizational leadership (Syllabus). Gainesville, FL: University of Florida.
- Courtney, R., Marnoch, G., & Williamson, A. (2005). *The adoption of strategic management by third sector organizations. Findings from a census of third sector organizations in Northern Ireland and further behavioral questions*. Third Sector Study Group. Retrieved from <http://www.egpa-thirdsector.eu/resources/papers2005/marnoch.pdf>
- Crowder, L. (1996, December). *Human resource and institutional capacity building through agricultural education*. Retrieved from <http://www.fao.org/sd/EXdirect/EXan0015.htm>.
- Cryer, S. (2004). *Recruiting and retaining the next generation of nonprofit sector leadership: A study of the (missed) connections among nonprofit organizations, college seniors, and offices of career services*. New York, NY: The Initiative for Nonprofit Sector Careers.
- De Vita, C., Fleming, C., & Twombly, E. (2001). *Building nonprofit capacity: A framework for addressing the problem*. Washington, DC: The Urban Institute Press.
- Delaney, J. T., & Huselid, M. A. (1996). The impact of human resource management practices on perceptions of organizational performance. *The Academy of Management Journal*, 39(4), 949-969. Retrieved from <http://www.jstor.org/stable/256718>
- Delery, J., & Shaw, J. (2001). The strategic management of people in work organizations: Review, synthesis, and extension. *Research in Personnel and Human Resources Management*, 20, 165 – 197. doi: 10.1016/S0742-7301(01)20003-6
- DiMaggio, P. J., & Anheier, H. K. (1990). The sociology of nonprofit organizations and sectors. *Annual Review of Sociology*, 16, 137-159. Retrieved from <http://www.jstor.org/stable/2083266>
- Eade, D. (1997). *Capacity Building: An Approach to People Centered Development*. Oxford: Oxfram.
- Enright, K. P. (2006). *Investing in leadership: Inspiration and ideas from philanthropy's latest frontier* (Vol. 2). Washington, DC: Grantmakers for Effective Organizations. Retrieved from <http://www.coloradofunders.org/Docs/UploadedFiles/Investing%20in%20Leadership%20Vol.%202.pdf>
- Forbes, D. P. (1998). Measuring the unmeasurable: Empirical studies of nonprofit organization effectiveness from 1977 to 1997. *Nonprofit and Voluntary Sector Quarterly*, 27, 183 –

202. doi: 10.1177/0899764098272005

- Fredericksen, P., & London, R. (2000). Disconnect in the hollow state: The pivotal role of organizational capacity in community-based development organizations. *Public Administration Review*, 60, 230-239. doi: 10.1111/0033-3352.00083
- Froelich, K.A., (1999). Diversification of revenue strategies: Evolving resource dependence in nonprofit organizations. *Nonprofit and Voluntary Sector Quarterly*, 28, 246-268, doi:10.1177/0899764099283002
- Fink, B., Engel, J., & Branch Associates. (2006). *Capacity benchmarking tool for faith-and community-based organizations*. Administration for Children and Families, US Department of Health and Human Services. Retrieved from http://www.acf.hhs.gov/programs/ocs/ccf/about_ccf/benchmarking_tool/Benchmarking.pdf
- Gajewski, M. (2005). *Strategic diversity to increase human capital in public and nonprofit organizations*. Allendale, MI: Grand Valley State University.
- Ganse, R., Navarro, M.T., Capual, J., Cousins, D., DeSousa, M., Kanemoto, M., & Schaefer, J. (2010). *California department of consumer affairs office of human resources capacity-building project (Comprehensive Review)*. Sacramento, CA: CPS Human Resource Services. Retrieved from http://www.transparency.ca.gov/Common/Document.ashx?ID=10494&TB_iframe=true
- Garland, R. (1991). The mid-point on a rating scale: Is it desirable? *Marketing Bulletin*, 2, 66-70. Retrieved from <http://marketing-bulletin.massey.ac.nz/>
- Geller, S.L., & Salamom, L.M. (2008). *A nonprofit workforce action agenda: Report on the listening post project roundtable on nonprofit recruitment and retention (Communique No. 10)*. Baltimore: Johns Hopkins University, Center for Civil Society Studies Institute for Policy Studies. Retrieved from <http://www.jhu.edu/listeningpost/news/pdf/workforceroundtablefinal.pdf>
- Griffeth, R. W., Hom, P.S., & Gaertner, S.(2000). A meta-analysis of antecedents and correlates of employee turnover. Update, moderator tests, and research implications for the next millennium, *Journal of Management*, 26, 463-488.
- Hall, M., Andrukow, A., Barr, C., Brock, K., de Wit, M., & Embuldeniya, D. (2003). *The capacity to serve: A qualitative study of the challenges facing Canada's nonprofit and voluntary organizations*. Toronto: Canadian Centre for Philanthropy.
- Hall, P. (ed). (1995). *Civil society*. Cambridge: Polity Press

