

Between Markets and Government: Essays on Nonprofitness and the Institutional
Transformation of Child Welfare Agencies

by

Robbie Waters Robichau

A Dissertation Presented in Partial Fulfillment
of the Requirements for the Degree
Doctor of Philosophy

Approved May 2013 by the
Graduate Supervisory Committee:

Thomas Catlaw, Chair
Nora Gustavsson
Afsaneh Nahavandi
Lili Wang

ARIZONA STATE UNIVERSITY

August 2013

ABSTRACT

In many respects, the current public child welfare system closely resembles that of over 100 years ago. Then, as well as now, nonprofit child welfare agencies are the critical providers of service delivery to vulnerable children and their families. Contemporary nonprofits, however, are confronted with social and fiscal pressures to conform to normative practices and behaviors of governmental and for-profit organizations. Simultaneously, these agencies may also feel compelled to behave in accordance with a nonprofit normative ethic. Yet, scholars and practitioners are often unaware of how these different forces may be shaping the practices of child welfare agencies and, the nonprofit sector in general.

This multi-paper dissertation examines how managerial and organizational practices of child welfare nonprofits are influenced business, government, and other nonprofit organizations and the extent to which processes process of institutional isomorphism in child welfare nonprofits are happening. Data was collected from a national ample of 184 child welfare administrators to explore marketization practices, collaboration behaviors, and managerial priorities of these agencies. Multinomial logistic, ordered logistic, and ordinary least squares regression, and historical analysis help shed light on the contemporary practices of these agencies.

The results reveal that these agency's behaviors are shaped by government control, influences from the business community, identification with a nonprofit mindset (i.e., non-profitness), funding streams, and various other factors. One key finding is that identification with a nonprofit mindset encourages certain behaviors like collaboration

with other nonprofits and placing greater importance on key managerial priorities, but it does not reduce the likelihood of adopting business management strategies. Another important finding is that government control and funding does not have as strong an influence on child welfare nonprofits as expected; however, influence from the business community does strongly affect many of their practices.

The implications of these findings are discussed for child welfare agencies and the nonprofit sector in general. The consequences of nonprofits operating similarly to business and government are considered.

ACKNOWLEDGMENTS

There is a proverb that it takes a whole village to raise I child. After my experience, I would argue that it takes a whole village to write a dissertation. No one person is able to do this alone. Rather, it takes a team of people to make a research project successful from one's committee members, other faculty members, peers, and finally, family and friends. It is through one's interaction with community that research becomes a continual and shared learning process of expanding one's knowledge. To all of you who participated in this process, I thank you for helping me make my dream of getting a PhD and writing this dissertation possible.

I would like to express my gratitude to the four accomplished and diverse faculty members who gave of their time to serve on my committee. To my chair, Thomas Catlaw, there are so many things that I am appreciative of but, I am particularly grateful for your mentorship, guidance, consistency, encouragement, critique, and pushing me to always be my best and challenging the theoretical limits of my thinking about public administration and nonprofits. You were a major contributor to making my experience here at ASU wonderful. Afsaneh Nahavandi, I thank you for being a wonderful role model for women academics everywhere. I greatly appreciate your kindness, gracefulness, and positivity throughout my tenure at ASU. I would also like to thank Lili Wang for her theoretical and methodological contributions to my learning and dissertation. You always let me ask questions and I appreciate the hours you spent helping me finding solutions. To Nora Gustavsson, I value your expertise in the area of

foster care and the articles you sent me (including on the day of my defense) always seemed to come at the right time. Thank you for helping me understand the system better.

There are many others that deserve recognition as well. Alisa Hicklin Fryar, my long-time friend and now academic colleague, thank you for all the time you spent assisting me from your stats boot camp sessions to discussing my research findings. To my dear friend Kandyce Fernandez, thank you for always listening and improving my theoretical thinking. Chris Herbst, I appreciate you letting me pop in and just ask “one quick question” about my methods. To all those who volunteer and work at Hope & A Future, thank you for encouraging me to do this research. And, the true inspiration and motivation for this research is the countless teens that have been brave and shared their stories of being in the foster care system with me. They are the ones who have helped me see why we as citizens have a duty to serve them better and know more about their plight.

To my mother and father, thank you for instilling in me to never to give up and that I can accomplish anything I set my mind to. To my grandma, who listened carefully throughout my academic endeavors and believed in me, I appreciated it. And finally, to my husband and best friend, Jason Robichau you do deserve an honorary PhD. I am so grateful for your patience and constant encouragement throughout my studies. Without you this simply would not have been possible. To my son, your entrance into our lives stimulated me to graduate as quickly as possible and I thank you for that.

I would also like to thank Arizona State University’s Office of the Vice President for Research and Economic Affairs, the Graduate Research Support Program, and the Graduate College for their financial support of this research.

TABLE OF CONTENTS

	Page
LIST OF TABLES	viii
LIST OF FIGURES	ix
CHAPTER	
1 INTRODUCTION	1
Overview	1
2 THE GOVERNANCE STORY OF FOSTER CARE IN AMERICA	8
Introduction	8
A Foundation for a Governance Framework	10
Child Welfare Services: Foster Care	20
An Account of Governance in Foster Care Services	47
Conclusion.....	57
3 MARKETIZATION STRATEGIES AND THE INFLUENCE OF BUSINESS ON THE MANAGEMENT OF CHILD WELFARE AGENCIES.....	59
Introduction	59
Literature Review: Nonprofit Practices and Values	62
Background of Child Welfare Agencies	74
Methods and Data	77
Results	85
Discussion	91

	Page
Conclusion.....	95
4 TO COLLABORATE OR NOT TO COLLABORATE: A MULTI- THEORETICAL EXPLANATION FOR COLLABORATION AMONG CHILD WELFARE NONPROFITS	96
Introduction	96
Existing Research and Areas for Exploration	99
Collaboration among Child Welfare Nonprofits.....	112
Methods and Data	116
Results	123
Implications for Intra-agency Collaboration	127
Conclusion.....	133
5 IN SEARCH OF A MULTI-SECTOR THEORETICAL EXPLANATION OF NONPROFIT MANAGEMENT: WHAT FORCES SHAPE CHILD WELFARE MANAGERIAL PRIORITIES TO SERVICE CLIENTS, ACHIEVE MISSION, AND MAKE FINANCIALLY SOUND DECISIONS?	135
Introduction	135
Using the “Sectors” as a Conceptual Framework	137
Why Child Welfare Agencies?	154
Methods and Data	157
Results	164

	Page
Limitations and Implications	169
6 CONCLUSION	176
Introduction	176
Implications for Practice and Theory	178
Reflections and Future Reserach	185
REFERENCES	189
APPENDIX	
A Full Models: Multinomial Logistic and Ordered Logistic Regressions.....	212
B Pearson’s Correlation.....	215
C List of Hypotheses and Whether Supported.....	217
D Survey Instrument	219

LIST OF TABLES

Table	Page
2.1. Stylized Comparison of Forms of Economic Organization (i.e., The Modes of Governance)	18
3.1. Descriptive Statistics	82
3.2. Multinomial Logistic Regression of Charging Fees for Services	86
3.3. Multinomial Logistic Regression of Engaging in Marketing Alliances with Businesses	88
3.4. Multinomial Logistic Regression of Need to Professionalize Agency	89
3.5. Ordered Logistic Regression of Running My Agency Like a Business	91
4.1. Descriptive Statistics	120
4.2. OLS Regression Models of Nonprofit-nonprofit Collaboration Frequency	125
5.1. Descriptive Statistics	160
5.2. OLS Regression Models of Managerial Priorities	166

LIST OF FIGURES

Figure	Page
2.1. Evolution of Child Welfare Services	49
4.1. Explanations of Collaboration Frequency	111
5.1. Multi-sector Influence on Managerial Behaviors	141

Chapter 1

INTRODUCTION

Overview

In the early 1990s, a group of sociologists began advocating for a new perspective on institutions. These researchers recognized that institutions were similar if not identical to culture (DiMaggio & Powell, 1991b) and should be identified more broadly as “not just formal rules, procedures or norms, but the symbol systems, cognitive scripts, and moral templates that provide the ‘frame of meaning’ guiding human action” (Hall & Taylor, 1996, p. 947). In sum, they maintained that human agency is a function of both the rules of the game (i.e., laws and regulations) and one’s social construction of reality (i.e., norms and beliefs, and cultural-cognitive systems); moreover, when these institutions are taken together they inform and constrain behaviors of individuals and organizations (Scott & Davis, 2007). Therefore over time organizations in similar fields may become institutionalized to the norms and practices of other agencies through a social process of replicating patterns and activities i.e., an isomorphic effect encourages homogeneity rather than heterogeneity (DiMaggio & Powell, 1991).

Around this same time period, the U.S. government was also experiencing growing pains. Public administrators were being encouraged to reinvent themselves by adopting a more entrepreneurial spirit and business-oriented practices (Osborne & Gaebler, 1992). Additionally, the world-wide movement of New Public Management further pushed governments in this direction, sparking debates around the role of competition, privatization, accountability, hybridity, networks, and threats to traditional

values of public administration (Lynn, 2006). While academics debated the merits of public sector reforms and reinvention practices, public administrators were enacting programs that they believe would make government more efficient and effective. For example, the Clinton administration created the National Partnership for Reinventing Government taskforce and later, President Bush introduced his Presidency's Management Agenda which placed greater emphasis on performance and results (see Kettl, 2005). In many respects what developed in the U.S. during the 1990s and early 2000s resembled a transformative effect of government agencies and leadership embracing business-like practices and values. That is, the rules and social constructions regarding how government should be run (e.g., norms, beliefs, and cognitive scripts) began to converge with the expectations of how for-profit organizations should operate.

This dissertation uses the sociological perspective of new institutionalism to explore how similar processes may be occurring in the nonprofit sector, particularly child welfare agencies. Unlike government, however, child welfare nonprofits face pressures from both the public and private sectors. Scholars have long noted the tendency of nonprofits to replicate the structures and practices of businesses and government (e.g., Abzug & Galaskiewicz, 2001; Cooney, 2006; Morrill & McKee, 1993). But, if nonprofit organizations succumb to isomorphic forces and begin to replicate norms and behaviors of public and for-profit agencies, then the very essence of what makes nonprofits unique and a necessary part of American democracy may be undermined. This research explores the extent to which the process of institutional isomorphism in child welfare nonprofits is happening. And, it adds to the conversation about the sectoral blurring by

operationalizing the convergence of the sectors through various mechanisms as well as describing how administrators within child welfare agencies relate to an underlying normative nonprofit identity.

Even though charitable and philanthropic organizations are the original providers of services to vulnerable children and their families (Mangold, 1999), we know very little about the processes and challenges of private and nonprofit service provision at a national level nor do we fully understand the outcomes of children in the system (McBeath, Collins-Camargo, & Chuang, 2011). While this research is unable to address the latter concern, it does examine what is happening to a national sample of child welfare nonprofits as they strive to serve this vulnerable population. Broadly, this dissertation examines how managerial and organizational practices of child welfare nonprofits are being influenced by various isomorphic pressures from business, government, and nonprofit organizations. This multi-paper dissertation is set-up so that each paper addresses a specific research question and is self-contained.

The introductory and first paper offers a historical account of the state-market-civil society model of governing child welfare services in America. The image of government, civil society, and private organizations collaborating to accomplish specific goals cannot be thought of as only a contemporary practice. Rather, the roots of a tripartite governance model have a long history in American policy. What seems to be changing is how scholars today are referring to these interactions as evolving and adapting into what some consider entirely *new* relationships. On the other hand, a few governance scholars are skeptical of substantive and tangible changes in government's

supposed increasing reliance on civil society and its simultaneously decreasing control and authority over these relationships. Thus, this paper explores the question of *how governance patterns between the public and private sectors, particularly voluntary organizations, have developed over time with a focus on services to dependent, orphaned, and abused children*. This question will be addressed by examining historical trends and themes in the relationships between the state and private child welfare services, looking at continuities and discontinuities, with a particular concern for the entrance of for-profit entities into the mix. Evidence is offered that the historical and contextual nuances of the foster care public service system reflects evolving state-market-civil society interactions rather than a radical shift in the modes of governing over time. This historical background is critical because it offers a unique context for exploring contemporary practices of child welfare agencies as well as provides an overview of how the system of service provision became so complex.

In light of this historical narrative, the following three papers will address the contemporary operations of child welfare agencies and their relation to the sectors. The first paper examines how broad, structural forces are affecting how child welfare agencies are run, what they value, and how nonprofit administrators view the work they do. The forces of marketization and governmentalization are shaping the management and behavior of nonprofit and voluntary organizations; and yet, little empirical research has been conducted regarding how and the extent to which these forces are actually changing the management of nonprofit organizations, or, more specifically, whether the distinctive ethos of the nonprofit sector is being lost. This paper explores *how different*

funding mechanisms, the influence of a business mindset, government control, and identification with nonprofit values and purposes affects whether nonprofit organizations adopt business management practices. Evidence is found that the influence of the business community is encouraging managers to implement business strategies while government control and funding have less predictive power when it comes to adopting business management practices. Surprisingly, a nonprofit mindset – or nonprofitness – has no effect on the likelihood of using business-based management strategies.

The second paper builds upon prior work in the field to craft a theoretical framework for examining nonprofit intra-agency collaboration that infuses both traditional explanations with new approaches for why organizations collaborate. For some nonprofits, collaboration has become a necessity for survival. The reasons why these organizations collaborate are frequently explained in the literature through resource dependency and institutional theories, and to a much lesser extent, as a function of a network perspective or a desire to improve organizational outputs and outcomes. Yet, very few studies of nonprofit collaboration consider all of these explanations cohesively and empirically. Moreover, what is missing from these analyzes is the new institutional sociological and organizational theory perspective on behavior which argues that agency and individual actions are profoundly shaped by their perceptions of social norms, values, and past organizational outcomes in addition to the more commonly researched phenomenon of structural and rule-bound institutions. This paper asks *how different theoretical explanations, both alone and together, explain nonprofit collaboration.* The findings show that while a changing external environment and funding from business

organizations increase intra-agency collaboration among nonprofits so too does identifying with normative commitments of the nonprofit sector, having a board member from another nonprofit, and experiencing improvements in service quality from past collaborations. Conversely, having a board member from the business community and experiencing improvements in administrative quality from prior collaboration reduces the collaboration rate among nonprofits. Implications of these findings for child welfare agencies and the broader nonprofit sector are discussed.

