

## **Nonprofit Management Centers: Moving Beyond the Periphery**

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*Bringing institutes [centers] into the university, making them **of** the university and not merely **at it**, is a genuine organizational dilemma. (emphasis in original)*

- Ikenberry and Friedman, 1972

### **Introduction**

In the United States, much of the research and many graduate programs focused on nonprofit management, volunteerism, and philanthropy are associated with academic centers or institutes rather than academic departments. Consequently, the future growth and development of the field of nonprofit studies appears dependent, at least in part, on the future growth and development of these academic centers and the conditions and issues that affect them.

Academic centers and institutes ("centers") are similar to academic departments in several ways. They have similar missions -- research, teaching, and outreach. Centers and departments are both primarily staffed by faculty members or personnel with advanced degrees. Both also often rely on a mix of internal and external funding (Sharp-Pucci, Gamelli, Filkins, and Freeark, 1994). As members of the broader academic community, both departments and centers are influenced by even as they shape the culture of higher education.

In other ways, however, academic departments and academic centers are quite dissimilar. Center activities tend to be more precisely defined and restricted than departments. Although it performs many tasks, the department is not task-oriented; it is organized around a discipline that can be applied to any number of tasks. Centers, in contrast, tend to be interdisciplinary -- drawing on faculty and literature from more than one university department or discipline. They also typically rely less on institutional funding than do academic departments.

Centers have become a mechanism through which higher education can become more responsive to the communities it serves and move beyond the limits of boundaries and traditions which often constrain departments. They tend to be boundary-spanning organizations -- facilitating the flow of information between the university and its environment. Centers are more flexible organizational structures than are academic departments. While departments are bound by policies, practices and traditions, centers are expected to respond more quickly to the needs and requirements of research patrons and sponsors (Stahler and Tash, 1994). Thus, centers may change their staffing, their programs, perhaps even their mission, in response to social demands for new knowledge (Geiger, 1990). Related to this point, is what Sharp-Pucci et al (1994) describe as an "atmosphere of impermanence" about centers because staff, programs, funding support and other resources are likely to be in flux..

This paper examines how centers can become more permanent or sustainable parts of their institutions while maintaining their positive distinction of flexibility and responsiveness. This paper is based on published literature about academic centers and institutes and draws on structured, personal interviews of center directors and staff from six nonprofit management centers across the country.

This paper focuses on two key attributes of sustainability identified by Larson (1996) and supported by Young (1996) -- institutional stability and academic credibility. Institutional stability refers to a center's ability to sustain itself as an organization within the university. Academic credibility relates to the center's ability to meet faculty and disciplinary expectations. It is not coincidental that these two attributes parallel the core administrative and academic functions and traditions associated with higher education institutions. Institutional stability refers to the center's ability to sustain itself as an organization within the university and, hence, relates to the administrative core. Academic credibility relates to the center's ability to meet faculty expectations and, hence, relates to the academic core. This paper suggests ways that centers can become both more institutionally stable and academically credible in order to be a more permanent part of the organizational landscape -- to move beyond the periphery to the "cores" of the institution.

## **Institutional Stability**

*For centers, which fall outside of traditional lines, it is critical for them to have sufficient resources, leadership, and legitimacy.*

-- Nonprofit Center Director (in Larson, 1996)

Academic centers are organizations within larger institutions. Accordingly, they must ensure that their place in the institution is stable. Concern for the institutional stability of academic centers and institutes, in general, is not new. In the late nineteenth century universities developed the first centers, observatories and museums, which were funded primarily through private donations -- a funding source university administrators considered unstable (Geiger, 1990). For nonprofit management centers, stable funding, organizational fit, and community connections appear to be requisite conditions for institutional stability.

## Funding

A critical component of institutional stability is financial stability. Many centers and departments are funded through a mix of internal and external funds. Centers may receive internal funds from the university's general operating budget or directly from student tuition and fees. Another type of internal financial support is waiver of overhead-head costs or in-kind contributions such as faculty and secretarial time. Most centers require an investment in internal funds before they can generate support from federal and state agencies and foundations. A stable internal line of funding to a center provide security in terms of maintaining an ongoing program. Yet, even when external funds are received, it is unlikely that most centers

will ever be completely self-sufficient and operate without internal funds (Wodarski, 1995). Many sources of external funding are predicated on some level of internal support. Simply put, some ongoing commitment of internal funding appears to be necessary if a center is to be institutionally stable.