- Halpern, R. P. (2006). Workforce issues in the nonprofit sector generational leadership change and diversity (pp. 1-45). American Humanics Initiative for Nonprofit Sector Careers. Retrieved from <http://www.humanics.org/atf/cf/%7BE02C99B2-B9B8-4887-9A15-C9E973FD5616%7D/American%20Humanics%20Workforce%20Literature%20Review%20and%20Bibliography%204-26-06.pdf>
- Hansberry, J. (2002). *Nonprofit organizational capacity comparison of Allegheny County, PA and Denver County, CO*. Pittsburgh, PA: Tropman Fund for Nonprofit Research at the Forbes Funds.
- Herman, R. D., & Renz, D. O. (1997). Multiple constituencies and the social construction of nonprofit organization effectiveness. *Nonprofit and Voluntary Sector Quarterly*, 26, 185 - 206. doi:10.1177/0899764097262006
- Herman, R. D., & Renz, D. O. (1999). Theses on nonprofit organizational effectiveness. *Nonprofit and Voluntary Sector Quarterly*, 28, 107 -126. doi:10.1177/0899764099282001
- Herman, R. D., & Renz, D. O. (2000). Board practices of especially effective and less effective local nonprofit organizations. *The American Review of Public Administration*, 30, 146 - 160. doi:10.1177/02750740022064605
- Herman, R. D., & Renz, D. O. (2003). Nonprofit organizational effectiveness: Practical implications of research on an elusive concept. Retrieved from <http://www.google.com/search?sclient=psy&hl=en&biw=1280&bih=473&noj=1&source=hp&q=nonprofit+organizational+effectiveness%3A+practical+implications&aq=f&aqi=&aql=&oq=>
- Herman, R. D., & Renz, D. O. (2004). Doing things right: Effectiveness in local nonprofit organizations, A Panel Study. *Public Administration Review*, 64, 694-704. doi: 10.1111/j.1540-6210.2004.00416.x
- Hodge, B.J., & Anthony, W.P. (1991). *Organization theory*. Massachusetts, PA: Allan and Bacon.
- Hodge, M. M., & Piccolo, R. F. (2005). Funding source, board involvement techniques, and financial vulnerability in nonprofit organizations: A test of resource dependence. *Nonprofit Management & Leadership*, 16, 171-190. doi: 10.1002/nml.99
- Hubbard, B. (2005). Investing in leadership: A grantmaker's framework for understanding nonprofit leadership development (Vol. 1). Grantmakers for Effective Organizations. Retrieved from <http://www.google.com/search?hl=en&noj=1&biw=1280&bih=473&q=investing+in+leadership+volume+1&aq=1p&aqi=p-p2g1g-v4&aql=&oq=investing+in+leader>

- Hyman, L., Lamb, J., & Bulmer, M. (2006). The use of pre-existing survey questions: Implications for data quality. *Proceedings of Q2006: European Conference on Quality in Survey Statistics*. Retrieved from <http://epp.eurostat.ec.europa.eu/portal/page/portal/quality/documents/Pre-existing%20surveys>
- Jamieson, S., (2004). Likert scales how to (ab)use them. *Medical Education*, 38, 1212-1218. doi: 10.1111/j.1365-2929.2004.02012
- King, N. K. (2004). Social capital and nonprofit leaders. *Nonprofit Management and Leadership*, 14, 471-486. doi:10.1002/nml.48
- Kinsey, D.J., & Raker III, R. (2003). Capacity building: A primer. In Kinsey, D.J., Raker III, J.R., & Wagner, L.D. (Eds.), *Capacity building for nonprofits*. (pp. 5-15). San Francisco, CA: Jossey- Bass.
- Kouzes, J. M., & Posner, B. Z. (1993). *Leadership Practices Inventory*. San Francisco, CA: Pfeiffer.
- Lado, A., & Wilson, M. (1994). Human resource systems and sustained competitive advantage: A competency-based perspective. *Academy of Management Review*, 19, 699-727. Retrieved from <http://www.jstor.org/stable/258742>
- Lamb, R. (Ed.). (1983). *Advances in strategic management*. Greenwich, CT: JAI Press.
- Leedy, P. D., & Ormrod, J. E. (2005). *Practical research: Planning and design* (8th ed.). Upper Saddle River, NJ: Prentice Hall.
- Light, M. (2006). No one best way: A study on nonprofit leadership capacity building. *Nonprofit Quarterly*, 13, 70-72.
- Light, P. (2002). *Pathways to nonprofit excellence*. Washington, DC: Brookings Institution Press.
- Light, P. (2003). *The health of the human services workforce*. Washington, DC: Brookings Institution Press.
- Light, P. (2004a). *Sustaining nonprofit performance: The case for capacity building and the evidence to support it*. Washington, DC: Brookings Institution Press.
- Light, P. (2004b). Capacity building and the national infrastructure to support it. *Nonprofit Quarterly*, 36-41. Retrieved from http://oldsite.nonprofitquarterly.org/files/infra-issue/36_Capacity_Building_and_Infrastructure.pdf