The final and third paper examines the influences that shape managerial priorities of child welfare agencies. Theory supports the notion that the societal sectors are blurring and blending and therefore questions the usefulness of employing the sectors as a theoretical construct. This paper grapples with this critique of the sectors as theoretically beneficial by using nonprofit, child welfare administrators' perspectives on *how normative institutions and values espoused by and through business, government, and nonprofit organizations inform their decision-making priorities*. Evidence shows that these administrators identify with nonprofit sector values and may be compelled to conform to pressures placed upon them by their relation to government, business, and other nonprofit organizations. Results suggest that greater identification with a nonprofit normative ethic (i.e., nonproftness) is positively associated with managerial priorities of achieving mission and goals, serving clients, and being strategic financially while greater collaboration with other nonprofits actually lowers the value placed on accomplishing organizational mission and making financially sound decisions. Greater perceptions of government control and influences from the business community are positively

associated with financial priorities but were not found to be statistically associated with the other managerial priorities. Additionally, having a board member from a nonprofit organization is positively associated with being client-focused while having a business board member is positively associated with being mission-focused. Different funding sources were found to have no effect on managerial priorities. The implications for theory and practice are discussed.

The four papers in this dissertation are written independently; therefore, the concluding chapter will not summarize the specific findings of each. Rather, the conclusion will discuss some of the broad policy, managerial, and theoretical implications of this research. It closes with reflections and suggestions for future research.

Chapter 2

THE GOVERNANCE STORY OF FOSTER CARE IN AMERICA

The time for a more comprehensive, historical account of governance relations in America is upon us. Claims that governance is a-political, surpassing government, offering a new way of governing, and presenting us with less hierarchical forms of governing persists without evidence to support these contentions (see Klijn, 2008; Lynn, 2010a, 2010b, 2011; Pollitt & Bouckaert, 2004). Many scholars are skeptical of *new* governance models. Rather, they argue for a consideration of historic, processual and contextual, and evidence-based views of the evolving relationships between government, civil society, and businesses (Bell & Hindmoor, 2009; Bevir, 2010; Cooper, 2003; Heinrich, Lynn, & Milward, 2010; Kurtz & Schrank, 2007; Lynn, 2010b, 2010c; Pollitt, 2003). Instead of lessening calls for examining state-society relationships from a state-centric point of view, the philosophical debates among scholars only increase the demand for theoretically and empirically-grounded governance studies.

Governance theories have the potential to offer insight into service delivery and policy implementation. Osborne argues that examining new public governance requires a systematic analysis of the “the public service system” with an emphasis on “co-production [as] a core element” (2010a, p. 416). Osborne describes the public service system as the key unit of analysis for studying governance which includes exploring public policy processes, public service organizations, technologies, management, networks, and their interrelationships. Co-production indicates “an arrangement where citizens produce their own services at least in part...[it] could also refer to autonomous

service delivery by citizens without direct state involvement, but with public financing and regulation” (Pestoff, Osborne, & Brandsen, 2006, pp. 592-593). Therefore, investigating the administration of public policy through a combination of historical accounts of state-society relationships, along with analyzing the whole public service system, would provide a solid basis for governance research. Moving the governance literature forward thus requires theory-grounded evidence of a public policy area that captures the interactions between government and the private sector (Robichau, 2011), which includes the voluntary sector.

In order to meet this challenge, I have chosen to evaluate child welfare policy in America, specifically in regard to the provision of services to needy, abused, and dependent children. There are numerous reasons for assessing the development of what we now call foster care services from a governance standpoint. First, there is a long and dynamic history of governance patterns between charities and government in providing services to poor, abused, and orphaned children. Secondly, relationships between public and private institutions have evolved over time, but the patterns of governing for the most part have remained consistent. Additionally, welfare reform introduced greater competition by allowing for-profit organizations to compete and collaborate with other government and nonprofit agencies in service provision. Further, lessons from studying child welfare policy have implications for both governance and social welfare literatures. And finally, there is a growing recognition that foster care is in “crisis” (Curtis, Dale, & Kendall, 1999; Roche, 2000; Williams, 2001). The need for systematic care of children is not going to disappear anytime soon (Courtney & Maluccio, 1999) and there are strong

calls for action from policymakers, bureaucrats, child welfare workers and advocates, and last but not least, American citizens.

The purpose of this essay will be to demonstrate that governance relationships have continuously played a valuable role in America's child welfare policy, and if anything, current times reflect an evolution of these patterns rather than a new phenomenon. Moreover, tracing child welfare services from a historical, governance perspective offers insight into how state-market-civil society connections have been and are being shaped presently. In this paper, I will first establish a theoretical basis for studying governance based on the three modes of governance: hierarchies, networks, and markets. Next, I will provide a historical and legislative description of child welfare services while paying specific attention to public-private ties. The last section will intertwine the progression of services for abused and needy children with the corresponding mode of governing in order to tell the governance story of foster care services in America.

A Foundation for a Governance Framework

Governance usages and applications are numerous. By some accounts there are over fifty different concepts related to governance (Bevir, 2009). This may in part be due to the fact that governance should be studied as a 'public service system' as suggested by Osborne (2010a). In a system, smaller parts help the larger aggregate function properly; and in the case of governance, it does take separate operating units to enable the greater system to work. Phrases used to describe governance include: "all patterns of rule" whether formal or informal (e.g., Bevir, 2010; Imperial, 2005); "ordered rule" and

“collective action or decision making” (e.g., Ansell & Gash, 2008; Löffler, 2009; Milward & Provan, 2000; Stoker, 2004); the “exercise of authority” (e.g., Denhardt & Denhardt, 2007; Stivers, 2008); and “statecraft” (e.g., Stivers, 2008). These depictions of governance do present a basis for mutual understanding; however, due to the fact that the term governance connotes many things to many people, a practical definition is constructive. And, given the argument that employing a governance lens can inform our understanding of state-society relations regardless of sector, a broad definition of governance is most beneficial. Governance can be described as “the action or manner of governing—that is, of directing, guiding, or regulating individuals, organizations, or nations in conduct or actions” (Lynn, 2010b, p. 671). Governance is not limited to a governmental context; however, this definition suggests expansive implications for analyzing policies, institutions, and organizations at different levels and contexts i.e., the public service system. The intention here is to focus upon governance patterns between the federal, state, and local governments with private organizations.

Modes of Governance

Due to the broad appeal and application of governance theories to different arenas (e.g., business and anthropology), establishing a theoretical framework for examining explicit governance arrangements in the political or governmental context encourages a deeper level of understanding. One approach for studying public governance is to explore specific patterns or mechanisms of rule by governments (Robichau, 2011). How governments choose to allocate its resources can be divided into three modes: hierarchies, networks, and markets (Dixon & Dogan, 2002; Jordan, 2008; Kjær, 2004; Lynn, 2011;

Osborne, 2010b; Peters, 2010). These mechanism of rule have more generally been referred to as ‘forms of economic organization’ (Powell, 1991), ‘coordination of social life’ (Thompson, Frances, Levačić, & Mitchell, 1991), and organizational types or forms (Exworthy, Powell, & Mohan, 1999). Therefore, the modes of governing are applicable to most organizational contexts but will be utilized here for their relevance to government’s direct participation in and indirect allowance of social service provisions.

These modes of governance dictate that government must first decide whether it will provide a service (e.g., as a sole supplier, co-producer, or contractor of services), and then, it must choose which mechanism of governance i.e., markets, networks, or hierarchies will be best for dealing with a policy challenge (Löffler, 2009; Robichau, 2011). This “governance of governance” or “regulation of self-regulation” is defined in the literature as meta-governance. In essence, meta-governance involves the “process of steering devolved governance processes” and is “directed at *controlling the environment of action* in the public sector, rather than that action directly” (Peters, 2010, pp. 37-38, italics added). Therefore, the state may select among these modes or employ any number of them at one time but it remains government’s choice to do so. The distinction among these modes is crucial in explaining the history and environment of state-society arrangements in America.

Hierarchies. Arguably, the most widely utilized governance mode is hierarchy. Hierarchy refers to a system where people or things are ranked or categorized one above another through clear lines of authority and control. Hierarchy can be an internal organizational structure or operation that is highly applicable to how governments meta-

govern. Hierarchies are broadly found across organizations, governments, networks, and markets. There are certain governance scholars who contend that the use of hierarchies as a governance tool is shrinking in favor of a more fragmented and decentralized system (Bogason & Musso, 2006; Klijn, 2008; Sørensen & Torfing, 2007). Others however note that hierarchy remains a common and effective governance mechanism for democratic nations and public policy implementation (Kjær, 2004; Lynn, 2011; Robichau & Lynn, 2009); moreover, some claim there is even a ‘resurgence’ or ‘thickening’ of hierarchy in relation to the growing “regulatory state” (Bell & Hindmoor, 2009; Light, 2008).

According to Lynn, the literature on hierarchy in government splits into two viewpoints that are at once complementary and divergent. The first group maintains that hierarchy is sanctioned as a “rationalized instrument of authority,” while on the other hand, it is an “institutionalized expression of liberal democratic principles of accountability” (2011, p. 229). Putting the merits of each of these positions aside, hierarchy assists both democratic and non-democratic governments in their operations. Within the U.S., hierarchy enables bureaucratic models to operate at the local, state, and federal levels.

Hierarchy enables government to accomplish many tasks through centralization and top-down decision-making. For example, hierarchy is a mechanism employed to both monitor and coordinate other governance tools like networks and markets (Kjær, 2004). In the United States, hierarchy facilitates implementation and management of federal policies to the state and local levels (Hill & Lynn, 2005; Robichau & Lynn, 2009). Hierarchy enables states and local government to disperse resources and monies to other organizations and agencies, make decisions, and provide services while simultaneously

holding itself and other actors accountable to higher levels of government. Even when government chooses to contract out social services, it is the one who selects, directs, and pays for services (Kennedy, 2006). In effect, hierarchy assists democratic governments in meta-governing from a distance or ‘controlling the environment of action’ since they can rely upon formal arrangements to manage structures and operations. It allows for accountability, specialization, rationalization, reliability, monitoring and coordination (Kjær, 2004; Lynn, 2011; Powell, 1991); conversely, it may also lead to a lack of discretion, unresponsiveness, and inflexibility (Bevir, 2009). Naturally, hierarchy is not exclusive to governments nor should bureaucracy and hierarchy be conflated (Lynn, 2011). Yet, “hierarchical bureaucracies still dominate the public sector” (Bevir, 2009, p. 102). Hierarchy characterizes federal, state, and local governing environments and actions, and in some cases, permits decentralized activities by lower level actors and agencies.

Networks. The second mode of governance—networks—receives considerable attention from governance and public administration literatures. Networks in the public sector come in many shapes and sizes: policy networks, interorganizational service delivery and policy implementation networks, governing networks, and public management networks (for discussion see Agranoff, 2007; Frederickson, 2005; Klijn, 2008; S. P. Osborne, 2010c). With numerous typologies, approaches, and definitions, they have become amorphous (Catlaw, 2009). Agranoff (2007, p. 3) warns that even in this “era of networks,” they serve as a supplement to rather than a replacement of hierarchies. A simplistic view of networks are that they describe groups of interdependent

actors and their existing relationships (Bevir, 2009, p. 137). Correspondingly, a more descriptive explanation of networks are “the process of facilitating and operating in multiorganizational arrangements to solve problems that cannot be solved, or solved easily, by single organizations” (Agranoff, 2007, p. 3). A more informative way to consider networks may be to develop a minimal definition based on commonly agreed upon attributes that do not conflict with one another. Aaron Wachhaus (2009) takes this approach by combing through ten journals and 125 articles in public administration and policy looking for fragmentation and coherence in the network literature. He finds that in the arenas of governance and policy, the key attributes of networks are exchange, interaction, interdependency, complex and nonhierarchical. From an overall governance perspective, networks imply the engagement of multiple institutions or actors who may come from different sectors to achieve a goal in a nonhierarchical manner.

Besides illustrating activities of governments, networks can also thrive as a governance tool of nonprofit and for-profit organizations. In essence, networks facilitate a nonhierarchical space of exchange, interaction, and interdependency for organizations and actors to engage with one another in order to cope with the challenges of a complex society. Yet, government’s participation in or its monitoring and coordinating of networks suggests there may be some forms of hierarchical oversight and even authoritative relationship within networks. Any exploration of government’s decision to employ networks should be examined with this exception in mind. There are differences between public and for-profit networks: public networks are harder to evaluate because of

the diversity and politicized interest of their constituents while for-profit networks can be assessed according to a firm's financial performance (Provan & Milward, 2001).

The arguments in favor of networks are that they encourage decentralization, bottom-up decision-making, trust, reciprocity, innovation, and self-organization (Agranoff, 2003; Anheier, 2005; Bevir, 2010; Bogason & Musso, 2006). The drawbacks are that they may raise equity, equality, accountability, and democratic legitimacy concerns (Bogason & Musso, 2006; Eikenberry, 2007; Hendriks, 2009). Thus, a government's use of networks does not necessarily equate with less government but rather poses different challenges for governmental administrators (Kjær, 2004, p. 46). The utilization of networks as a governance tool is not limited to a governmental realm. Both for-profits and nonprofits can employ networks to accomplish their own goals as well.

Markets. As a mode of governance, markets signify government's use of them in governing and not their mere existence in societies. Markets themselves can be an administrative tool within government. As an illustration, the federal government may encourage competition among agencies or states government for limited resources; additionally, a local government may opt out of providing a service thereby creating a market for someone else to provide those services. Government's application of markets as a governing mode takes on various forms such as outsourcing, contractual relationships, grants, public-private partnerships, and collaborations. The key element of these arrangements is the mutually approved exchange or contract of goods or services between government and the organization (Powell, 1991). The literature on these market

arrangements in government is extensive so they will not be reviewed here (for discussion see Ansell & Gash, 2008; Bertelli & Smith, 2010; Greve & Hodge, 2010; Imperial, 2005; Kettl, 1993, 2010). Overall, this movement can be conceptualized as privatization, government reinvention, or third-party governance.