According to Wodarski (1995), the philosophy at many universities regarding internal funding is that the university provides the salary of the director, and the director has the responsibility for maintaining the center through the generation of additional funds. In recent times, this has meant that the center director needs to be skilled in grant writing. Faculty also need to be brought into the center to develop proposals for various federal agencies and private foundations in order to "buy" time in the center. In support of such faculty efforts, centers provide assistance in grant writing and the dissemination of grant information.

External funding for centers may come from foundations, private donations from individuals or organizations, state or federal agencies, or through the sale of products or services to external constituencies. Young (1996) suggests that nonprofit management centers should have a mix of external funding sources and not overly rely on any one source of support. One of the critical challenges to the use of external funding is the interest of the funding source. External funding should support the mission or vision of a program rather than direct it. This requires developing relationships with funding agencies to encourage them to support the mission or vision of the center (Wodarski, 1995) or to write grants such that the mission or vision is the primary emphasis. Wodarski (1995) and Stahler and Tash (1994) caution centers against "chasing dollars." In such a game, a center may respond to a funding source where the funders' expectations are a poor fit with the center's mission (Young, 1996). Thus, the center's mission is eroded and internal support may be weakened.

According to Larson (1996), the funding of nonprofit management centers may have a symbolic component to it. Staff at nonprofit management centers commented that internal funding encourages others in the university to have expectations of the center and that external funding is a form of external validation and a way to improve the center's prestige.

### Organizational Fit

Adequate funding, especially a stable commitment of internal funds, is necessary for institutional stability but it may not be sufficient – centers also need to "fit" within the organizational structure. Organizational fit refers both to the center's location within the organization's hierarchy and the center's interconnectedness with other units on campus.

Regarding organizational hierarchy, the higher the reporting authority of a center, the more the center may be considered a university priority by central administrators (Stahler and Tash, 1994). Thus, a center that reports to a dean, provost, or president may be more of a central priority to the institution than a center which reports to a department chair. Centers which are more centrally located within the formal organizational structure are more likely to receive higher levels of external and internal financial support (Stahler and Tash, 1994), and to be

perceived as an administrative and programmatic commitment by higher administration (Friedman and Friedman, 1984).

The institutional stability of a center may also be a function of how and to whom centers are interconnected – that is, how they network or link with other units on campus. Ebata (1996) states that collaboratives, such as centers, can be connected through "lines" and "boxes" on an organizational chart, but the success of a center may depend on the links among people and the kinds of relationships that they establish. This statement is consonant with Wodarski (1995) comment that for a research center to be viable it must maintain linkages with other educational units. These linkages enable the center to draw on the expertise of other departments for collaboration on grant development and proposal preparation. Informal linkages with university administration, such as involvement in governance and university committees, are also important to maintain (Stahler and Tash, 1994).

Centers need to show how they fit within the organization. They need to publicize and make visible their work —publications should be forwarded to administrators and departments, and media on campus should be used to disseminate center work (Wodarski, 1995). Centers need to disseminate and market their achievements in procuring funds, scholarly publications, community programs, clinical outcomes, and even management style. Centers that have been successful have taken the proactive approach to visibility, attention, and accountability (Sharp-Pucci et al, 1994). Such efforts also serve to inform the local community of the center's activities and to promote future relationships with constituent groups.

### Community Connections

Nonprofit centers frequently interact and work with constituents or community groups. These connections or interactions take place in a variety of ways. Centers may offer executive education or certificate program for community professionals, they may use practitioners as course instructors, and they may work directly with non-profit organizations. According to Larson (1996), nonprofit center directors and staff view these types of connections with the community as contributing to the center's institutional stability. Community connections may result in external funding of programs or increases in internal funding from student tuition and fees as community groups encourage employee involvement in educational programs provided by centers. A center's connection with the community may also be a way to garner administration support within the institution. A nonprofit management center may be one of the few ways that a university reaches out to the public and is, therefore, important to the image of university held by the community. Community connections may, then, enhance a nonprofit center's fit within their institution.