- Lindenberg, M., (2001), Reaching beyond the family: new nongovernmental organization alliances for global poverty alleviation and emergency response. *Nonprofit and Voluntary Sector Quarterly*, 30, 603-615
- Lipsky, M., & Smith, S. R. (1989). Nonprofit organizations, government, and the welfare state. *Political Science Quarterly*, 104, 625-648. Retrieved from <http://www.jstor.org/stable/2151102>
- Lynn, D. B. (2001). Succession management strategies in public sector organizations. *Review of Public Personnel Administration*, 21(2), 114 -132. doi:10.1177/0734371X0102100202
- Mallango, E., Tenningas, S., & Nxele, M. (2008). *Human resources benchmarking for telecommunication organizations in English-speaking countries in Africa*. International Telecommunication Union. Retrieved from <http://www.itu.int/ITU-D/hrd/wghrd/doc/survey-report2009/Benchmarking-e.pdf>
- Mann, G. A. (2006). A motive to serve: Public service motivation in human resource management and the role of PSM in the nonprofit sector. *Public Personnel Management*, 35, 33-48. Retrieved from EBSCOhost.
- Matthewman, J., & Matignon, F. (2004) *Human capital reporting: An internal perspective*. Mercer Human Resource Consulting. Retrieved from www.mindstep.no/getfile.php/169502.69/CIPD.pdf
- Mayberry, R. M., Daniels, P., Akintobi, T. H., Yancey, E. M., Berry, J., & Clark, N. (2008). Community-based organizations' capacity to plan, implement, and evaluate success. *Community Health*, 33, 285-292. doi: 10.1007/s10900-008-9102-z
- McDonald, K.S., & Hite, L.M. (2005). Reviving the relevance of career development in human resource development. *Human Resource Development Review*, 4, 418-439. doi: 10.1177/1534484305281006
- McGonagill, G., & Pruyn, P. (2009). *Leadership development in the U.S.: Principles and patterns of best practice*. Guetersloh, Germany: Bertelsmann Foundation.
- McGonagill, G., & Reinelt, C. (2011). Leadership development in the social sector: A Framework for supporting strategic investments, *The Foundation Review*, 2(4), 57-72. doi: 10.4087/FOUNDATIONREVIEW-D-10-00030
- McKinsey & Company, (2001). *Effective capacity building in nonprofit organizations*. Washington, DC: Venture Philanthropy Partners.
- Millesen, J. & Bies, A. (2004). *An analysis of the Pittsburgh region's capacity-building "industry"*. Pittsburgh, PA: Tropman Fund for Nonprofit Research at the Forbes Funds.

- Naff, K. C. and Crum, J. 1999. Working for America: Does public service motivation make a difference. *Review of Public Personnel Administration*, 19, 5-16. doi: 10.1177/0734371X9901900402
- Noe, R.A., (2008). *Employee training and development*. New York, NY: McGraw-Hill/Irwin.
- O'Neill, M. (2005). Developmental contexts in nonprofit management education. *Nonprofit Management and Leadership*, 16, 5-17. doi: 10.1002/nml.87
- Onyx, J., & Maclean, M. (1996). Careers in the third sector. *Nonprofit Management and Leadership*, 6, 331–345. doi: 10.1002/nml.4130060404
- Peters, J., Fernandopulle, A., Masouka, J., Chan, C., & Wolfred, T. (2002, January). *Help wanted: turnover and vacancy in nonprofits*. San Francisco, CA: CompassPoint Nonprofit Services.
- Peters, J., & Wolfred, T. (2001). *Daring to lead: Nonprofit executive directors and their work experience*. San Francisco, CA: CompassPoint Nonprofit Services.
- Pfeffer, J. (1994). *Competitive advantage through people*. Boston, MA: Harvard Business School Press.
- Pfeffer, J. (1998). *The human equation: building profits by putting people first*. Boston., MA: Harvard Business School Press,
- Pfeffer, J. & Salancik, G. R. (1978). *The external control of organizations: A resource dependence perspective*. New York, NY: Harper & Row.
- Provan, K.G. & Milward, H.B. (1995). A preliminary theory of interorganizational network effectiveness: A comparative study of four community mental health systems. *Administrative Science Quarterly*, 40, 1-33. Retrieved from <http://www.jstor.org/stable/2393698>
- Quinn, R., & Cameron, K. (1983). Organizational life cycles and shifting criteria of effectiveness: Some preliminary evidence. *Management Science*, 29, 33-41. Retrieved from <http://www.jstor.org/stable/2631164>
- Ridder, H.-G., & McCandless, A. (2010). Influences on the architecture of human resource management in nonprofit organizations. *Nonprofit and Voluntary Sector Quarterly*, 39, 124 -141. doi: 10.1177/0899764008328182
- Rivkin, J. (2000). Imitation of complex strategies. *Management Science*, 46, 824–844. Retrieved from <http://www.jstor.org/stable/2661488>

- Ruhm, C. J., & Borkowski, C. (2003). Compensation in the nonprofit sector. *The Journal of Human Resources*, 38, 992-1021. 10.3368/jhr.XXXVIII.4.992
- Rusaw, A. C., & Rusaw, M. F. (2008). The role of HRD in integrated crisis management: A public sector approach. *Advances in Developing Human Resources*, 10, 380-396. doi:10.1177/152342230831645
- Salamon, L. M. (2002). The resilient sector: The state of nonprofit America. In L. Salamon (Ed.), *The state of nonprofit America*. Washington, DC: Brookings Institution Press.
- Salamon, L., & Anheier, H. (1998). Social origins of civil society: Explaining the nonprofit sector cross-nationally. *Voluntas*, 9, 213-248. doi: 10.1023/A:1022058200985
- Salamon, L., Haddock, M. A., Sokolowski, S. W., & Tice, H. (2007). Measuring civil society and volunteering: Initial findings from implementation of the UN handbook on nonprofit institutions. *The Johns Hopkins Center for Civil Society Studies*, Working Paper No. 23.
- Salamon, L., Sokolowski, W., & List, R. (2003). *Global civil society. An overview*. The John Hopkins Comparative Nonprofit Sector Project. Baltimore, MD: The John Hopkins University. Retrieved from http://adm-cf.com/jhu/pdfs/Books/BOOK_GCS_2003.pdf
- Sargeant, A., & Lee, S. (2002). Improving public trust in the voluntary sector: An empirical analysis. *International Journal of Nonprofit and Voluntary Sector Marketing*, 7, 68-83. doi: 10.1002/nvsm.168
- Schlesinger, M., Mitchell, S., & Gray, B. (2004). Restoring public legitimacy to the nonprofit sector: A survey experiment using descriptions of nonprofit ownership. *Nonprofit and Voluntary Sector Quarterly*, 33, 673-710.
- Schuh, R., & Leviton, L. (2006). A framework to assess the development and capacity of nonprofit agencies. *Evaluation and Program Planning*, 29, 171-179.
- Schultz, T.W. (1961). Investment in human capital. *American Economic Review*, 51, 1-6.
- Schwinn, E., & Sommerfeld, M. (2002). Revolving-door dilemma: High turnover of fundraisers causes big problems at charities. *The Chronicle of Philanthropy*, 14(13), 39- 41.
- Shepard, J. W. (2008). *Strengthening leadership and human resources capacity in the nonprofit sector: Pro Bono as a powerful solution*. The Taproot Foundation. Retrieved from <http://www.taprootfoundation.org/docs/Taproot-Strengthening-Leadership-HR-Capacity.pdf>
- Sherman, A. (2008). *Capacity building for nonprofits: A Hartford example*. New York, NY: TCC Group.