Governing by markets entails relationships with both nonprofit and for-profit agencies. The benefits government receives through using market tools are named the three E's: economy, efficiency, and effectiveness (Kjær, 2004; Rhodes, 1997). The guiding assumption is that businesses and nonprofits will yield outputs and outcomes that are more cost efficient and effective than the public sector. Nonprofits are thought to provide high quality services because they are mission-driven while for-profits are motivated to high performance by their bottom lines (see Anheier, 2005). Craig and Herbert (1999) argue that bureaucracy is problematic because it has a program rather than a child orientation and government agencies are funding rather than mission-driven. Nonetheless, governance by markets requires public sector agents to become "smart-buyers" (Kettl, 1993), "managers" (Bell & Hindmoor, 2009), and "brokers" (Jackson, 2009) of purchased services. Simultaneously, this governance mode raises questions of democratic legitimacy and representation as well as equitability concerns. Although there is little evidence that privatization of social services is better than governmental provision of services, this has not, however, decreased the movement towards privatization (Kamerman & Kahn, 1998) especially in the health and human service realm (Salamon, 2002).

Mode comparison. Networks, hierarchies, and markets have different key features that may be beneficial or detrimental to government depending on the circumstances. Each mode does reflect a unique viewpoint towards how government is or is not directly responsible and accountable to the public, and thus, may require distinctive responses and actions from government and its agents. It can be more challenging to hold government fully accountable and responsible when services are provided through or along with third-parties in market or network arrangements. Table 2.1 below encapsulates the main attributes of the three modes of governance.

Table 2.1

Stylized Comparison of Forms of Economic Organization (i.e., The ‘Modes of Governance’)

Key Features	Market	Hierarchy	Network
<i>Normative basis</i>	Contract-Property rights	Employment relationship	Complementary strengths
<i>Means of communication</i>	Prices	Routines	Relational
<i>Methods of conflict resolution</i>	Haggling-resort to courts for enforcement	Administrative fiat-supervision	Norm of reciprocity-reputational
<i>Degree of flexibility</i>	High	Low	Medium
<i>Amount of commitment among the parties</i>	Low	Medium to high	Medium to high
<i>Tone or climate</i>	Precision and/or Suspicion	Formal, bureaucratic	Open-ended, mutual benefits
<i>Actor preferences or choices</i>	Independent	Dependent	Interdependent

Source: Adapted from Powell (1991, p. 269).

Although each key feature described in this chart deserves explicit attention, I will only highlight these characteristics briefly (for discussion, see Powell, 1991) and will

revisit some of them in the final section of the paper. The prescriptive and descriptive basis for markets flow from agreed upon exchanges of goods and services while in networks these norms are based upon capitalizing on each party's strengths and contributions, even though these distinctions may be less clear. According to Powell, the normative basis of hierarchy is the employment contract and thus one's relationship to and with others in the organization. One's position and affiliation with those above and below can determine one's actions and choice in service delivery or policy viewpoint. Each mode of governance induces different communication styles that relates to how conflicts are handled. Market resorts to exchanges and interactions through pricing mechanism i.e., placing values on goods and services. Hierarchies rely upon authority and management to shape interactions and set boundaries for procedures and practices. Networks have a separate approach where relationships matter and future arrangements are based upon norms of trust and reciprocity. Correspondingly, flexibility and commitment within among the modes will vary. Markets offer independent choices based on the premise of precision, accuracy, and efficiency. Decision-making in hierarchies is dependent upon status within the organization; thus, following formal rules and structures which are based upon clear lines of authority and departmental boundaries is paramount. Conversely, preferences in networks entail interdependency among actors since parties share in the benefits and burdens of the situation.

The American government—federal, state, and local levels—has enlisted these modes of governing for centuries. At times, government may have multiple modes operating simultaneously. Networks, markets, and hierarchies are not only contemporary

governance mechanisms, but their usages in child welfare policy are more applicable and historical than one might think.

Child Welfare Services: Foster care

Child welfare services generally refer to foster care, in-home services, child protective services, abuse and neglect prevention, adoption, and family preservation services. The ‘placing out system,’ which later came to be termed foster care services, involves the removal of children and youth from their homes in favor of other living arrangements that may or may not be temporary or permanent. On any given day between 2000 and 2008 there were approximately 463,000 to 552,000 children in U.S. foster care system (Child Welfare Information Gateway, 2010). Upon examining the wider child welfare system of entries and exits into the system, waiting periods, termination of parental rights, and those adopted out, government served around 798,000 children in FY 2006, 784,000 in FY 2007, 748,000 in FY 2008, and 700,000 in FY 2009 (Administration for Children and Families, 2010). Consequently, in any given year government is responsible for the lives and well-being of around 750,000 children and youth. Government’s impact in this area would be much higher if one took into account its effects on a child’s parents and family members.

The cost of caring for America’s children is over \$20 billion dollars a year with money coming from federal, state, and local governments (Scarcella, Bess, Zielewski, & Geen, 2006). This cost would be greater if one took into consideration the private monies and in-kind services nonprofits bring to the table. In essence, society at-large becomes responsible for children’s outcomes and treatment while in government’s custody. Thus,

as some child advocates and workers for foster teens argue, “we are communal parents” (Krebs & Pitcoff, 2006, p. xxi). Recognizing our part as ‘communal parents’ increases the urgency for an appropriate response and further clarification about how to attain better outcomes for youth; moreover, it also raises questions about which types of organizations should be providing care.

Although introduced into the legal world in 1809, the doctrine of acting in the “best interest of the child” slowly became a part of the American psyche over the course of the nineteenth and twentieth centuries (Askeland, 2006). In the past, caring for foster children and adoption reflected adult and group needs for labor, lineage, and continuity rather than a basic desire to create more fulfilling lives for children (Askeland, 2006). The idea of childhood itself has changed throughout time and varies by society (for review of changing perspectives on childhood see Chudacoff, 2007; Stearns, 2006). Even as we struggle to find consensus on what the “best interest of the child” means (Satz & Askeland, 2006), what becomes clear is that current tensions are not unlike tensions of the past. For example, who should have more of a voice in child welfare: states or the federal government? Is kinship care better than other foster care services? Whose rights triumph: parents’ or childrens’? What role should government versus nonprofits and for-profits serve in foster care services? The answers to these questions are contested and represent the inherent tensions of child welfare services.

Foster care services are the public service system that will be examined. The context of who provides foster care services and how they do it is important. Both governmental and nonprofit agencies have been responsible for caring for abused and

needy children throughout American history; however, this pattern will be changing with the introduction of private, for-profit managed care providers. Three topics will be explored in a way that not only reflects the development of foster care services, but also speaks to the institutional relationships between government, voluntary, and private organizations. First, a historical overview of child welfare services will be examined. This will be followed by a review of emerging issues in foster care and, finally, a synopsis of the public-private child welfare system. This essay will show how foster care services have evolved and been shaped by Americans' views of children and government.

Historical Perspective

Americans' contemporary concern for needy and abused children echoes the same tension of the past with the additional complexities of a modern welfare system. The involvement of the state or religious and charitable organizations in the private lives of citizens and their families has been and will most likely continue to be a highly contentious matter. To understand America's current governance of foster care, one must first grasp the origins of the system itself. As in past times, poverty still plays a significant, if not the most important role, in determining when a child needs to be cared for outside of their home. Therefore, it is not surprising that researchers consistently find poverty is one of the most significant indicator of with whom and why a child gets placed in foster care (Cahn, 1999; Courtney & Malucicio, 1999; Curtis, 1999; Lindsey, 2004). Poverty, along with America's political and cultural milieu, continually shapes the conversation of how and which voluntary, governmental, and/or for-profit institutions should provide child welfare services. Tracing the historical development of the patterns

of governance in child welfare informs us of the systematic problems and complexities of a private-public approach. As this historical review will reveal, for the majority of American history states have been permitted to establish their own child welfare policy agendas (Murray & Gesiriech, 2004), thus allowing voluntary organizations to maintain their lead position as service providers.

Colonial America-late 1800s. In both historical and modern day practices, poverty and its effects, inevitably influenced child placement out of the biological parents' home. American colonial rules regarding children in need, whether orphaned or poor, followed "Elizabethan Poor Laws" establishing that dependents relied on their birthplace for support via almshouses, outdoor relief, indentured service, or farming-out (Askeland, 2006; Curran, 2009; Hegar, 1999). In many ways, children especially those who were dependent, orphaned, or were ethnically different than white Anglo-Saxons were treated as a commodity. The most common pattern of care was for younger children to be placed in poorhouses, and then as they became older, they would transition into indentured service. While in the poorhouses and infirmaries, children were placed alongside the sick, elderly, and insane. Localities aimed to provide services to children at the lowest cost possible (McGowan, 2005). When adoptive-like relationships did exist, there were no options for formalizing them, following in the tradition of Europeans, until Massachusetts passed an adoption law in 1851 (Askeland, 2006). Adoption did not officially become a part of the child welfare system until the 1920s.

Although few in number, orphanages appeared in colonial America before the Revolutionary War; however, orphanages grew exponentially as the predominant form of

temporary or permanent care for dependent children from the 1830s until the late twentieth century with most of them separating children by race and religious beliefs (Askeland, 2006; McGowan, 2005).¹ In fact, from before 1850 to 1904, the majority of services for dependent and neglected children were provided by religious charitable groups rather than government organizations (see Crenson, 1998, p. 42). Orphanages were different than poorhouses because they housed dependent children only; moreover, they gave children opportunities for building relationships, personal character, and a sense of permanency (Lee, 1999; London, 1999). Providing services for children's welfare originally began in the private, philanthropic sector (Embry, Buddenhagen, & Bolles, 2000; Leiby, 1978; Mangold, 1999), starting as early as the 1800s and has continued (Flaherty, Collins-Camargo, & Lee, 2008). The mindset of the time labeled child welfare provisions as a service that belonged locally and within the private, mainly religious arena. Curran (2009) claims that between 1865 and 1890 the number of nation-wide orphanages tripled. Although many state and local governments gave some grants to charities to provide services throughout the 1800s, the main provisions and funding of child welfare programs originated from the private sector (Flaherty, et al., 2008; Rosenthal, 2000; Young & Finch, 1977).

During the 1850s and even up to the late 1920s, many dependent children were relocated from urban to rural areas as a form of child placement known as the orphan trains.² A census in 1882 found that a minimum of 100,000 children were housed in public and private institutions (Lindsey, 2004).³ Nevertheless, families took children in for a myriad of reasons ranging from a sense of Christian charity to needing assistance on

their farms. Significantly, the majority of the children placed out of urban areas were survived by at least one parent and thus were not orphaned per se (Holt, 2006). The main creator and advocate for this form of placement was Charles Loring Brace from the New York Children's Aid Society (CAS). CAS, a private charitable agency, created a model for relocating children via orphan trains that was emulated in varying degrees by other charities such as Boston's Children Mission to the Children of the Destitute and New England Home for Little Wanderers (Holt, 2006). However, the criterion for child placement was loose without rules on guardianship and accountability. According to Holt, families who asked for children received them upon arrival, granted they were "approved by the local arrangements committee or parish priest, and who agreed to meet the placing agency's expectations for child care and education" (2006, p. 19). These volunteer committees could be found throughout towns in upstate New York and the Midwest. Typical committees composed of a mayor, minister, newspaper editor, banker, and store-keeper were thought to have first-hand, local knowledge of applicants; thereby, they could choose proper foster homes and if problems emerged the community would then be able to handle them (Olasky, 1999). This approach reflected a very localized and decentralized decision-making process with little state intervention.

Criticism of orphan trains from state governments, state boards of charities, and the social welfare community ensued. These concerns mirrored the developing professional movements in social work and sociology of the late nineteenth and early twentieth century. Many Catholics denounced Brace's placing-out system as a way to proselytize Catholic children to Protestantism (Tiffin, 1982). In response, Catholic

charities established “their own powerful, largely institutionally based welfare structures, particularly for children...[and] where they were able...obtained public funding for the care of their wards” (Rosenthal, 2000, p. 287). Between in-state agencies complaining about depleting their resources on out-of-state children and social workers pushing for more progressive and scientific approaches to solving social problems, states (predominantly in the Midwest) created laws regarding adoption and how institutions placed children within their borders. Although orphan trains ended during the end of the 1920s, they set the stage for out of home placement for needy and dependent children and are considered the modern-day precursor of foster care (Holt, 2006).

Several state and local governments gave grants to charities to provide social services to children throughout the 1800s (Flaherty, et al., 2008; Rosenthal, 2000; U.S. Department of Commerce and Labor & Bureau of the Census, 1905). Bremner (1971, pp. 277-283) discusses a few cases of states subsidizing private charities in the late 1800s.⁴ Louisiana gave \$98,250 to orphanages, homes for the elderly, and benevolent societies in 1870 but no other appropriations were made after that year. California supported orphans and abandoned children in institutional care to the sum of \$70 to \$100 per year. Institutions that were receiving government subsidies ranged from \$130 per child per year in New York to \$160 per year in Massachusetts, Minnesota, Illinois, Wisconsin, Michigan, and Indiana. In New York, some institutions received funding while others did not, and of those receiving funding, two classes emerged in 1889. Some agencies (eight) received less than half of their funding from government while others (seventeen) received more than half with these latter groups being said to be wholly supported by

public money.⁵ But, the reason why states subsidized services may be more telling than the actual giving of monies to charities. Writing on this time period and the relationship between states and charities, the well-known social reformer Grace Abbott wrote:

Most of the states drifted into the policy of aiding private institutions because they were unwilling to accept responsibility for the care of the dependent, and because it seemed to be cheaper to grant some aid to private institutions than for the state to provide public care. Also in the days when any form of public relief was thought to carry a stigma which private assistance did not, it was considered by some a superior form of care. By the end of the nineteenth century, leaders in social welfare began to appreciate the difficulties inherent in the subsidy system and that, once started it was very difficult to abandon. Private agencies increased and expanded when public funds became available, and as the money was easily obtained they accepted children without sufficient investigation of the family needs and resources and kept them permanently or long after they could have been returned to their families. This was costly to the taxpayer, but even more important, large numbers of children were deprived of normal home life by this reckless policy.” (1938, p. 15, italics added)

Abbott’s commentary on state-society relationship in child welfare services of the past reflect reoccurring tensions running throughout America’s history. Government’s choice to subsidize services to charitable organizations exposes a deeper, fundamental system challenge i.e., who should be in charge, who provides the best services, who should be held accountable, and how much should it cost.

Early 1900s-1930s. As the recognized guardian of children, both religious and secular institutions became parental substitutes with the authority to decide on a child’s fate. Children who were wards of the state were more likely to be placed with foster families while those placed with private religious agencies were more likely to live in an institutional setting (Boudreaux & Boudreaux, 1999). It has been argued that there were more than 750,000 orphans without parents in 1920 alone (Lindsey, 2004, p. 12). During the Progressive Era the differences between foster care and adoption were solidified;

moreover, “foster care was no longer portrayed as an expression of religious charity. It too required guidelines grounded in methodology” (Holt, 2006, p. 27). The escalating presence of social work professionals led to an increase in bureaucratization and guidelines for whom and how one could adopt children; furthermore, many would-be adoptive parents turned to the private market via doctors and lawyers to adopt children in a less stringent and more confidential atmosphere (Creagh, 2006).