We suggest that nonprofit management centers are more likely to be institutionally stable when (a) they have a stable internal budget, (b) external funding matches the mission or vision of the center, (c) centers do not rely on a single source of external funds, (d) centers are high on or central to the organizational chart of the university, (e) they have extensive linkages with other units on campus, (f) they engage in self-promotion, and (g) they are connected with community or constituent groups.

## **Academic Credibility**

*Finance is not the significant barrier to sustainability. Infiltrating degree structures, faculty structures, permeating the culture – these are the significant barriers.*

-- Nonprofit Center Director (in Larson, 1996)

The comment above, and many like it, indicate that center sustainability requires more than institutional stability -- it requires recognition by and association with the academic core of the institution. The need for centers to be academically credible should not be surprising given that these centers are located on university campuses and most are directed by academicians. As stated earlier, academic credibility concerns the center's ability to meet faculty disciplinary and institutional expectations. We link a nonprofit management center's academic credibility to the centrality of the center's mission to the university's mission and to the involvement of faculty members in the activities of the center.

## Mission

Most universities define their mission as being research, teaching and service. Each university, however, interprets, either explicitly or implicitly, this mission differently. Some universities may stress one function over another. A university may focus its attention more on research activities than on service activities. In practice, one function may be more highly valued by faculty in the tenure and promotion process, as often is the case with research. Universities also often emphasize specific research areas within their mission. For university administration and faculty to view a center as academically credible, its mission must be consistent with the university's mission and goals and it must represent a logical initiative within the university's over-all research program (Friedman and Friedman, 1984; Stahler and Tash, 1994). In addition, the mission of the center needs to be conceptually stable -- that is, while programs may change to reflect opportunities or needs external to the center, the mission or central purpose of the center must not change if the center is to be viewed as academically credible (Wodarski, 1995).

## Faculty and Staff

The academic core of the university is composed of faculty members. Thus, if centers want to be part of the academic core -- that is, if they want to be academically credible -- they must work with and include faculty members in their work. Faculty involvement with centers varies. Faculty may instruct courses for a jointly offered degree, conduct research, or provide technical assistance. How faculty are employed by centers also varies. Some faculty may be adjuncts who are paid for teaching a single course. Other faculty may be university faculty who have a portion of their time supported by a center while their academic department continues to be their organizational home. Some centers hire their own faculty or specialists (who often have comparable qualifications to faculty). These type of positions are often largely dependent on "soft" or contract monies and are usually not tenure-track positions. Regardless of how faculty are employed or involved with a nonprofit management center, their inclusion in center activities is critical if the center is to be viewed as academically credible (Larson, 1996).

Many faculty members are attracted to the problem focus and interdisciplinary nature of centers. These faculty members may see their involvement in center activities as part of their research, teaching or service responsibilities. They may also find affiliation with a center to have certain advantages not necessarily found in departments. For example, through involvement with a center, faculty may gain access to community groups, to collaborative projects, to external funding opportunities, and to grant development assistance. Many faculty view centers as a means to access research data. Center's relationships with outside constituencies increase applied research opportunities which may be limited in most academic departments. The service relationship between the center and the constituent group generally encourages constituents to participate in and access applied research. Affiliation with a center may also provide valuable experiences in working with more seasoned researchers and access to better research support (Stahler and Tash, 1994).

Nonprofit management center directors and staff would like to have greater faculty involvement in centers and programs (Larson, 1996). However, these directors and staff, realize that faculty involvement in centers may come at a cost to faculty -- a view supported by the literature. For one, individual faculty members identify strongly with their disciplinary colleagues both within the institution and elsewhere. And, for tenure track faculty, involvement in a center may alienate them from their disciplinary colleagues (Dooris and Fairweather, 1992) or at least limit the time available to build relationships with departmental or disciplinary collaborators. Faculty may also find it difficult to maintain personal contact with state or local agencies because of the time involved in isolating funding opportunities and engaging in personal relationships necessary to maintain liaison activities (Wodarski, 1995).