- Slater, L. (2008). Pathways to building leadership capacity. *Educational Management Administration and Leadership*, 36, 55-60. doi:10.1177/1741143207084060
- Smith, S.R., & Lipsky, M. (1993). *Nonprofits for hire: The welfare state in the age of contracting*. Cambridge, MA: Harvard University.
- Sobeck, J., & Agius, E. (2007). Organizational capacity building: addressing a research and practice gap. *Evaluation & Program Planning*, 30, 237-246.
- Speckbacher, G. (2003). The economics of performance management in nonprofit organizations. *Nonprofit Management and Leadership*, 13, 267-281. doi: 10.1002/nml.15
- Stowe, S., & Barr, C. (2005). The rural charitable sector research initiative phase II: The Capacity challenges of nonprofit & voluntary organizations in rural Ontario. *Nonprofit Library Commons*. Retrieved March 20, 2009 from http://nonprofitscan.imaginecanada.ca/files/nonprofitscan/en/rural/rcsi_report_phase_2.pdf
- Sussman, C. (2003). Making change: How to build adaptive capacity. *Nonprofit Quarterly*, 10, 18-24.
- Swanson, R., & Arnold, D. (1996). The purpose of human resource development is to improve organizational performance. In R. W. Rowden (Ed). *Workplace learning: Debating five critical questions of theory and practice. New Directions for Adult and Continuing Education*, 72, 13-19. doi:10.1002/ace.36719967204
- Swanson, R., & Holton, E. (2001). *Foundations of human resource development*. San Francisco, CA: Berrett-Koehler.
- Tierney, T. J. (2006). *The nonprofit leadership deficit*. Boston, MA: The Bridgespan Group
- Tierney, T.J. (2009). Understanding the nonprofit sector's leadership deficit. *Leader to Leader*, 2006, 13-19. doi: 10.1002/ltl.347
- Torraco, R. J. (2005). Human resource development transcends disciplinary boundaries. *Human Resource Development Review*, 4, 251-253. doi: 10.1177/1534484305278894
- Torraco, R.J., & Swanson, H. (1995). The strategic roles of human resource development, *Human Resource Development Quarterly*, 6, 207-213.
- Toupin, L., & Plewes, B. (2007). Exploring the looming leadership deficit in the voluntary and nonprofit sector. *The Philanthropist*, 21, 128-137.

- Van Velsor, E., & Ascalon, E. (2008). The role and impact of leadership development in supporting ethical action in organisations. *Journal of Management Development*, 27, 187-195. doi:10.1108/02621710810849326
- Vigoda, E., & Cohen, A. (2003). Work congruence and excellence in human resource management. *Review of Public Personnel Administration*, 23, 192 -216. doi:10.1177/0734371X03252436
- W. K. Kellogg Foundation. (2004). *Building leadership for the 21st century: A report from global leadership scans*. Battle Creek, MI: Kellogg Foundation.
- W. K. Kellogg Foundation. (2006). *Crossing boundaries, changing communities: Lessons in collective leadership*. Battle Creek, MI: Kellogg Foundation.
- Wolfred, T. (2008). Building leaderful organizations: Succession planning for nonprofits. *Executive Transition Monograph Series*, (Vol. 6). Baltimore, MA: The Annie E. Casey Foundation,
- Worcester, R.M., & Burns, T.R. (1975). A statistical examination of the relative precision of verbal scales. *Journal of Market Research Society*, 17, 181-197.
- Wright, P.M., Dunford, B.B., and Snell, S.A. (2001). Human resources and the resource-based view of the firm. *Journal of Management*, 27, 701–731. doi: 10.1177/014920630102700607

APPENDIX A: IRB APPROVAL

October 13, 2011

MEMORANDUM

TO: Synetra Gilmer
Claretha Hughes

FROM: Ro Windwalker
IRB Coordinator

RE: New Protocol Approval

IRB Protocol #: 11-10-150

Protocol Title: *A Description of Nonprofit Executive Leaders' Perceptions of Human Resource Capacity Building within their Organizations*

Review Type: EXEMPT EXPEDITED FULL IRB

Approved Project Period: Start Date: 10/13/2011 Expiration Date: 10/12/2012

Your protocol has been approved by the IRB. Protocols are approved for a maximum period of one year. If you wish to continue the project past the approved project period (see above), you must submit a request, using the form *Continuing Review for IRB Approved Projects*, prior to the expiration date. This form is available from the IRB Coordinator or on the Research Compliance website (<http://vpred.uark.edu/210.php>). As a courtesy, you will be sent a reminder two months in advance of that date. However, failure to receive a reminder does not negate your obligation to make the request in sufficient time for review and approval. Federal regulations prohibit retroactive approval of continuation. Failure to receive approval to continue the project prior to the expiration date will result in Termination of the protocol approval. The IRB Coordinator can give you guidance on submission times.