Many Americans in the late nineteenth and early twentieth century suggested government’s place in child welfare should be less than that of the religious private sector (for discussion, see Tiffin, 1982). For example, the first White House Conference on the care of dependent children in 1909 took a public stance in favor of relief from private rather than public institutions (Bremner, 1971). Additionally, public funding and supervision of private charities received much attention, and at times, was highly controversial (Bremner, 1971, p. 269; Tiffin, 1982). These combined concerns further awarded authority and credibility to philanthropic agencies to assume leadership and innovative positions in children services rather than government. For instance, voluntary institutions developed the placing-out system via orphan trains during the 1850s, the Massachusetts Board of Charity first paid families for housing children in their homes in 1868, and in 1875, New York Prevention of Cruelty to Children was established as the first child protection agency in the world.⁶ Additionally, the Child Welfare League of America played a leading role in establishing the first national child welfare standards of practice in the 1920s-1930s. Voluntary agencies also played a vital part in developing adoption agencies that would find homes for multiracial children at home and from

abroad following the world wars (Creagh, 2006). Private associations were often the ones stimulating local interest in care of dependent children (Tiffin, 1982).

Various states practiced different models of care and allocation of responsibility between state, county, and local governments (for discussion see McGowan, 2005). However, significant changes occurred in governmental involvement during the Progressive Era that shaped the states' future part in child welfare services. First, the establishment of the Children's Bureau in 1912 set precedence as the first federal agency in support of all children's well-being and their mothers. Some of their activities originally included advocating for maternal and infant mortality reduction, improving child health, fighting against child labor practices, and investigating orphanages and juvenile courts (for review of this agency, see Lindenmeyer, 1997). Second, the Children's Bureau advocated for the passage of the Sheppard-Towner Act of 1921 which created the first federal grant-in-aid for states in regards to child health programs.⁷ The law required states to pass legislation that provided a plan for program implementation as well as matching funds (Lemons, 1969). Combined, the Children's Bureau and Sheppard-Towner Act created a sense of public responsibility for all children and federal payment for child welfare services was established; however, these initiatives did experience opposition from some voluntary social welfare agencies and states' rights advocates (Bremner, 1971; McGowan, 2005).⁸ Proponents of state regulation argued that supervision of public and private agencies could eradicate abuses, standardize methods of treatment, and improve child-caring activities while some supporters of private agencies fiercely guarded the legality of governmental financial assistance but saw state

intervention as an overall threat to their survival (Tiffin, 1982, pp. 200-205). Specifically, religious institutions argued that state intervention was an infringement on their constitutional right of religious liberty (Tiffin, 1982).

Only during the Progressive Era did states and/or city departments start monitoring private, charitable activities (Holt, 2006). A form of public control began to develop as child welfare agencies were required to receive approval before incorporation and obtain annual licensing (Bremner, 1971). Additionally, states became more involved in direct service provision. Tiffin notes that by 1923 there were “138 public institutions and 82 public child-placing agencies in existence. Of these, 44 were run by the states; 156 were controlled by various counties; and 20 were managed by municipalities... a virtual doubling [in the number of children being served by government]” (1982, p. 205).⁹ And finally, the Social Security Act of 1935 provided Aid to Dependent Children (ADC) and federal grants to all states for foster care services and administration.¹⁰ In 1962, ADC was changed to Aid to Families with Dependent Children (AFDC). Thus, the participation of the federal government in child welfare services became guaranteed, but it did come at a cost. Gruber and Hungerman (2007) discovered a crowding-out effect as New Deal policies led to increasing spending by government, charitable spending by churches for social services shrank as much as 30 percent.

During the same time period the debate over how best to aid children led child welfare advocates to argue that children were better served in home environments via foster families or assisting birth mothers through state-funded mother’s pension laws (Mink, 1995). Creagh’s (2006) historical account captures the intricacies of this time

period best. Initially, the financial situation of the mid-1930s caused the number of youth in orphanages to swell to an all-time high of 144,000. She finds that it was not uncommon for parents to use both orphanages and foster homes to help with their children during rough times with plans for family reunification later. The decade of the 1930s brought about the end of a free foster care system in favor of a subsidized one. Following the crisis spurred on by the Great Depression, most orphanages were financially worse off leading some to close their doors while others diverted their resources to children not being adequately served by foster care (i.e., those with special needs or disabilities). Differences also emerged among social workers and Christian women who worked in the maternity homes. While religious reformers were seen as “sentimental, antiquated... [women who] treated unwed mothers as innocent victims of seduction and abandonment. Social workers saw these same women as neurotic, delinquent, ignorant, and unfit to raise their own children...[They] counseled clients to sign relinquishment agreements” (Creagh, 2006, p. 34). Many agencies would “withhold financial assistance from uncooperative mothers, while offering those interested in adoption free room and board” (Creagh, 2006, p. 35).¹¹ Adoption rates among white children soared while the reasons couples adopted shifted from a charitable gesture towards a way of establishing and enjoying one’s own family (Creagh, 2006).

The first thirty years of the twentieth century reveals increasing federal and state presence in the lives of children and voluntary agencies and their workers. By 1938, 26 states had child welfare divisions in charge of supervising and providing child welfare

services (Bremner, 1974, p. 617). McGowan finds that states transitioned from a local system of service provision to a county-based one; moreover,

state departments of welfare assumed increased responsibility for setting standards, licensing, and regulation of public and voluntary child care facilities...[there was also an] intensification of the traditional separation between the public and voluntary service sectors, especially in the eastern and mid-western states, where the voluntary agencies were firmly entrenched. (2005, pp. 21-24)

Despite some controversy, the public sector's enmeshing in the domestic and private lives of American families by the end of the 1930s became more common and accepted by the public (McGowan, 2005).

1940s-1960s. Child welfare services grew during these decades. Growth came in the form of increases in professional service providers, in-home services, services for unmarried mothers, quality of services, and expansion of research and empirical studies of foster care; meanwhile, states strived to develop a more comprehensive and coordinated child welfare with equal access for all children (Lindsey, 2004; McGowan, 2005). Following World War II, foster care emerged as the dominant form of care for children removed from their homes whereas orphanages virtually disappeared from the American landscape. Similar philosophical approaches of the Progressive Era and Settlement House Movement towards foster care services carried over. Mainly, they emphasized that children belonged with their families and every effort should be made to place children back with their parents as soon as possible. Although the 1940s and 1950s were a relatively stable time in the foster care system, criticism of the system expanded during the 1960s (e.g., children were in "limbo" with no permanent placement plans or they were being treated inequitably).¹² This period was marked by significant changes in

the voluntary sector's function as states took on more responsibility for services and further demographic changes ensued (McGowan, 2005).

Some changes in the voluntary and public sector in the late 1960s are worth special attention for their influence on the future of child welfare services. In McGowan's (2005) historical overview of child welfare services, she notes why these changes were important. First, some private agencies provided exceptional services to a small group of select clients. However, those same services, even at a minimum level, went undelivered to the majority of needy families and children in public and other charitable institutions. Second, despite the increasing role of funding and direct service provision of child welfare services by the public sector, the voluntary sector maintained control over "program planning and development, services priorities and policies, and program monitoring and evaluation...under the auspices of local coordinating councils and welfare planning bodies. Consequently, there were minimum efforts to insure case integration or program coordination" (McGowan, p. 30). As in past, the voluntary sector still enjoyed relative control of whom and how child welfare services would be provided although public sector participation expanded. During the 1960s, the federal government expanded its involvement and coordination of social welfare services albeit in piecemeal nature. As illustration, there were at least 60 federally operated or assistance programs for families. Under a 1962 amendment to the Social Security Act, grants to states for child welfare services would increase from \$30 million in fiscal year 1962-1963 to \$50 million a year after 1968 (Bremner, 1974, pp. ix, 629).

Third, citing a study of public, voluntary, and sectarian agencies in Boston by Ryan and Morris (1967), McGowan notes how two child welfare networks existed that were indicative of the broader national environment of service provision. One network focused on serving the “suburban, white-collar, unmarried mother-adoptive family population; and the other, the urban-poor ‘child-in-family-in trouble population’” (p. 30). The conclusion reached by this research was that there was no comprehensive child welfare service network in Boston; moreover, many families and children were going unserved. If Ryan and Morris’s research was truly representative of child welfare services in other parts of the U.S. as suggested by McGowan, then reforms were more than justified. And finally, the 1967 amendment to the Social Security Act validated the constitutionality of government purchasing services for child welfare providers in the voluntary sector. Previously, some states had practiced this form of contracting-out or grant-giving through city and county governments, but they were only allowed to do so at the local level since it was considered unconstitutional in several states (Abbott, 1938).

1970s-the present. The decades of the 1970s through 1980s brought about additional government funding and provision of child welfare services; however, from the 1990s onward the state began to privatize its social service provisions (Flaherty, et al., 2008). The overall trends throughout the 1970s, 1980s, and 1990s sought to rationalize child welfare services via increasing accountability, efficiency, and objective-based outcomes. The introduction of the “Battered Child Syndrome” into mainstream America in the 1960s led to an increase in the number of children being taken away from their parents when abuse was in question and the passage of the Child Abuse Prevention and

Treatment Act of 1974 incentivized states to develop their own mandatory child abuse reporting laws. However, the federal law did not operationalize the definition of child abuse and/or neglect. Inevitably, this changed “foster care from a largely voluntary to an often involuntary system” (Rosenfeld et al., 1997, p. 449) as children came into the system by court order rather volunteer arrangements made by parents and family members (Bremner, 1974, p. 666). By the 1980s, many public child welfare organizations had transitioned from foster care service providers to child protective service agencies that investigated child abuse reports (Lindsey, 2004).¹³

Another significant fact about foster care was raised during the 1970s with the growing awareness of “foster care drift.” ‘Drift’ refers to the long periods of time children were being separated from their families, possibly moving from one foster home to another, with no clear goals for returning the child or finding a permanent home for them. Child welfare advocates became appalled by the knowledge that foster care was growing dramatically and children in the system were being placed in multiple homes, even though child attachment and permanency was being recommended as the most critical practice by experts (Curran, 2009). As the public called for better and more expansive provision of services and protection of children being abused and/or neglected, some political and interest groups in areas of civil rights feared more state intervention into the private lives of families (McGowan, 2005).

While previous funding encouraged states to work with all children who were at risk, new expectations were that services should be provided *only* to children where state intervention was absolutely essential for protection and care of children (McGowan,

2005). Until the 1980s, parents could seek out help from the foster care systems during times of need; however, child abuse and prevention legislation led to greater state commitment in taking children out of their homes and placing them in foster care after the courts found abuse or neglect (Satz & Askeland, 2006). Moreover, reports of child abuse and neglect have continually risen from “1.2 million in 1980 to 3.1 million in 1995, a 258.3% increase” (Curtis, 1999, p. 10). Lindsey concludes that legislation for child abuse prevention did not achieve its end goal:

Despite the increased reporting of child abuse, child fatalities have not been reduced. Rather, as a result of the increased reporting, agencies are overburdened and underfunded. Child welfare agencies have been forced to abandon fighting child poverty, a goal present since the field’s inception. There is little evidence that this shift of direction or resources has achieved the goal of providing safety for child and a reduction in child abuse. If such evidence existed, we could be satisfied...(2004, p. 155)

With this historical perspective in mind, how children are and were being cared for has changed. In the past, children and youth have been placed in institutions, orphanages, group homes, and foster homes. However, more recently, the relationship between poverty and the increasing need for foster care has led to the introduction of state-approved kinship or informal care provisions. When parents are unable to provide care or are considered unfit, family service provisions are being employed. Kinship care is one of the “oldest traditions in child rearing and the newest phenomena in formal child placement practice”; moreover, among African American populations, informal or kinship care is even more common than for whites and Hispanic children (Hegar, 1999, p. 17). Data from the Census Bureau indicates that “more than two million children in the United States now live in kinship care arrangements; 10 percent of these, or

approximately 200,000, are foster children (Boots & Geen, 1999, p. 1). Others have estimated the range of kinship care to be between 2.3 to 4.3 million children (Hegar, 1999). The governmental practice of using relatives as foster parents increased in the late 1980s and early 1990s (Boots & Geen, 1999; Schuerman, Rzepnicki, & Littell, 1995). The rise in popularity for paying kin to foster their family's children, however, does come at a cost for some children. It is speculated that children's outcomes may be adversely affected, including longer time periods for family reunification and decreasing overall adoption rates (Courtney, 1999, p. 137).¹⁴

Foster care services of the 1990s to present day are best portrayed in the welfare reform movement, increased emphasis on adoption through legislative initiatives, and privatized, managed care models of service provisions. From 1974 to 2008, a minimum of 25 different statutes and amendments were enacted that affected child abuse, adoption, foster care, and family preservation services.¹⁵ These issues will be more thoroughly addressed in latter sections.

Some conclusions about the history of foster care services in America are worth noting here. Primarily, an examination of the history of caring for needy and neglected children demonstrates the leading function charitable institutions played in the provision of services. As the original providers of services to dependent children, voluntary organizations still have a widespread, if not increasing role, current child welfare services. The relationship between public and private agencies is continually changing. Creagh states that "what began as evangelical child-saving in the mid-1800s was transformed during the course of the twentieth century into a *professional*,

bureaucratized, complex network of efforts to confront illegitimacy and dependency” (2006, pp. 43, emphasis added). Moreover, the public’s view of government and private organizations place in child welfare services is a complicated, developing one. Depending on the specific child welfare topic and time period, the public’s opinion regarding which services government should or should not be involved with changes. Unfortunately, practitioners and scholars to date “still do not know with any precision when foster care is appropriate, for how long it should be administered, or what services should be combined with it” (Lindsey, 2004, p. 168).