Perhaps the most pervasive barrier for faculty involvement in centers is the academic reward system. Faculty involvement in interdisciplinary center research may limit or at least challenge their ability to receive tenure or promotion (Sharp-Pucci et al, 1995; Stahler and Tash, 1994; Wodarski, 1995; Dooris and Fairweather, 1992). Faculty within departments, acting as a group, typically control tenure and promotion. Their decision to tenure or promote are often made on the basis of single-author, peer-reviewed publications. However, the product line of a center is more complex; consisting of peer-reviewed publications, technology transfer, multicenter collaboration, governmental reports, review panels, and industry consulting. According to Sharp-Pucci et al (1994), evaluation of a center's members solely on the basis of single-author, peer-reviewed publications is neither valid nor accurate.

As long as the university reward system is based on the departmental structure, it is possible that faculty seeking tenure or promotion in the department will find involvement in centers to be disadvantageous. To offset this disadvantage, faculty who work in centers, and center directors, must be mindful of the expectations set forth by the faculty member's discipline and department and work to fulfill these expectations (Friedman and Friedman, 1984; Dooris and Fairweather, 1992; Wodarski, 1995). There is also an opportunity, over time, to work toward increasing the level of acceptance of center "products" as credible scholarship in the tenure and promotion process.

According to interviews with directors and staff members of nonprofit management centers (Larson, 1996), faculty should have tenure homes in departments and reporting lines to the center. That is, centers are not necessarily interested in having their own tenure lines. These directors and staff believe that faculty tenure in academic department may add to the prestige of the field of nonprofit studies, add to the interdisciplinarity of the field, and help centers become more institutionally stable by linking them with other parts of the university. However, these same center directors and staff have some reservations regarding faculty roles in centers. They mention that faculty can exploit the relationships centers have with the nonprofit community. They are also concerned that faculty research may represent only the interests of the faculty member and not consider the needs of the practitioner. As one director said of faculty and the community, "It's not just what faculty need, but what they can also offer -- it's a concomitant relationship."

Faculty members are not the only staff that can add academic credibility to the center. Friedman and Friedman (1984) state that the leader or director should possess valid scholarly credentials and have a reputation commensurate with that of the ranking senior members of the departments or departments from which the center hopes to draw faculty members. A center, because of the hierarchical nature of the unit, usually succeeds or fails as a result of the director's leadership, and changes in the leadership of a center may change the character of a center more markedly than would be true for any comparable change in a department (Stahler and Tash, 1994).

We suggest that nonprofit management academic centers are more likely to be academically stable when (a) its mission is consistent with the university's mission, (b) the center's initiatives fit within the university's overall research program, (c) the center's mission is stable over time, (d) faculty work with or in the center, (e) faculty working in the center maintain ties to their disciplinary departments, (f) faculty meet department/disciplinary expectations, especially regarding the writing and publishing of peer-reviewed papers, (g) the center director is a senior scholar, and (h) the leadership of the center does not turn-over on a regular basis.

## **Conclusion**

This paper assumes that centers are seeking sustainability and it proposes how centers might become sustainable. However, it is important to note that not all centers want to be sustained (or should be sustained). Some centers may choose to be phased out because their work is complete. Such centers represent a mechanism through which universities can be more responsive to the changing needs and interests of the various external communities and constituencies. Other centers may wish to integrate their programs into other academic units. Still other centers may aim for a different status -- to become an academic department or school. Sharp-Pucci et al (1994) state that multidisciplinary centers must be considered temporary organizational units. Ultimately, they either dissolve or progress in modes similar to that of a department or school. Eventually, having defined a new field of knowledge, centers may seek to position themselves among the university's departments and schools. Alpert (1985)

says that the departmental structure is so "natural" that cross-disciplinary fields (or centers) that originate at the boundaries soon become formalized as new departments.

The issue of whether or not nonprofit academic centers should remain as centers or become departments is an issue debated within and among centers. Larson (1996) found that most center directors and staff members in her study believe that centers should not become academic departments or schools of nonprofit study. These directors and staff members suggest that the organization of the field through centers allows for and supports interdisciplinary and multidisciplinary work that reflects the nature of the field.

Although this paper does not directly speak to how nonprofit management centers could, or if they should, become schools or departments; it seems logical that being institutionally stable and academically credible are necessary antecedents to such goals. More importantly, this paper suggests that more stable and credible centers are better able to preserve their missions and serve their constituencies.

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