This protocol has been approved for 61 participants. If you wish to make *any* modifications in the approved protocol, including enrolling more than this number, you must seek approval *prior to* implementing those changes. All modifications should be requested in writing (email is acceptable) and must provide sufficient detail to assess the impact of the change.

If you have questions or need any assistance from the IRB, please contact me at 210 Administration Building, 5-2208, or irb@uark.edu

APPENDIX B: MCKINSEY & COMPANY PERMISSION E-MAIL

Subject: RE: Capacity Assessment Grid

Date: 06/09/2011 01:55:41 PM CST

From: Jeff Raderstrong

To: 'sgilmer@xxx.xxx'

Text part 8 KB

Synerta,

Looking over your request again, I don't think we need to go through a formal permissions process. If you are simply using a portion of the OCAT, all you need to do is use this language to cite each quote you take from it:

“The McKinsey Capacity Assessment Grid was created by McKinsey & Company and published in *Effective Capacity Building in Nonprofit Organizations (2001)*, produced for Venture Philanthropy Partners (www.vppartners.org). It is reprinted, copied, or distributed with the permission of Venture Philanthropy Partners.”

If you are going to publish your research when you are finished, it would be great to see a copy. We like to compile all of the resources using the OCAT.

Let me know if you need anything else!

Thanks,

Jeff

From: sgilmer@xxx.xxx [mailto:sgilmer@xxx.xxx]

Sent: Thursday, June 09, 2011 1:04 PM

To: Jeff Raderstrong

Subject: Re: Capacity Assessment Grid

You can email it to me, I'll sign, scan, and email it back to you with the hour.

Thanks again for your help.

Synetra

Sent from my HTC on the Now Network from Sprint!

----- Reply message -----

From: "Jeff Raderstrong" <jraderstrong@vppartners.org>

Date: Thu, Jun 9, 2011 11:04 am

Subject: Capacity Assessment Grid

To: "'sgilmer'" <sgilmer@xxx.xxx>

Great! Is there an address I can send a form to you at? You'll just need to sign a formal permission and mail it back to me.

Thanks,

Jeff

From: sgilmer [mailto:sgilmer@xxx.xxx]

Sent: Thursday, June 09, 2011 10:07 AM

To: Jeff Raderstrong
Subject: Re: Capacity Assessment Grid
Hi Jeff,

I plan to only use some of the Human Resource Capacity questions from the OCAT. I have not narrowed down which questions just yet because I wanted to get permission first.
Thanks for your help.

Synetra

Quoting Jeff Raderstrong <jraderstrong@vppartners.org>:

Synetra,

Thanks for your interest in VPP and the OCAT. My apologies for my delay in getting back to you. Would you be using the OCAT as is, or will you be adapting it? There is a different process for each request.

Thanks,

Jeff

Jeff Raderstrong
Associate, Communications and Assessment,
Venture Philanthropy Partners
1201 15th Street, NW * Suite 420 * Washington, DC 20005
subscribe: <http://www.vppartners.org/learning/enews/subscribe>
follow: <http://twitter.com/vppartners>

~ ~ investing in social change ~ ~

----- Original Message -----
From: sgilmer <sgilmer@xxx.xxx>
To: VPP-info
Sent: Sat Apr 30 21:24:19 2011
Subject: Capacity Assessment Grid

Hello,

My name is Synetra Gilmer, I am currently a doctoral student in the Workforce Development Education program at the University of Arkansas at Fayetteville. I am researching capacity building and its impact on nonprofit organizations as the focus of my dissertation. I have collected lots of research and data on capacity building in the nonprofit sector as well as organizations that have adapted your tool, the McKinsey and Company Capacity Assessment Grid, to meet their organization's needs. I am seeking permission to utilize the assessment grid for the purposes of my research study and I would like to speak to someone regarding the procedures that I must follow in order to utilize this tool as the method to collect data for my sample of nonprofit organizations. I look forward to speaking to someone in your organization.

Thank you for your time and consideration.

Synetra D. Gilmer
Doctoral Candidate
Workforce Development Education - Human Resources Concentration
University of Arkansas Fayetteville, Arkansas

APPENDIX C: SURVEY INSTRUMENT

Human Resource Capacity Building Assessment

Section I: The following items assess your organization's Human Resource Capacity. Please rate the following items according to your level of agreement.

(1) Strongly Agree, (2) Agree, (3) Undecided, (4) Disagree, or (5) Strongly Disagree

1. My organization has capacity to manage the salary allowances paid to staff (i.e. health, vacation, education, etc.).
1 2 3 4 5
2. I would need training to assume responsibility to manage the salary allowances paid to staff (i.e. health, vacation, education, etc.).
1 2 3 4 5
3. My organization has capacity to project the numbers of staff needed to meet the goals of your organization.
1 2 3 4 5
4. I would need training to assume responsibility to project the numbers of staff needed to meet the goals of your organization.
1 2 3 4 5
5. My organization has capacity to implement policy and procedures to recruit, hire, deploy, transfer, and promote staff in a timely manner.
1 2 3 4 5
6. I would need training to assume responsibility to implement policy and procedures to recruit, hire, deploy, transfer, and promote staff in a timely manner for this HR function.
1 2 3 4 5
7. My organization has capacity to produce a personnel policy manual for staff and update it as necessary.
1 2 3 4 5
8. I would need training to produce a personnel policy manual for staff and update it as necessary.
1 2 3 4 5
9. My organization has capacity to policy and procedures to handle discipline, grievance and termination.
1 2 3 4 5
10. I would need training to assume responsibility to handle discipline, grievance and termination.
1 2 3 4 5
11. My organization has capacity to develop and maintain up to date job descriptions for staff.
1 2 3 4 5
12. I would need training to develop and maintain up to date job descriptions for staff.
1 2 3 4 5
13. My organization has capacity to develop and maintain a supervision system to ensure support and feedback from staff on their performance.
1 2 3 4 5
14. I would need training to develop and maintain a supervision system to ensure support and feedback from staff on their performance.
1 2 3 4 5
15. My organization has capacity to develop and manage an annual performance appraisal system.
1 2 3 4 5
16. I would need training to assume responsibility to develop and manage an annual performance appraisal system.
1 2 3 4 5
17. My organization has capacity to manage a cost effective, needs based training program to enhance employees' skills.
1 2 3 4 5
18. I would need training to assume responsibility to manage a cost effective, needs based training program to enhance employees' skills.
1 2 3 4 5