Contemporary Issues in Foster Care

Welfare reform. There have been multiple federal laws which have influenced the delivery of welfare services to needy and dependent children. But, perhaps, one of the most influential pieces of legislation has been the 1996 welfare reform act, Personal Responsibility and Work Opportunity Reconciliation Act (hereafter PRWORA). PRWORA eliminated many of the entitlement programs such as Aid to Families with Dependent Children (AFDC) and Emergency Assistance while giving greater authority to states over providing welfare services. For example, Temporary Assistance to Needy Families (TANF) replaced (AFDC). It created time limits for public assistance programs and work force development became an essential component.¹⁶ The effects of welfare reform had strong impacts on state and local governments, as they have had to fund more of child services than in the past (Courtney, 1999; Scarcella, et al., 2006). Another influential component of PRWORA, referred to as the “Charitable Choice” provision, urged states to contract with Faith Based Organizations in the delivery of welfare

services. Mangold (1999) and Scarcella et al. (2006) also note the significance of PRWORA since it amended the Social Security Act by adding the word ‘for-profit’, thus permitting private sector, for-profit organizations to receive federal funding for the provisions of foster care. Additionally, amendments to the Social Security Act, specifically Title IV-B and Title IV-E, affected states' federal funding for family prevention and support services and costs for out-of-home placements and adoption (Flaherty, et al., 2008).

Status of current system. Key themes in the literature describe challenges faced by those seeking to improve the lives for children and their families. First, the foster care system is organized as a temporary solution for improving a child’s well-being, and yet, many children become permanent residents of the system (Pecora et al., 2010; Rosenfeld, et al., 1997). Secondly, America is experiencing a shortage of foster homes, which can only be expected to grow as the number of children in foster care increases (Rhodes, Orme, & Buehler, 2001). Federal legislation such as the Adoption and Safe Families Act of 1997 encourages children to be placed in permanent homes quickly while also creating shorter time lines for the termination of parental rights. It can be argued that biological families do not receive the financial and emotion support needed (e.g., public assistance or counseling) to prevent their children from being placed in the system in the first place nor do they have sufficient time to rehabilitate in order to get their children back (Bartholet, 1999; Cahn, 1999; Courtney, 1999; Lindsey, 2004; Pecora, et al., 2010; Rosenfeld, et al., 1997; Weinberg, 2007). In fact, “the federal government allocates less

than five percent of its child protective services budget to family preservation, while the remainder is spent on foster care” (Cahn, 1999, pp. 1213-1214).

Another challenge the system faces is that “children of color are disproportionately represented in foster care in many communities, and they experience less positive outcomes” (Pecora, et al., 2010, p. 13). It can be argued that the basis of this phenomenon is deep-seated structural problems associated with poverty and racial inequalities (see Cahn, 1999).¹⁷ And finally, the effectiveness of the system in helping children achieve positive outcomes produces mixed results; however, Pecora et al. (2010) argue that “addressing the mental health needs of youth in care may be the place to start” (p. 13). Frequently the data on foster care do not measure what they purport to be measuring, are not longitudinal, are not generalizable to the broader foster population, and lack a systematic understanding of the child’s well-being upon entry into the system i.e. a baseline assessments (for further explanation see Rosenfeld, et al., 1997; Usher, Randolph, & Gogan, 1999). Curran (2009) notes that one of the ongoing critics of modern child welfare system is that “it is not foster care in and of itself that produces poor outcomes for children but rather a dysfunctional, underfunded child welfare bureaucracy run by poorly trained and over-whelmed staff” (§ 7). The lack of resources and well-trained staff represent just some of the areas needing attention in order to improve services. The questions advocates and scholars are trying to answer are whether foster youth as adults have more negative outcomes than the general population, how does different types of placement affect children and youth, and what are the implications of a privatized foster care system.

The Public-Private System

The privatization or marketization of services from government to nonprofit and for-profit organizations, especially in the form of contracting out social services, has progressively been sweeping across the nation at all levels of government (D. M. Van Slyke, 2003). The privatization of foster care, like in other social service areas, has been receiving some public attention. Individuals may question the ability of for-profit organizations to provide quality services while also trying to make a profit. Nevertheless, foster care is unique because “it was always a ‘privatized’ system, never an exclusively public one” (Mangold, 1999, p. 1295). As previously mentioned, providing poor children with aid began in the private sphere with local charities, and then, service provision expanded to include local and state government paying charities for their work with needy children. Finally, with the founding of the U.S. Children’s Bureau in 1912 and the passage of the Social Security Act of 1935, the federal government became fully engaged in the business of foster care (Rosenthal, 2000). In most states, government and nonprofits became reluctant partners in providing child services at times.¹⁸

The relationship between government and nonprofits in the twentieth century has been an ever changing one. Foster care today resembles a division of labor where government is frequently involved with case management and investigations while their private agency counterparts (i.e. mainly nonprofit) provide services such as counseling and other treatments facilities through governmental contracts (Rosenthal, 2000). In FY 2003, federal foster care expenditures alone were projected to cost \$4.6 billion and half of the states’ total reported spending on child welfare services comes from federal funding

(Hochman, Hochman, & Miller, 2004). The most recent development in foster care is the entrance of for-profits as state provider of services. Their arrival raises concern regarding service quality, emphasis on efficiency, and family and child well-being outcomes. One central policy questions in the area of child welfare reform is “whether privatization of social welfare services is a mechanism to promote innovation and efficiency or is [it] a weakening of the commitment to public social welfare programs” by citizens and government (Embry, et al., 2000, pp. 109-110). The answer to this question will no doubt be one that plays out over the next few decades. A final area of uncertainty stems from unease over what will happen to the nonprofits, who were the original providers in child welfare services, as they are forced to compete and/or collaborate with businesses over governmental contracts (Mangold, 1999).

The challenges of privatization. Government’s choice to privatize its social services is a function of many things and takes on numerous forms.¹⁹ Contracting out services however is the most common pattern of privatization (Kamerman & Kahn, 1998; Winston, Burwick, McConnell, & Roper, 2002). In child welfare, a frequently used approach to describe popular privatization models is managed care. This strategy takes a holistic approach to services where the end goal is to advance integrated services while reducing costs; moreover, the Child Welfare League Managed Care Institute claims that all states are “exploring whether—and how—to apply managed care to child welfare” (Kamerman & Kahn, 1998, p. 28). Based upon a survey of 49 state child welfare administrators or their designees in 1998 and 1999, McCullough and Schmitt (2000) found that 29 states planned or have implemented one or more privatization initiatives in

their jurisdictions. Privatization of child welfare services is rapidly expanding with uncertain outcomes for states and their clients. Given these risks to an especially vulnerable population like children in foster care, this section will more thoroughly discuss the risks associated with private, managed care systems.

Succinctly, privatizing social services is thought to increase efficiency, cost effectiveness, flexibility, professionalization of workers, closer relations with those being served, innovation, and better management practices (Flaherty, et al., 2008; Rosenthal, 2000; Smith & Lipsky, 1993). More specifically to the realm of child welfare policy, the potential benefits of contracting out are “fiscal incentives that support permanency goals and discourage long-term foster care” (Petr & Johnson, 1999, p. 263). Despite the many advantages privatization offers government, there are equally as many disadvantages for both government and clients being served. Paradoxically, the challenges governmental officials face when contracting out ranges from accountability and oversight problems to de-professionalization of care workers to lack of competition between providers. Accordingly, at local and state levels, lack of competition may decrease governmental options of who can provide social services to citizens in the first place. Taking the criticism a step further, Baines, Evans, and Neysmith argue that restructuring and lessening government’s services for public caring leads to an “increased individualization of social problems and an erosion of a community conscience and responsibility” (1998, p. 14). Finding ways to incorporate public caring into privatization models, and correspondingly public discussion, rarely receives the attention that it deserves.

One of the main obstacles privatization presents for government is how to create sufficient oversight, accountability mechanisms, and transparency with the organizations it is contracting out with. Many child welfare advocates are apprehensive about the motives of profit maximizing companies providing services to children and youth (Mangold, 1999; Petr & Johnson, 1999). Another concern for privatizing foster care is that it increases the likelihood that private sector corporations will be nationally based. Therefore, headquarters and decision-making may be further away from their locally-run service branches, making monitoring and accountability complicated. At the same time, this opens up the possibility that a child's foster care placement (e.g. in group homes) will be further away from their parent's and family's home (Mangold, 1999). Historically, the federal government has emphasized process or output indicators such as child placement and time spent in foster care; however, since 2002 the federal government has instituted more comprehensive outcomes indicators for foster children and their families with an emphasis on safety, permanence, and well-being (Pecora, et al., 2010).²⁰ Additional barriers that government must overcome when introducing private, managed care systems are the "lack of accurate data on costs, caseload trends, service utilization and outcomes in the current child welfare system" (Flaherty, et al., 2008, p. 813).

Finding proper measures of optimal child welfare outcomes, along with missing data on what costs structures should look like, is problematic for public agencies and officials who are working with and creating contracts for private sector providers. For example, in a study of the introduction of performance-based, managed care into

nonprofit child welfare agencies in Michigan, McBeath and Meezan (2010) find results that warn against being overly focused on efficiency. Their research shows that the pressures placed on foster care agencies and its administrators showed that reuniting children with their parents requires more service work than adoption and kinship care. Alarming, agency pressures led performance-based incentive organizations to choose the easier route of adoption and/or kinship care rather than reuniting children with parents (see also McBeath & Meezan, 2006; Smith & Donovan, 2003).

Broadly speaking, multiple studies find that public managers sometimes lack the capacity to negotiate the *right* contract designs with companies (Romzek & Johnston, 2005; Van Slyke, 2003). Moreover, “the conceptualization of ‘success’ in relation to client outcomes and program performance in performance- and nonperformance-based environments has gone largely unexamined” (McBeath & Meezan, 2010, p. i103). In sum, it hard to tell what incentives should be placed in contracts, what outcomes are optimal and measurable, and how to properly monitor a program successes and failures. Courtney and Maluccio (1999) bluntly describe the scenario as such:

Public child welfare administrators may look like lambs going to the slaughter in negotiations with large for-profits managed care entities, given the almost nonexistent relationship between performance and funding that has heretofore been typical of child welfare services and the consequent inexperience of public child welfare authorities in managing performance-based contracts. Moreover, given the sordid history of corruption in government contracting with for-profit entities in other areas (e.g., national defense), public officials will be wise to think carefully about the implications of opening up the foster care system to the profit motive. (pp. 237-238)

The notion that government will be outwitted, or unable to compete with the financial resources and technical expertise of businesses during contract negotiations for child

welfare provisions, cannot be ignored. If government fails to properly negotiate procedures, costs, professionalism, and desired outcomes for children, then the negative implications for youth in the system could be detrimental.

Another consideration of the privatization of foster care services is the impact it may have on child welfare professionals. In an environment that has already experienced some de-professionalization of its service professionals and also lacks empirical support in favor of specialists work over paraprofessionals, “child welfare workers [are] particularly vulnerable to the power of managed care to undermine professional standards. It would be a shame if managed care ended up lowering the qualifications of child welfare workers...” (Courtney & Malucicio, 1999, p. 238). Courtney and Maluccio warn just how critical de-professionalization of child welfare services would be in a public system that is already in crisis and is experiencing a growing proportion of children coming into the system with special needs (e.g., mental health). Similarly, in a purposeful sample of 15 caseworkers and observations of caseworkers in juvenile court in Illinois from both government and private agencies, Smith and Donovan (2003) find these front-line child workers are often overloaded with multiple goals, caseloads, and time pressures; therefore, they tend to de-prioritize working with parents, seeing children as their main clients. This habit goes against best practices for caseworkers since they are encouraged to maintain partner-like relationships with parents (Smith & Donovan, 2003). These workers have to resort to coping mechanisms and do face pressures to “get kids off of the state’s budget” (p. 546).

The implications of these studies are many. If nonprofits and government providers are currently under such enormous pressure to perform, how will private sector organizations choose to deal with the complexity of the system and performance-based incentive structures? Will they rely more on paraprofessionals to lower case numbers for all and will they sacrifice service quality at the front-line to meet the bare-minimum requirements of government? The complete answers to these questions are unknown.

An Account of Governance in Foster Care Services

The evolution of child welfare services tells an interesting and often untold story of American governance. Government has engaged in various modes of governing at the federal, state, and local level throughout history to complete its tasks. Uniquely, service provision for dependent and abused children began in the private, charitable realm, advanced as a concern for the public sector, and now is transitioning to the private, for-profit and nonprofit sphere with governmental supervision. This evolution, however, cannot be neatly divided into one sector's complete supremacy over the other; rather, it demonstrates the prevalence of mixed modes of governing in child welfare policy involving both the public and private sectors. Therefore, as Bremner notes, "relations between responsibilities assigned the three sectors [i.e. for-profit, nonprofit, and public] are neither rigidly defined nor permanently fixed but shift from time to time to meet changing circumstances and needs" (1988, p. 216). This statement exposes the complex state-society relationships representative of the fluctuations in foster care service provision. By reflecting upon the modes of governance, I will outline how specific governing mechanisms have developed in foster care.

The governance story may best be told through a diagram. Based on the historical narrative of foster care, combined with a governance lens, Figure 2.1 displays how service provisions have transformed in America. The chart is broken down historically by the most common governing mechanism for that time period. Furthermore, when multiple modes are characteristic of a particular time period, the modes are listed in order of relevance. The bullet points depict the major themes of that era discussed in earlier sections. The last portion of this paper will explore the connection between each mode of governance with its historical context in child welfare services.

Networks

One of the most surprising findings in governance research on foster care is the pervasiveness of networks in child welfare services throughout history. Networks were the most significant mode of governance in early American history and retain their relevance today. The approach to child welfare services remains highly decentralized to states and local levels of government and other service providers although hierarchies presently specify some rules and procedures. Defined previously, networks basically serve to bring multiple groups of interdependent actors together for a common purpose in a nonhierarchical manner. Early historical child welfare networks were probably more informal and less distinguishable in characteristics than they are presently. However, if we apply Wachhaus's (2009) key network attributes found in the literature, then the resemblances between networks of the past and present times become richer.

