From Data to Results: Can Current and Future Nonprofit Governance Research be Successfully Translated into Managerial Action in Nonprofit Organizations?

Memo Diriker, D.B.A., Director, Business, Economic, and Community Outreach Network of the Franklin P. Perdue School of Business at Salisbury University and Board Member, United Way of the Lower Eastern Shore (Maryland)

Mark Edney, M.D., Chief of Surgery, Peninsula Regional Medical Center (Salisbury, MD) and Board Member, United Way of the Lower Eastern Shore (Maryland)

Kathleen Momme, Executive Director, United Way of the Lower Eastern Shore (Maryland)

Introduction

“The past twenty years have seen the steady growth of training programs, consulting practices, academic research, and guidebooks aimed at improving the performance of nonprofit boards. This development reflects both hopes and doubts about the nonprofit board. On the one hand, boards are touted as a decisive force for ensuring the accountability of nonprofit organizations. On the other hand, the board is widely regarded as a problematic institution.” It was this quote from a Nonprofit Quarterly article by Ryan, Chait, and Taylor (2013) that prompted us to examine this issue for our own organization (United Way for the Lower Eastern Shore). It soon became apparent that what we were looking at had much broader applicability. Here, we offer our observations and suggestions in the hopes of adding to the dialog between scholarly researchers who study nonprofit boards and board members like ourselves.

The Issue

The United States leads the world in management science research and in the practice of business administration. Leading thought leaders and practitioners tell us that many of the techniques used in managing successful businesses are easily adaptable to managing nonprofit organizations. Yet, for a variety of reasons, many nonprofit organizations suffer from management and governance deficiencies. A decade and a half ago Peter Drucker (1990) stated...
that boards of nonprofit organization's malfunction as often as they function effectively. Today, there is little evidence that the situation has improved significantly.

As governance research evolves, a number of questions related to nonprofit governance deficiencies need to be answered.

1. **Are we focusing our nonprofit governance research on the right problems?**

The answer to this question has to be yes and no.

Stone and Ostrower (2007) called for research on nonprofit governance that (a) gives greater attention to the links between organizational governance and the public interest, (b) incorporates a broader view of governance as a process engaging multiple actors and taking place at multiple levels, and (c) links governance to accountability for results.

Many of the more common governance issues and especially those issues that trigger media attention are, understandably, being studied fairly comprehensively. Issues that pertain to those gray areas between executive and board responsibilities and the boundary spanning role of board members are also beginning to get researchers' attentions. In our view, the issues that show great promise to researchers tend to do with data collection, data analysis and mining, data visualization, and data driven outcome/impact measures. The great strides made by researcher studying these issues for the private sector lead us to believe that we will soon see a great deal more research on these issues as they pertain to nonprofit governance. Many innovative nonprofit leaders are already bringing these tools to their organizations and the vendor community is rapidly developing or adapting software products and apps to better serve data-driven nonprofit governance needs.

2. **Are research findings adequately addressing the governance deficiency issues encountered by nonprofits?**

McCambridge (2004) argued that much of the dialog around nonprofit governance has focused on secondary or transactional issues rather than on the question of what good governance must include in a nonprofit setting. She further states that "... focusing on the central questions and principles of nonprofit governance rather than on structural concerns, the possibilities for a wider variation in governance models open up."

We agree! We also observe that some of this dialog should include exploring the timing of the nonprofit governance research and the fairly long adoption of innovation horizons of nonprofit
leaders. Further, we note that some of these adoption delays have more to do with resource constraints than with the willingness of the leaders to accept new tools and techniques.

The research timing issue is not unique to the nonprofit governance realm. Academic research, for a variety of reasons, comes well after an innovation is introduced to the marketplace. Sometimes, the innovation is based on proprietary products or services. Sometimes, the conservative nature of the academic research enterprise and the long peer review times may contribute to the delays in the process. And, sometimes, emerging innovations, for a variety of reasons, may remain below academic researchers’ radars. These concerns are exacerbated when we focus on adoption of innovations by the leaders of the smaller and/or rural nonprofits with more significant resource constraints.

3. Are research findings being adequately translated into managerial action steps?

Kovner (2014) explores evidence-based management in nonprofits. He focuses on managerial implications of recent research and examines how what we have learned can be applied when nonprofit managers frame a question; find relevant evidence; assure accuracy, applicability, and actionability of said evidence, and make strategic decisions.

We observe that some researchers do not do emphasize the managerial implications of their research as often as would be ideal. When they do, some of these authors do not provide sufficient detail. In some cases, the managerial implications are addressed to decision makers at the very large and/or urban nonprofit organizations, leaving leaders of small- to medium-sized nonprofits with the burden of translating the findings to their limited resource realities.

Frequently, the task of translating cutting edge research to managerial action is undertaken, for profit, by vendors and consultants. This leaves electronic forums as the best options for learning about the innovations and other findings discussed by the researchers, without having to devote significant resources required for traveling to conferences.

Our Findings and Recommendations for an Ongoing Dialog

We propose to take up the discussion where Kovner left it. In particular, we invite researchers and nonprofit leaders to focus on the issue of data and evidence.

For many small- to medium-sized nonprofits, the availability of data is limited or out-of-date unless significant resources can be devoted to acquire pricey data from private sources. Part of the problem lies with the fact that many of these organizations are not sufficiently
knowledgeable about designing the data collection protocols they would need; to be able to have the right data, at the right time, in the right format. To make matters worse, the ways in which the data are stored, sorted, mined, analyzed, and visualized, for most of the smaller nonprofits, seem to be at least one generation behind current practice. These deficiencies, in turn, lead to deficiencies in making good, data-driven decisions.

Frequently, where there is a problem, there is an opportunity. We believe that emerging strategic alliances of researchers, nonprofit board members, and the executives of nonprofits could be key to mitigating some of the deficiencies we discussed above.

We note that a number of online communities are already beginning to enter this space. We find it very interesting that some of the most important lessons to be learned come not from the original research but from the online discourse by the governance practitioners in the frontlines. Based on these observations, we invite those researchers, nonprofit board members, and the executives of nonprofits to increase their involvement in these forums or launch new online dialogs that focus, almost exclusively, on ways in which research can be translated into governance action by nonprofits of all sizes and scopes.

In addition, we believe these enhanced dialogs would enable all of us to explore key topics of “Evidence” in nonprofit governance, as well as affording us the opportunity to examine the optimal approaches to deploying current state of knowledge in fields such as Big Data, Data Visualization, Business Intelligence, and Accuracy and Relevance in the Development and Use of Key Performance Indicators.

In addition to discussions on the latest developments in these fields, such enhanced dialogs could include discussions on structural issues such as the use of “Evidence” teams somewhere in the governance structure of nonprofit organizations. Made up of representatives of local or regional researchers, board members, and executives, these “Evidence” teams would continuously scan the research to identify emerging trends, innovations, techniques, and designs; translate them to managerial implications that would be relevant to their organizations, and recommend action steps to their executives.

**References:**