19. My organization has capacity to manage a program to strengthen management and leadership skills of staff.
1 2 3 4 5
20. I would need training to assume responsibility to manage a program to strengthen management and leadership skills of staff.
1 2 3 4 5
21. My organization has capacity to provide opportunities for career development.
1 2 3 4 5
22. I would need training to assume responsibility to provide opportunities for career development.
1 2 3 4 5
23. My organization has capacity to maintain records of each employee work history in the organization.
1 2 3 4 5
24. I would need training to assume responsibility to maintain records of each employee work history in the organization.
1 2 3 4 5
25. My organization has responsibility in this HR function capacity to develop a comprehensive, long-term strategy to maintain adequate numbers of qualified staff.
1 2 3 4 5
26. I would need training to assume responsibility to develop a comprehensive, long-term strategy to maintain adequate numbers of qualified staff.
1 2 3 4 5
27. My organization has capacity to develop and implement effective workplace strategies to retain staff.
1 2 3 4 5
28. I would need training to assume responsibility to develop and implement effective workplace strategies to retain staff.
1 2 3 4 5
29. My organization has capacity to work together in teams to identify and solve problems.
1 2 3 4 5
30. I would need training to assume responsibility to work together in teams to identify and solve problems.
1 2 3 4 5
31. My organization has capacity to maintain positive relationships through good communication and interpersonal skills.
1 2 3 4 5
32. I would need training to assume responsibility to maintain positive relationships through good communication and interpersonal skills.
1 2 3 4 5
33. My organization has capacity to strengthen the role of HR in the organization.
1 2 3 4 5
34. I would need training to assume responsibility to strengthen the role of HR in the organization.
1 2 3 4 5
35. My organization has capacity to encourage employees to try new ways to complete job tasks.
1 2 3 4 5
36. I would need training to assume responsibility to encourage employees to try new ways to complete job tasks.
1 2 3 4 5
37. My organization has capacity to effectively combat employee turnover and employee burnout.
1 2 3 4 5
38. I would need training to assume responsibility to effectively combat employee turnover and employee burnout.
1 2 3 4 5
39. My organization has system or culture intended to promote knowledge sharing.
1 2 3 4 5
40. I would need training to assume responsibility to promote knowledge sharing and capture and use knowledge obtained from other industry sources.
1 2 3 4 5

41.) Please rank the top (3) training areas most important to your development over the next two years, with “1” being most important and “3” being the least important.

- ___ Fundraising
- ___ Computer Software
- ___ Presentation Skills
- ___ Marketing Skills Technical/Professional
- ___ Time Management
- ___ Negotiating Skills
- ___ Management Development
- ___ Leadership
- ___ Coaching Skills

42. Rank these capacity areas in order with “1” signifying the most challenging and “8” signifying the least challenging.

- ___ Financial Resources
- ___ Marketing
- ___ Human Resources
- ___ Networking and Advocacy
- ___ Information Technology
- ___ Operations and Governance
- ___ Organizational Assessment
- ___ Planning and Programming

Section II: Assess your level of need for training and development in the following areas:

43.) Knowledge of your organization's mission and purpose

(1) Not a priority (2) Low priority (3) Medium priority (4) High priority (5) Essential

44.) Knowledge of your role and how it fits into the organization's mission and purpose

(1) Not a priority (2) Low priority (3) Medium priority (4) High priority (5) Essential

45.) Knowledge of where to get help to deal with issues you cannot resolve on your own

(1) Not a priority (2) Low priority (3) Medium priority (4) High priority (5) Essential

46.) Knowledge of your organization's human resource policies, practices, and procedures

(1) Not a priority (2) Low priority (3) Medium priority (4) High priority (5) Essential

47.) Your ability to listen, understand, and appreciate feelings and contributions of others

(1) Not a priority (2) Low priority (3) Medium priority (4) High priority (5) Essential

48.) Your ability to coach and counsel others in the performance of their work and in their pursuit of their careers

(1) Not a priority (2) Low priority (3) Medium priority (4) High priority (5) Essential

49.) Your ability to delegate work to others

(1) Not a priority (2) Low priority (3) Medium priority (4) High priority (5) Essential

50.) Your ability to administer appropriate discipline when necessary

(1) Not a priority (2) Low priority (3) Medium priority (4) High priority (5) Essential

51.) Your ability to set high, but achievable objectives and standards for others to inspire and guide their performance

(1) Not a priority (2) Low priority (3) Medium priority (4) High priority (5) Essential

52.) Your ability to determine the training needs of your people and conduct training activities

(1) Not a priority (2) Low priority (3) Medium priority (4) High priority (5) Essential