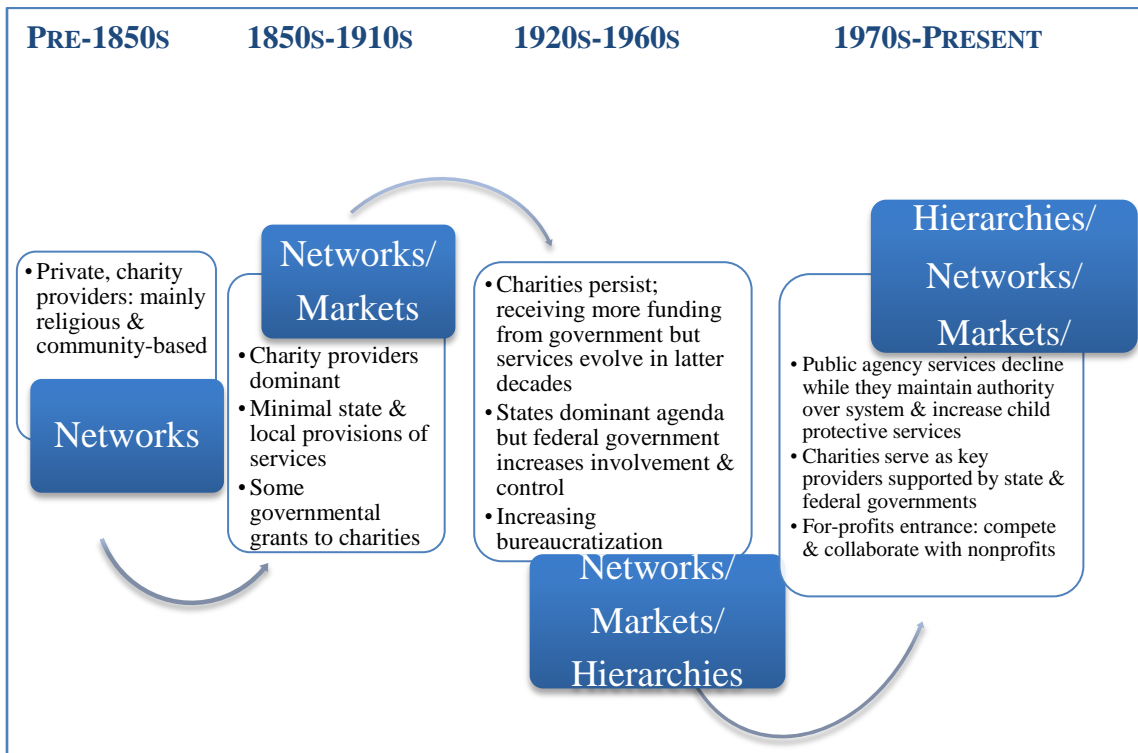


Figure 2.1: Evolution of child welfare services

Late nineteenth and early twentieth century networks expose *complex* and *interdependent* relationships between local and state government with voluntary institutions and community volunteers in the *exchange* of service provisions for dependent children and their families. It was in everyone's interest for dependent children to be kept off the streets and out of trouble. These *interactions* occurred in *nonhierarchical* manners. For example, localities (i.e., city governments and/or communities) or parents could choose where their children would be placed (e.g., a particular religious organization) with little state intervention; moreover, many charitable agencies assumed guardianship of youth and therefore were at liberty to place them in private homes or orphanages as they saw fit. All of these activities happened in the broader *governance* and *policy* realms of child welfare services. Therefore, the case can

be made that at a fundamental level, networks among and between communities, agencies, and localities represented an important governing mechanisms of early American child welfare policy. Furthermore, networks have been able to maintain their significance in current policy even though the actors and arrangements between society and government have slightly altered.

To begin, networks of charities, which were mostly religious organizations, led the way in taking care of poor and needy children of their localities (see Crenson, 1998, p. 42). The division of religious service provisions often divided along denominational lines (e.g. Lutheran, Protestant, and Catholic). For example, in the late 1800s, Catholic Charities united in order to create structures and processes for delivering services that would assist them in receiving governmental grants (Rosenthal, 2000). Networks, based on norms of reciprocity, trust, and relationships, correspondingly influenced *who* parents chose to turn their children over to, *how* services would be presented to children, and sometimes, it affected *which* children could receive services from particular charities. These networks of providers played a crucial role in getting a community's attention on the plight of children and stimulating support for their services (Tiffin, 1982). There were other non-religious groups that assisted with taking care of needy children such as Jewish and other ethnic organizations, but their numbers were much smaller. Once the orphan trains started, networks within communities (e.g., committees) chose whether to accept children and with which families they would be placed (Holt, 2006; Olasky, 1999). Moreover, state Children's Home societies, which were not of the religious orientation, became widespread during the late nineteenth century. Children's Home societies were

“not state sponsored but rather were statewide private organizations” focusing on child placement in “well-to-do” families and temporary shelter services (Boudreaux & Boudreaux, 1999, p. 176). In principle, there was a community-based, decentralized approach to service delivery.

In the early 1900s, networks of charities persisted as the main service providers for dependent children even though they progressively began to receive more funding from government. Additionally, larger charities such as the New York Prevention of Cruelty to Children started similar branches in other major cities while other organizations like the Child Welfare League of America advocated for national standards of child welfare practices for all charities and government agencies. Although voluntary institutions have served as the main provider of services to children throughout the majority of American history—via foster care services such as orphanages, child placement, and group homes—early on they received very little regulation and monitoring (Holt, 2006). McGowan (2005) notes that even up to the 1960s the voluntary sector remained empowered to offer services in a manner they chose with little governmental involvement.

Currently, networks of nonprofit agencies serve as key child welfare service providers across state lines. For example, Childhelp is a national nonprofit agency who serves abused and neglect children with programs in over nine states. Child welfare networks now include actors from government, nonprofit, and for-profit agencies; and in some instances, nonprofits are serving as the lead-organization network for children and family service delivery (see Chen & Graddy, 2010; Graddy & Chen, 2006). The

suggested benefits of these networks are that they can encourage a more integrated system based on bottom-up decision-making, self-organization, innovation, and a sense of community.

Markets

The U.S. government has been employing market tools in the governance of child welfare policy for over two hundred years.²¹ In fact, there is a history of some states and counties turning to the market and paying charities through grants to assist needy and abused children, but knowing the extent and level of funding to charities from these states is more difficult to disentangle. On a national scale by 1903, public subsidies accounted for 21.7 percent or \$2,187, 784 of the total cost (approximately \$10 million) of maintaining children's institutions while the other \$8 million in costs were paid for by private philanthropy and religious communities (U.S. Department of Commerce and Labor & Bureau of the Census, 1905, p. 29). Therefore, the majority of money for child welfare services came from private contributions and organizations. Conceivably, the most significant aspect of government's adoption of markets in child welfare policy is the specific types of market relationships government has commissioned throughout history. State and local government's choice to not be a direct service provider early on seems as significant as their choice to capitalize on the benefits of markets later in history.

It became more commonplace for states and localities to employ what may be considered a loose form of market governance-via grants to charities-to deliver services to children at the turn of the nineteenth century and onward. Interestingly, while offering some grants to charities, state and local governments did so with very little participation

in the operations or monitoring of how, and to whom, voluntary organizations provided services to. A market approach to governing, or in some cases government's indirect choice not to be too involved in early service provision thereby subsidizing private agencies, allowed for a high degree of flexibility in how services were provided as well as independent decision-making by actors in foster care delivery. Abbott warned in the 1930s that "the private agency is free to perform a really useful function only if it supplements the program of the public agency and does not attempt to serve large numbers...A subsidized private agency is in fact neither public nor private" (1938, p. 17). Voluntary agencies, as Abbott claims, could not be distinguished as public or private entities; moreover, charitable organizations were the main providers of child welfare services and thus were serving large numbers of children unrestrained by governmental administration. Until the Sheppard-Towner Act of 1921 and the Social Security Act of 1935, the federal government had not offered money to states in order to serve dependent children. Throughout most of American history, states have been in charge of implementing child welfare policies (Murray & Gesiriech, 2004) and they have repeatedly turned to the market for service provisions. By the mid-twentieth century, state governments relied upon charities to provide services through market mechanisms with more distinguishable contract transactions, but they also supplied their own public service provisions and choose to monitor the actions of volunteer agencies more closely.

Presently, child welfare services are offered extensively through contracts and public-private partnerships between states and nonprofit agencies in which states act more as managers and monitors of services than providers. Additionally, following

welfare reform in 1996, governments began turning to for-profits organizations as new service providers. For example, many states have privatized large portions of child welfare services via market mechanisms such as contracts (e.g. Florida, Illinois, Kansas, and New York) while other states have taken a more limited approach to privatization (e.g. New Mexico, Missouri, Wisconsin, Ohio, Michigan, Pennsylvania, and Washington, D.C.) (see Flaherty, et al., 2008). In 2006, Florida privatized its child welfare system under an experimental federal waiver and appears to be experiencing much success. They choose to focus upon philanthropic partnerships between government, nonprofits, and businesses through community-based models of care that emphasizes family preservation services (Florida Philanthropic Network, 2010). However, the state remains the responsible party for abuse and neglect investigations while the courts decide on whether to remove a child from their home.

In the case of Arizona, nineteen ‘collaborators’ from nonprofit and for-profit agencies receive governmental contracts to find foster families and license them while the states’ main purpose is to choose providers and sign-off on what agencies recommend (M. Reyes and M. Reck, personal communication, February 8, 2011). In sum, the privatization movement in child welfare services does show changes in the state’s choice among particular market mechanisms such as subsidization, public-private partnerships, and contracting-out; however, the case cannot be made that this phenomenon is entirely novel since state and local governments have been employing markets throughout history.

Hierarchies

Hierarchy is not on the decline as a governance mode in child welfare policy. Instead, U.S. government has increasingly relied upon hierarchical models throughout the twentieth century. Hierarchy is enlisted by federal, state, and local governments as a mechanism to employ networks and markets, decide which children are placed in the system and for how long, provide direct services, enforce regulations and legislation, and develop payment structures and processes for public and private sector agency providers.

The rise in hierarchical models of governing child welfare began in the states during the early twentieth century. The adopted values of the Progressive Era espoused public concerns for the welfare of poor and needy children and families that required more direct governmental assistance and state monitoring of private organizations, i.e. there were growing tensions over government's laissez-faire welfare policies (Tiffin, 1982, pp. 195-197). Entering into a new sphere of intervention in domestic and private lives of citizens, states passed mother's pension laws and continued subsidizing charities but in an atmosphere of more supervision and suspicion regarding the legitimacy of using public funds for private charities (Tiffin, 1982). Further, the federal government became more immersed in state actions regarding child welfare. It established the Children's Bureau in 1912, passed the Child Labor Act of 1916, and created federal payment structures for states to support dependent children and their families.

In the following decades, both state and federal governments began to develop more rules and standards of practice for private agencies while increasing their responsibility for direct service provisions (McGowan, 2005). During the 1950s and

1960s, it became paramount that states ensure all children were receiving equal access and treatment in the system regardless of race or disability (Lindsey, 2004). Many child welfare nonprofit opposed legislation that promoted using federal funds to purchase services and these nonprofits “looked primarily to expand the public sector as the primary vehicle to enhance comprehensive services” (Rosenthal, 2000, p. 294). Additionally, federal legislation of child welfare (e.g. adoption, child abuse, foster care services, etc.) increased at a rapid pace starting in 1970s. The choices for how children in the system could be handled become more dependent on government routines and administration which further decreased the amount of flexibility private agencies had in service delivery. More recently, government’s decision has been to contract-out services to networks and markets as a key strategy for meeting the needs of dependent and abused children

Significantly, it is not the expansion of legislation or governmental participation in service provisions alone that makes hierarchical modes of governing commonplace. Rather, these actions signal government is both accountable and responsible to the public for how child welfare services are being delivered. Government formally exercises authority, rank, and administration i.e., its hierarchical position over private providers as a monitoring and coordinating mechanism. Uniquely, government and its actors uphold their supervisory functions as chief investigator of child abuse and neglect reports and as the sole decision-maker regarding child removal from homes. It is in this division of labor that government is able to maintain some sense of control over the child welfare apparatus. Furthermore, the benefits of hierarchy help explain why states have turned to this governing mechanism, especially over the last half century. Hierarchical models

allows governments at all levels to divide labor in a rational manner, be accountable without having to engage in all forms of direct service, and employ other governance modes in service delivery. Conversely, the limitations of hierarchy (e.g., lack of discretion and flexibility) further elucidate why states choose to employ all three governance modes in child welfare provisions given that networks and markets are thought to be a solution to hierarchical weaknesses. In conclusion, hierarchy is depicted as the most prevalent governance model currently because it grants government a hierarchical position over other service providers and modes of governing. It allows the states to maintain accountability and authority over service delivery and to federal authorities while taking them out of the direct business of providing services themselves.

Conclusion

Applying the modes of governance framework to child welfare policy tells an often untold story of evolving governance patterns in America. Reflecting upon the historical and contextual nuances of the public service system of foster care provisions offers evidence of developing state-market-civil society interactions rather than radical shifts in governance modes over time. Noticeably, multiple governing mechanisms seem to operate simultaneously throughout the majority of American history and will most likely continue to do so. Reviewing public policy and service delivery within one sector or with an ahistorical approach would not have been as insightful as embracing a historical, governance perspective that descriptively captures the multiple layers and muddled relationships between government and voluntary agencies. Moreover, the entrance of for-profit providers into foster care is just another evolution of the

governance story, especially given government's reliance on market mechanisms for over a hundred years. Government's employment of multiple modes of governance does not however lessen its responsibility and accountability to the public for the outcomes of dependent, abused, and neglected children and youth in its custody.

Chapter 3

MARKETIZATION STRATEGIES AND THE INFLUENCE OF BUSINESS ON THE MANAGEMENT OF CHILD WELFARE AGENCIES

The contemporary governance and identity of nonprofit organizations and their relationships with government and private, for-profit firms are changing. Government is increasingly turning over service provision to nonprofits and businesses (Van Slyke, 2003), especially in human services (Salamon, 2002). Indeed, a sizable majority of states report publicly funding various private, nonprofit child welfare agencies (U.S. DHHS & ACF, 2001). For their part, nonprofit and voluntary organizations (hereafter NPOs) across the sector are under pressure to secure funding through contracts and to become more entrepreneurial in their efforts to generate revenue. These pressures come in the form of marketization or commercialization (Salamon, 1993; Weisbrod, 1998; Young & Salamon, 2003), vendorism, and bureaucratization (Frumkin, 2005; Salamon, 1995; Smith & Lipsky, 1993). Nonprofit agencies are urged to provide more and better services to a greater number of individuals demanding their services while simultaneously being compelled to do so in a similar fashion to government and businesses entities. The nonprofit and voluntary sector is being driven to meet a 'double bottom line' where some view the financial management and commercial practices of operations to be as equally significant as the social benefits they offer to society. Yielding to the demands of the market and government could jeopardize, or at the very least challenge, the delicate and somewhat distinctive moral and functional balance these organizations try to maintain.

Salamon (2005, p. 96) referred to this as the “growing identity crisis” nonprofit America is facing.