53.) Your ability to cope with stress and resolve conflict

(1) Not a priority (2) Low priority (3) Medium priority (4) High priority (5) Essential

54.) Your ability to communicate effectively verbally and in writing

(1) Not a priority (2) Low priority (3) Medium priority (4) High priority (5) Essential

55.) Your ability to adapt and adjust your leadership style to the demands of the situation

(1) Not a priority (2) Low priority (3) Medium priority (4) High priority (5) Essential

Section III: Demographics

Gender

Male Female

AGE

21-29

30-39

40-49

50 and Above

Background:

Education

Business

Social Work

Nonprofit Management

Other

Highest level of education:

High School Diploma/GED

Associate Degree

Bachelor Degree

Graduate Degree

Years of experience in nonprofit sector:

0-4 Years

5-10 Years

11-15 years

Over 15 years

Position Title:

Chief Executive Officer

Executive Director

Assistant Director

Chairman of the Board

Other

Years in current position:

0-4 Years

5-10 Years

11-15 Years

Over 15 years

Do you plan to be in this position for the next five years?

Yes

No

What is your chapter's annual budget?

\$50,000 to \$99,000

\$100,000 to \$149,000

\$150,000 to \$249,000

\$250,00 and above

Are you familiar with organizational capacity building? Yes No

If you answered yes, are you familiar with human resource capacity building? Yes No

Thank you for taking this survey. If you would like to receive a copy of the results of this research study, please feel free to e-mail me at sgilmer@xxx.xxx.

APPENDIX D: SURVEY CORRELATION

Gilmer Human Resource Capacity Building Assessment	McKinsey Capacity Assessment Grid	
Survey Item	Section	Item
1	IV	9
2	IV	9
3	IV	1, 12
4	IV	1, 12
5	IV; V	1, 12; 4
6	IV; V	1, 12; 4
7	IV; V	1, 12; 4
8	IV; V	1, 12; 4
9	V	4
10	V	4
11	V	4
12	V; VI	4; 4
13	V; VI	4; 4
14	V	5
15	V	6
16	V	6
17	VII	8
18	VII	8
19	VII	8
20	VII	8
21	VII	8
22	VII	8
23	V	12
24	V	12
25	III	7
26	III	7
27	III	7
28	III	7
29	III	7
30	III	7
31	III; VII	9; 6
32	III; VII	9; 6
33	III	7
34	III	7
35	VII	1
36	VII	1

Gilmer Human Resource Capacity Building Assessment	McKinsey Capacity Assessment Grid	
Survey Item	Section	Item
37	VII	8
38	VII	8
39	V; VI	7; 3
40	V; VI	7; 3
41	III; IV; V	ALL ITEMS
42	III; IV; V	ALL ITEMS
43	I	1,2,3
44	I	1,2,3
45	III	7
46	III	7
47	IV	6
48	III; IV	1; 7
49	III	1
50	III	1
51	III	1
52	IV	6
53	IV	4
54	IV	4
55	IV	6,8

**APPENDIX E: COMPARISON OF MEANS FOR EXECUTIVE LEADERS
FAMILIAR WITH CAPACITY BUILDING**

Years of experience in nonprofit sector:	Do you plan to be in this position for the next five years?	Gender	Mean	Median	Std. Dev	Variance	Std. Error of Mean	N
0-4 Years	Yes	Male	2.00	2.00	.	.	.	1
		Female	1.50	1.50	.707	.500	.500	2
		Total	1.67	2.00	.577	.333	.333	3
	No	Female	1.00	1.00	.000	.000	.000	2
		Total	1.00	1.00	.000	.000	.000	2
	Total	Male	2.00	2.00	.	.	.	1
		Female	1.25	1.00	.500	.250	.250	4
		Total	1.40	1.00	.548	.300	.245	5
	5-10 Years	Yes	Male	1.33	1.00	.516	.267	.211
Female			1.50	1.50	.535	.286	.189	8
Total			1.43	1.00	.514	.264	.137	14
No		Male	2.00	2.00	.	.	.	1
		Total	2.00	2.00	.	.	.	1
Total		Male	1.43	1.00	.535	.286	.202	7
		Female	1.50	1.50	.535	.286	.189	8
		Total	1.47	1.00	.516	.267	.133	15

Years of experience in nonprofit sector:	Do you plan to be in this position for the next five years?	Gender	Mean	Median	Std. Deviation	Variance	Std. Error of Mean	N
11-15 years	Yes	Male	1.50	1.50	.707	.500	.500	2
		Female	1.00	1.00	.000	.000	.000	3
		Total	1.20	1.00	.447	.200	.200	5
	No	Female	1.00	1.00	.	.	.	1
		Total	1.00	1.00	.	.	.	1
	Total	Male	1.50	1.50	.707	.500	.500	2
		Female	1.00	1.00	.000	.000	.000	4
		Total	1.17	1.00	.408	.167	.167	6
	Over 15 years	Yes	Male	1.50	1.50	.707	.500	.500
Female			1.00	1.00	.	.	.	1
Total			1.33	1.00	.577	.333	.333	3
No		Male	1.00	1.00	.	.	.	1
		Female	1.00	1.00	.000	.000	.000	2
		Total	1.00	1.00	.000	.000	.000	3
Total		Male	1.33	1.00	.577	.333	.333	3
		Female	1.00	1.00	.000	.000	.000	3
		Total	1.17	1.00	.408	.167	.167	6