Environmental pressures play a pivotal role in shaping the nature of NPOs. Institutional scholar argue that behaviors, especially in the context of organizational life, can be altered by regulations and rules, norms and belief systems, and finally, cultural-cognitive systems that combine shared understanding and taken-for-granted processes in social life (Scott & Davis, 2007). Therefore, when organizations become institutionalized to other norms of behaviors and practices of other agencies, it is through a social process of replicating patterns of activities (Berger & Luckman, 1967; Jepperson, 1991; Thomas, Meyer, Ramirez, & Boli, 1987). When NPOs succumb to isomorphic forces and replicate norms and behaviors of other agencies in the public and for-profit private sectors, their practices may homogenize leaving them at risk of losing what made them unique in the first place. It is not surprising that scholars have been noticing the tendency of nonprofits to replicate the structures and practices of businesses and government for years (e.g., Abzug & Galaskiewicz, 2001; Cooney, 2006; Morrill & McKee, 1993). Concerns have been raised about how NPO’s response to these changes and pressures will impact the distinctive ethos or identity of the nonprofit sector – what can be called nonproftness, in general, and the ability of nonprofit organizations, in particular, to advance their missions and service their clients (e.g., Anheier, 2005; Eikenberry & Kluver, 2004; Frumkin, 2005). Theory suggests nonprofits are being impacted by marketization and government control, and yet, we know very little about

the specific managerial practices and values employed to cope with external and internal environmental forces.

This paper explores how these broad, structural forces affect how nonprofit and voluntary organizations (child welfare agencies in particular) are run, what they value, and how nonprofit managers and administrators view the work they do. Broadly, this research explores the extent to which outside and inside forces are shaping the adoption of business-based management strategies among child welfare agency administrators. I study this topic by first reviewing the forces affecting nonprofit organizations such as marketization and strong governmental influences; and then, I examine what, if any role, nonproftness (i.e., identifying with a core set of nonprofit values and purposes) has on the adoption of business management strategies. Next, I provide a brief overview of the reasons why examining child welfare agencies offers a rich context for study. Following the literature review and research hypotheses, methods and data are presented along with statistical results from a national survey of child welfare agency managers. Three multinomial logistic regressions and one ordered logistic regression model are used to explore the business management practices of charging fees for services, engaging in cause-related marketing alliances with business, replacing volunteers with professionals, and running their agencies like a business. Finally, the implications for the nonprofit and voluntary organizations and, child welfare agencies in particular, are discussed. A story of the business of child welfare nonprofits begins to unfold that depicts a “sector” in flux, and at risk of becoming something other than what has been traditionally described as “nonprofit.”

Literature Review: Nonprofit Practices and Values

There are many forces shaping the management of nonprofit and voluntary agencies. Environmental pressures influence the types of decisions managers can make and in turn could also dictate their views and beliefs about nonprofit and voluntary agencies as a whole. While the study of the marketization of the nonprofit sector is growing, the implications for how management *practices* are being shaped by these pressures has received limited empirical examination. Managers are encouraged to secure resources (e.g., financial and human capital) while adhering to organizational missions and values (Herman & Heimovics, 2005). Management scholar Kevin Kearns argues that nonprofit executives are “among the most entrepreneurial managers to be found anywhere, including the private for-profit sector”(2000, p. 25). Thus, it raises questions regarding what business management strategies looks like in nonprofit and voluntary organizations. Some examples of these practices include charging fees for services, professionalizing the workforce, creating alliances with businesses, and applying a business approach to daily decision-making.

There are several factors that lead managers to adopt business practices. First, nonprofit and voluntary organizations are undergoing a marketization of their programs and services. Secondly, NPOs appear to be under pressure to act more like government and bureaucratize their agency’s practices, especially in the area of human and social service delivery. And finally, these trends are leaving many wondering what it means to be a “nonprofit” in today’s America. These themes are first broadly explored and then

considered in the context of child welfare nonprofits. Research hypotheses are proposed in each section.

The Marketization of the Nonprofit and Voluntary Sector

One trend significantly influencing the operations of nonprofit and voluntary organizations is commercialization or marketization. Marketization or “the penetration of essentially market-type relationships into the social welfare arena” (Salamon, 1993, p. 17) of the nonprofit and voluntary sector gained tremendous momentum in the 1980s and has continued apace. Some examples of commercialization include the generation of commercial revenues such as using fees for services, selling products and services, and engaging in business ventures.

Charging fees for services is one of the more commonly practiced commercialized activities among NPOs. Over the last 20 years, fees for services have accounted for over 50 percent of revenue growth in the sector (Aspen Institute, 2001), and for social service agencies in particular, fee income makes up 35 percent of their revenue growth (Salamon, 2003). During this same time period, more businesses ventured into areas traditionally relegated to NPOs, especially in the area of human and social services (Frumkin, 2005; Ryan, 1999). NPOs now regularly compete with for-profits, other nonprofits, and even government agencies for resources, clients, and publicly funded contracts.

Accordingly, nonprofit executives are encouraged to become social entrepreneurs (Dees, Emerson, & Economy, 2001), employ market-like strategies for creating success (Brinckerhoff, 2000; Kearns, 2000) and make money (Ashton, 2011). Workers in NPOs

must now strike a balance between achieving their mission and servicing clients while also being innovative, resourceful, and opportunistic (Dees, et al., 2001). Additionally, the sector itself has undergone a professionalization of employees as a response to various commercialization pressures (Salamon, 2005). Many who work in nonprofit and voluntary organizations are proud of the professionalization of the sector and view it as an advancement of the field whereas others approach this change with a bit more caution (Frumkin, 2005). Excessive professionalization of NPOs is problematic because it raises concerns about the sector: 1) being a legitimate representative of the community's needs; 2) it questions the 'voluntary' nature of agencies who are composed of working professionals; 3) it increases the costs of handling social problems; and 4) it changes the focus from meeting basic human needs locally to a level of a social problem that must be handled by professionals (Salamon, 2001, 2003).

As a consequence NPOs are increasingly utilizing market-like approaches and values in running their organizations (Weisbrod, 1998). A byproduct of these and similar pressures is the expansion of partnerships and alliances with businesses to market an image, product, or service for mutual benefit. These cause-related marketing ventures help businesses achieve strategic purposes while allowing NPO's to promote goals and social causes. Although businesses have been an important financial contributor to NPOs for decades, there seems to be a shift on the part of private firms from "benign benevolence" to partnering for strategic reasons that lead to corporate success and "reputational capital" (Salamon, 2003, p. 65; Young, 2002, p. 6). The growth of nonprofit-business partnerships brings with it the increasing use of business language and

terminology. For example, Dart (2004) uses a case study of a Canadian nonprofit human service organization to create four categories that seek to capture the meaning of being “business-like” in nonprofit organizational context: business-like program goals, business-like service delivery, business-like management, and business-like rhetoric. Other nonprofit behaviors that resemble business-like characteristics are creating “business plans” that include attracting investments, measuring outcomes, identifying and reducing risk, employing business approaches, studying market and financial feasibility, and “showcasing the management team” (Rooney, 2001, pp. 275-276). Business practices and values may be becoming a part of the nonprofit sector’s identity, and if they are not already, they could be soon. The very nature of the relationship between businesses and nonprofits seems to be shifting and this swing could lead to competition replacing the presumed benevolent spirit of NPOs (Bush, 1992).

Even though there is agreement about the emergence of these trends in the nonprofit and voluntary sector, the consequences are not so clear. One side maintains that tapping into market-solutions will allow NPOs to survive and flourish. Thus, nonprofits can achieve greater resource stability, efficiency and innovation, focus on serving clients, legitimacy, and possibly accountability to the public (Aspen Institute, 2001). In the book, *Enterprising Nonprofits: A Toolkit for Social Entrepreneurs*, it is argued that thinking and acting like a business can help nonprofits in the following areas: learn to take more calculated risks; develop solid strategic planning; identify and focus on customers’ needs and wants; measure performance in meaningful ways; and be more accountable to key stakeholders (Dees, et al., 2001). And while having a business mindset does clearly

provide NPOs with many opportunities to improve, it does come at a cost. Frumkin warns that in some nonprofits, “intense commercialization has eroded the moral high ground of these organization and transformed nonprofits into shadow businesses” (2005, p. 10). Furthermore, marketization might lure nonprofits away from advancing their mission, serving the poor and hardest-to-reach clients, using volunteers, promoting democracy and advocacy, maintaining valuable community networks, and placing more emphasis on accepted management techniques over delivering services (Alexander, Nank, & Stivers, 1999; Aspen Institute, 2001; Eikenberry & Kluver, 2004). But, at what point do nonprofits become what Weisbrod (1988) warned as ‘for-profits in disguise’? With this in mind, I explore the “influence of the business community” on NPO’s management. The following propositions are tested:

Hypothesis 1: The influence of the business community will increase the adoption of business management strategies by nonprofit managers.

Hypothesis 2: Receiving funding from for-profit businesses will increase the adoption of business management strategies by nonprofit managers.

These hypotheses suggest that pressures and funding from the business community are encouraging the use of business management strategies in child welfare agencies. The power of the market, and concurrent business logic and rhetoric, lies in its promise to propel organizations to better compete and therefore be more successful. If organizations choose not to adopt these market approaches, then they run the risk of being left behind, or worse, having to close their doors.

Going Public

The practices of marketization in NPOs are familiar, but the effects of an agency's level of publicness on nonprofit management are not as well studied. While it must be noted that "public service itself has undergone a business-like transformation" (Haque, 2001, p. 65) following the notion of market-driven and results-oriented modes of governance, NPOs have been simultaneously confronting commercialization and increasing governmentalization. A staple of public administration and management literature, publicness captures the idea that all organizations, to varying degrees, are public (Bozeman, 1987). Organizations experience governmental influence through various avenues of regulation, taxation, outsourcing, procurement, public policies, and contracts; making the state an ever-present factor of organization life. Moreover, the notion of publicness is thought to impact internal organizational operations and managerial values of institutions (Boyne, 2002). Bozeman's "dimensional" model of publicness, i.e., mechanisms of ownership, control, and funding, is often used to compare organizational and managerial behaviors on outcomes between public and private agencies (Andrews, Boyne, & Walker, 2011; Coursey & Bozeman, 1990; Rainey, 2011). And while NPOs are not governmental per se, they could be impacted by their level of publicness and their management choices may reflect governmental involvement.

In sum, becoming more "public" can pull nonprofits and voluntary organizations away from their core mission. This is frequently considered in the context of government-nonprofit contracts and their corresponding relationships. Many have studied and expanded upon the theory of publicness for comparing public and for-profit organizations

(e.g., Andrews, et al., 2011; Aulich, 2011; Boyne, 2002; Haque, 2001; Moulton, 2009; Nutt & Backoff, 1993), but few have empirically examined it in the context of NPOs.²² The main reason for this is that many view NPOs as strictly private organizations, and while this may be theoretically true, they do also serve public purposes and offer public goods. In trying to capture the complex relationships and blurring boundaries between nonprofits and government, Young (2006) argues that these relations should be viewed through three dimensions: supplementary, complementary, and adversarial. At times nonprofits provide public goods above the level of government offering (i.e., supplementing government services), in other cases nonprofits complement government by partnering or contracting with them to deliver a good or service; and finally, nonprofit advocacy may take on an adversarial role to public policy and thus government may seek to induce or prod private, voluntary action in a particular direction (Young, 2006). Therefore, NPOs have both public and private dimensions to them.

Recently, Bozeman and Moulton (2011) sought to further clarify the boundaries of organizations by opposing explanations of “publicness” to those of “privateness” (see also, Fryar, 2012). They argue that while publicness is understood as “the degree of political authority constraints *and* endowments affecting organizations” privateness captures “the degree of *market* authority constraints and endowments affecting the institution” (Bozeman & Moulton, 2011, pp. i365, italics in original text). Thus, we can better explain publicness by exploring privateness and its relationship to marketization. Bozemen and Moulton state, “All organizations are subject to influences of publicness and privateness and they vary in the degree to which they are subject to each. This

variation permits one to identify organizations as “more private” or “more public,” not only as a whole but also with respect to key organizational dimensions” (2011, p. i365). Nonprofits provide a unique avenue for exploring these key organizational dimensions from a different perspective than merely defined public and private agencies.

Not unlike the effects of marketization on NPOs, the degree of publicness, too, will impact NPOs. Studies show that nonprofit survival and growth can be attributed to government contracts and grants (Gazley, 2008; Salamon, 2003). In addition, government funding affords NPOs access to the political process and provides further opportunities for advocacy (Chavesc, Stephens, & Galaskiewicz, 2004). Increased professionalism of workers within the nonprofit sector is also a noted consequence of government funding; moreover, nonprofits that rely on professional staff and collaborate with others are more likely to receive government support (Suárez, 2011).

Other research however shows another side of government involvement with NPOs. Too much funding or control by government can lead NPOs to become government vendors that may drift away from their mission, goals, and clients (Frumkin & Andre-Clark, 2000; Salamon, 1995). Government control can come in many forms such as state regulations and the degree to which government agencies and the legislature holds NPOs accountable. For example, McBeath and Meezan (2010) find that the introduction of performance-based (i.e., use of incentive payment structure), managed care contracts with nonprofit child welfare agencies in Michigan led organizations to be overly focused on efficiency rather than foster care child outcomes of family reunification which may be a more accurate measure of program success. In the end,

NPOs can become more bureaucratic, less flexible, and less autonomous from government (Frumkin, 2005; Grønbjerg, 1993; Smith, 2004; Smith & Lipsky, 1993).

Research also demonstrates that reliance on government funding decreases the likelihood that nonprofit boards will be more representational of their communities; therefore, organizations which depend less on government funding and more on volunteer labor will have stronger boards that are more representative of their localities (Guo, 2007).

Possibly, board representativeness could be another indicator of a business-like strategy.

Given the pivotal role government plays in NPOs behaviors and actions, it is expected that:

Hypothesis 3: Greater government control will increase the adoption of business management strategies by nonprofit managers.

Hypothesis 4: Receiving government funding will decrease the adoption of business management strategies by nonprofit managers.

These propositions seek to capture the effects of publicness (i.e., control and funding) on nonprofit management. I hypothesize that more government control encourages managers to adopt business practices in order to please their government principals and thereby appear better managed and, overall, more efficient. This reflects a similar trend to what has occurred in public administration with its emphasis on New Public Management principles (i.e., a market orientation that stresses outcomes and efficiency). Conversely, accepting government funding signifies that government is paying nonprofits-either through grants or contracts-to provide a service. NPOs, who receive funding from government, may be selected for funding because they are nonprofits and are thereby expected to deliver quality services motivated by their

charitable missions. Government funding may increase a NPO's financial stability while decreasing its need to use business strategies.