Years of experience in nonprofit sector:	Do you plan to be in this position for the next five years?	Gender	Mean	Median	Std. Deviation	Variance	Std. Error of Mean	N
Total	Yes	Male	1.45	1.00	.522	.273	.157	11
		Female	1.36	1.00	.497	.247	.133	14
		Total	1.40	1.00	.500	.250	.100	25
	No	Male	1.50	1.50	.707	.500	.500	2
		Female	1.00	1.00	.000	.000	.000	5
		Total	1.14	1.00	.378	.143	.143	7
	Total	Male	1.46	1.00	.519	.269	.144	13
		Female	1.26	1.00	.452	.205	.104	19
		Total	1.34	1.00	.483	.233	.085	32

APPENDIX F: CASE SUMMARIES FOR AREAS OF TRAINING AND DEVELOPMENT

	A	B	C	D	E	F	G	H	I
1	1	0	0	0	3	0	2	0	0
2	0	0	0	0	0	3	0	1	2
3	1	0	0	0	0	0	2	0	3
4	0	3	0	1	0	2	0	0	0
5	1	0	0	2	0	0	0	3	0
6	0	1	0	3	0	0	2	0	0
7	0	0	0	0	0	3	2	0	1
8	1	0	0	0	0	0	2	0	3
9	1	0	0	0	0	0	3	2	0
10	0	0	0	0	0	0	2	1	3
11	0	0	0	0	3	0	1	2	0
12	3	0	0	1	0	0	2	0	0
13	0	2	0	1	0	3	0	0	0
14	0	3	0	0	0	2	0	1	0
15	1	0	0	2	0	0	0	3	0
16	0	0	0	0	0	1	2	3	0
17	1	0	0	2	3	0	0	0	0
18	0	0	0	0	2	0	0	1	3
19	0	2	0	1	0	3	0	0	0
20	1	2	0	3	0	0	0	0	0
21	1	0	0	3	0	0	0	2	0
22	1	0	0	2	0	3	0	0	0
23	2	0	0	3	0	0	0	1	0
24	1	0	0	2	0	0	3	0	0
25	2	3	0	1	0	0	0	0	0
26	2	0	0	1	3	0	0	0	0
27	1	0	0	0	0	0	2	3	0
28	1	2	0	3	0	0	0	0	0
29	0	0	0	0	3	0	1	2	0
30	0	0	0	0	0	0	1	2	3
31	1	0	0	0	2	0	3	0	0
32	2	1	2	0	3	0	0	0	0

A. Fundraising, B. Computer Software, C. Presentation Skills, D. Marketing Skills
Technical/Professional, E. Time Management, F. Negotiating Skills, G. Management
Development, H. Leadership, G. Coaching Skills

APPENDIX G: COMPARISON OF MEANS FOR DESIRE OF TRAINING

Executive Leaders Background		Sum of Squares	df	Mean Square	F	Sig.
2	Between Groups	2.802	4	.701	.534	.712
	Within Groups	35.417	27	1.312		
	Total	38.219	31			
4	Between Groups	9.385	4	2.346	1.631	.195
	Within Groups	38.833	27	1.438		
	Total	48.219	31			
6	Between Groups	9.542	4	2.385	1.725	.174
	Within Groups	37.333	27	1.383		
	Total	46.875	31			
8	Between Groups	3.583	4	.896	.500	.736
	Within Groups	48.417	27	1.793		
	Total	52.000	31			
10	Between Groups	2.802	4	.701	.377	.823
	Within Groups	50.167	27	1.858		
	Total	52.969	31			

Executive Leaders Background		Sum of Squares	df	Mean Square	F	Sig.
12	Between Groups	2.802	4	.701	.363	.833
	Within Groups	52.167	27	1.932		
	Total	54.969	31			
14	Between Groups	5.417	4	1.354	1.073	.389
	Within Groups	34.083	27	1.262		
	Total	39.500	31			
16	Between Groups	7.719	4	1.930	1.353	.276
	Within Groups	38.500	27	1.426		
	Total	46.219	31			
18	Between Groups	8.885	4	2.221	1.841	.150
	Within Groups	32.583	27	1.207		
	Total	41.469	31			
20	Between Groups	6.219	4	1.555	1.555	.215
	Within Groups	27.000	27	1.000		
	Total	33.219	31			

Executive Leaders Background		Sum of Squares	df	Mean Square	F	Sig.
22	Between Groups	8.208	4	2.052	1.807	.157
	Within Groups	30.667	27	1.136		
	Total	38.875	31			
24	Between Groups	13.969	4	3.492	2.107	.108
	Within Groups	44.750	27	1.657		
	Total	58.719	31			
26	Between Groups	2.052	4	.513	.325	.859
	Within Groups	42.667	27	1.580		
	Total	44.719	31			
28	Between Groups	4.802	4	1.201	.970	.440
	Within Groups	33.417	27	1.238		
	Total	38.219	31			
20	Between Groups	1.969	4	.492	.343	.847
	Within Groups	38.750	27	1.435		
	Total	40.719	31			

Executive Leaders Background		Sum of Squares	df	Mean Square	F	Sig.
32	Between Groups	1.083	4	.271	.170	.952
	Within Groups	42.917	27	1.590		
	Total	44.000	31			
34	Between Groups	2.052	4	.513	.300	.875
	Within Groups	46.167	27	1.710		
	Total	48.219	31			
36	Between Groups	4.885	4	1.221	1.078	.387
	Within Groups	30.583	27	1.133		
	Total	35.469	31			
38	Between Groups	6.385	4	1.596	1.685	.183
	Within Groups	25.583	27	.948		
	Total	31.969	31			
40	Between Groups	1.635	4	.409	.358	.836
	Within Groups	30.833	27	1.142		
	Total	32.469	31			