Striving for a Nonprofit Identity: A Case of Institutional Isomorphism?

Even though commercialization and publicness offer some insight into the powerful forces shaping the management and operations of NPOs, other influences, more internal to the sector's identity and value systems, are at work as well. The identity and values of the sector may seem nebulous, but the literature suggests that there are distinctive and identifiable roles of NPOs. If it can be argued that publicness and privateness describe the core characteristics of organizations, is there room to incorporate a role for an agency's nonprofitness, i.e., their identification with a nonprofit core? Dekker (2001, p. 61) ominously speculates what happens "when nonprofitness makes no difference." While considering the distinctive "nature" of nonprofits must be approached with caution, there are ways of depicting NPOs that capture their distinctiveness from government and business entities (Ott & Dicke, 2012), and indeed there is an assumption by many of those in the field and academic community that a nonprofit mindset, to at least some degree, shape organizational management and action (Anheier, 2005; Weisbrod, 2012). This presumption affects how people think about the effects and changes wrought by marketization.

Scholars have spent decades specifying what NPOs are and what they do. Charitable and religious organizations have historical roots dating back to colonial America although modern-day conceptualizations of these organizations have evolved (Hall, 1992; Holland & Ritvo, 2012). The United Nations (2003, p. 18) defines nonprofit

organizations as the following: self-governing, not-for-profit and non-profit distributing, institutionally separate from government, and non-compulsory. Peter Frumkin (2005), a prominent scholar of nonprofits, offers a framework for describing the nonprofit and voluntary sector. He notes that the four distinct purposes of the sector are to promote service delivery, social entrepreneurship, civic and political engagement, and values and faith; any one of these taken to an extreme is problematic.²³ Frumkin argues that while all nonprofit and voluntary agencies should perform each of these functions to some extent, the biggest challenge in the sector is finding the right “fit” and balance between these four objectives (p. 180). Not only do these purposes explain what NPOs do, but they also speak to an inherent value construct of what being a nonprofit should mean. NPOs can create social capital (Putnam, 1995), social trust (Fukuyama, 1996), and social change while also filling in the gap between, or acting as an alternative to, government and business (see also, Ott & Dicke, 2012;

Young, 2006, pp. 49-50), especially on behalf of those who are poor and under-represented. In sum, nonprofits are theorized to serve an important role in society as value guardians that emphasize principles like “community participation, due process, and stewardship” (Eikenberry & Kluver, 2004, p. 136).

Combined, these universal purposes and principles of NPOs lay a theoretical ground work for exploring practices and values practitioners in the sector may identify with and hold in high regard. Perhaps, NPOs managers, professionals, and volunteers take these values and understanding of what makes NPOs special into account when making decisions for their agencies. Yet knowing the extent to which these values and

identity shape management and actions is difficult. One challenge is that nonprofits still have an “unsettled relationship between the state and the market” (Frumkin, 2005, p. 163). If nonprofits succumb to pressures from business and government, then they risk losing the essence of what makes them distinctive and being further institutionalized to practices of the market and public agencies.

DiMaggio and Powell’s (1991) influential theory of institutional isomorphism describes how organizations have the tendency to become more homogeneous to one another. They hypothesize isomorphic changes occur as agencies interact more with one another, depend on other organizations for their resources, professionalize their field, and in particular, if an organizational field relies upon the state for resources, it will then have a higher level of isomorphism. Is it possible for nonprofit and voluntary organizations to maintain their distinctive purposes (i.e., some level of non-profitness) in a setting pressuring them to make decisions based on market and governmental norms? To begin exploring this question, the following propositions are offered:

Hypothesis 5: Higher levels of non-profitness will decrease the adoption of business management strategies by nonprofit managers.

Hypothesis 6: Receiving funding from other nonprofits or foundations will decrease the adoption of business management strategies by nonprofit managers.

It is expected that managers with a greater identification with core nonprofit values and purposes are less likely to utilize business management strategies in their agencies. These administrators may have stronger beliefs concerning how their NPO should be managed; furthermore, they could see what they do as something distinctive from what administrators in business and government do. In addition, NPOs who receive

funding from other nonprofits or foundations are expected to be less likely to adopt business management strategies. This might be attributed to other nonprofit and voluntary agencies encouraging one another to adopt similar norms of behavior. Or, funding from other NPOs may allow administrators to manage without pressures to conform to the practices of business and government.

Background of Child Welfare Agencies

There are compelling reasons for studying the impact of marketization, publicness, and nonfitness on child welfare nonprofit management. Private, nonprofit child welfare agencies offer a rich context for exploring today's evolving state-market-civil society interactions. First, providing services for children's welfare originally began in the private, philanthropic sector (Embry, et al., 2000; Leiby, 1978; Mangold, 1999), starting as early as the 1800s and has continued thus forth (Flaherty, et al., 2008). Caring for abused, neglected, and dependent children is "always [been] a 'privatized' system, never an exclusively public one" (Mangold, 1999, p. 1295). However, in current arrangements, the state maintains the ultimate responsibility for a child's mental, physical, and emotional well-being when they are taken away from their parents or families. Foster care and adoptions represents a rare case where government, so to speak, 'owns' an individual and serves as a proxy for decisions made regarding that child's future.

Secondly, the actions NPOs can take to service children and their families are controlled by public policy decisions. Passage of welfare reform in 1996, The Personal Responsibility and Work Opportunity Reconciliation Act (hereafter PRWORA),

eliminated many of the entitlement programs such as Aid to Families with Dependent Children (AFDC) and Emergency Assistance while giving greater authority to states for providing welfare services. For example, Temporary Assistance to Needy Families (TANF) replaced (AFDC). It created time limits for public assistance programs and work force development became an essential component. Reese (2005) argues that despite the lack of national data on the number of women who lost custody of their children due to welfare reform and their poverty-stricken conditions, state data alone reflects a significant number of women abandoning their children.²⁴ Additionally, welfare reform had strong impacts on state and local governments, as they have had to fund more of child services than in the past (Courtney, 1999; Scarcella, et al., 2006). Another influential component of PRWORA, referred to as the “Charitable Choice” provision, urged states to contract with Faith Based Organizations in the delivery of welfare services. Mangold (1999) and Scarcella et al. (2006) also note the significance of PRWORA since it amended the Social Security Act by adding the word ‘for-profit’, thus permitting private sector, for-profit organizations to receive federal funding for the provisions of foster care. Additionally, amendments to the Social Security Act, specifically Title IV-B and Title IV-E, affected states' federal funding for family prevention and support services and costs for out-of-home placements and adoption (Flaherty, et al., 2008).

Third, nonprofit child welfare agencies are meeting the needs of a critical service area for government. In fiscal year 2011, 646,000 children were serviced by the public foster care system (U.S. Children's Bureau &ACYF, 2012) and the cost of providing services to these children averages around \$20 billion dollars a year (Scarcella, et al.,

2006). The magnitude of children receiving services represents only a small portion of those actually affected by the public foster care system. The families of these children and youth – biological, foster, and adoptive – are also impacted by governmental involvement in their lives. A clear majority of states are soliciting and funding nonprofit organizations to provide services to children while still retaining control over Child Protective Services. The National Survey of Child and Adolescent Well-Being (2001) offers a nationwide estimate regarding nonprofit and private delivery of child welfare services funded by government. In a phone interview with 46 state administrators in 2000, they found that on a statewide basis, at least 90 percent of states surveyed used private providers in foster care placement, residential treatment, and family preservation and family support services (U.S. DHHS & ACF, 2001). Moreover, they discovered that approximately 80 percent of those surveyed reported using for-profit and nonprofit providers to offer family reunification programs, special needs adoptions, and recruitment of foster care/adoptive family services.

And finally, there is a lack of national-level research on how the private and nonprofit provision of child welfare services is occurring (for an exception, see McBeath, et al., 2011). Frequently the data on foster care do not measure what they purport to be measuring, are not longitudinal, are not generalizable to the broader foster population, and lack a systematic understanding of the child's well-being upon entry into the system i.e. a baseline assessments (for further explanation see Rosenfeld, et al., 1997; Usher, et al., 1999). Curran (2009) notes that one of the ongoing criticisms of the modern child welfare system is that “it is not foster care in and of itself that produces poor outcomes

for children but rather a dysfunctional, underfunded child welfare bureaucracy run by poorly trained and over-whelmed staff” (p. ¶7). Furthermore, “Although public child welfare agencies have historically relied upon private agencies to deliver programs and services...very few studies to date have described the characteristics of the private agencies providing child welfare services or the challenges these agencies face” (McBeath, et al., 2011, p. 1). Given the tensions among agencies striving to meet the service needs of children and their families through a web of state-market-civil society interactions offers a rich context for exploring broader trends of the nonprofit sector.

Methods and Data

The effects of marketization, publicness, and nonproftiness on the adoption of business management practices are examined through the perspective of agency managers. Administrators of nonprofit and voluntary child welfare agencies from across the country were surveyed. This sample comes from the classification of charitable statistics using the National Taxonomy of Exempt Entities (NTEE) codes assigned by the Internal Revenue Service and the NTEE-Core Codes (NTEE-CC) assigned by the National Center for Charitable Statistics (NCCS). Organizations were selected only if they were classified as a human service foster care agency with the assistance of the Urban Institute where the NCCS is housed and managed (Boris, De Leon, Roeger, & Nikolova, 2010).²⁵ While many of these NPOs perform a variety of child welfare services (e.g., adoption, advocacy, and family preservation), their agency’s classification falls under NTEE and NTEE-CC codes of foster care services. The choice to sample the population in this manner does remove some of the larger, national agencies like Catholic

Charities from the known population of foster care providers. However, it is virtually impossible to identify large nonprofits like Catholic Charities through the NTEE and NTEE-CC system because they are often classified under more general charity type like human service agencies.²⁶ This sample does not represent a precise sampling frame of NPOs providing foster care services, and as other have noted, this is due in part to the fact that there is no exact count of the number of NPOs, as well as for-profit agencies, offering child welfare services nationwide (McBeath, et al., 2011). Nevertheless, this work does begin to at least identify a portion of NPOs who are providing child welfare services.

After compiling an initial list of nonprofit foster care agency providers, I conducted further research online and by telephone to find email addresses of top administrators at each agency and to verify the NPOs provided some form of child welfare or advocacy service. A total of 426 managers were included in the sampling frame, and of that, 184 individuals participated in this research giving a response rate of 43 percent.²⁷ The data come from an online survey collected between April 12, 2012 and June 27, 2012. The design of my survey instrument is derived from a combination of literature reviews of nonprofit, public administration, and social work research as well as the results of research conducted by the National Quality Improvement Center on the Privatization of Child Welfare Services.²⁸ The 54 question survey should have taken respondents between 20 to 25 minutes to complete. Observations come from NPOs in 38 different states.

Dependent Variables

Four dependent variables measure the adoption of business management strategies in child welfare nonprofit and voluntary agencies. These dependent variables are *receiving fees-for-services*, *engaging in marketing alliances with businesses*, *need to professionalize agency* by replacing volunteers, and *running my agency like a business*. The frequency of acquiring private fees-for-services and using cause-related marketing alliances with businesses are measured on a three-point scale of never, occasionally, and frequently. The third dependent variable is three-point scale based on whether they agree, are neutral, or disagree with the following statement: “there is a need to replace volunteers with professional staff members.” Lastly, managers were asked on a day-to-day basis, how important is “running my agency like a business” in informing your decision-making. A four-point Likert scale of not important at all or slightly important, moderately important, or extremely important explains perceived importance of running their agency like a business. Table 3.1 presents the descriptive statistics in more detail.

Independent Variables

The role marketization trends may play in the adoption of business management practices is examined through two variables. The first variable is an exploratory factor score labeled the “influence of the business community.”²⁹ A factor score helps identify key constructs of a particular concept in addition to relying on intuition and theory (Fabrignar & Wegener, 2012). The measured variables creating *the influence of business community index* are based on Likert scales of agreement and disagreement with the following five statements: 1) There is greater competition with businesses for

government contracts and funding; 2) There is pressure to generate commercial revenues and fees-for-services; 3) Businesses providing child welfare services presents a challenge to your agency's service provision; 4) Competition with other agencies over funding presents a challenge to your agency's service provision; and 5) Large donors or corporations influencing management or programs presents a challenge to your agency's service provision. These variables factor around one score (eigenvalue=1.53). In addition, the Cronbach's alpha's is .67 which is a fairly reliable and internally consistency measure of the index. Both of these scores indicate that the index is capturing the underlying construct of what I have termed the influence of the business community.³⁰ A second, binary variable of whether a NPO *receives funding from business corporations* is also used to further explore the effects of marketization.

The impact of publicness on the adoption of business management practices is measured with two variables. First, a *government control index* is captured through factor score analysis. The government control index is created from six survey questions: 1) If your agency stopped receiving government funds, how would this affect daily operations; 2) The level of influence of State Child and Family Services Review findings and your state's Program Improvement Plan on your agency's operations; 3) The level of influence of state regulations on agency operations; 4) How involved are the public child welfare agencies and 5) state legislatures in holding your agency's operations accountable; and, 6) The extent to which strong governmental influence over agency operations presents a challenge to effectively providing services. The reported eigenvalue from this scale is 1.52 and the Cronbach alpha is .67. Together, these scores signify the index is fairly

reliable and an internally consistent measure of what I refer to as government control.

Another binary variable that helps explore the influence of publicness is whether or not a NPO *receives government funding* from either state legislatures or public child welfare agencies. A majority of the literature on publicness includes a dimension of agency ownership in their statistical models. Given the fact that all organizations in this sample are private, nonprofit agencies, and that measuring ownership in the nonprofit and voluntary sector is difficult to account for, these models do not include the typical ownership variable.³¹

The final variables of interest addresses how managers identify with the nonprofit purposes and values NPOs serve in society – nonfitness – and whether they are receiving funding from other nonprofits and foundations. Exploratory factor analysis is employed to demonstrate the extent to which managers agree with the following seven statements about nonprofit organizations' role in society in that they: 1) Act as an alternative to government by protecting and promoting individual and community values and interests; 2) Experiment or be innovative in programs, processes, and service delivery; 3) Drive social change; 4) Serve poor, under-represented, or disadvantaged individuals; 5) Promote causes and policies on behalf of clients and communities; 6) Bring communities together and develop social trust; 7) Provide or supplement services government and business cannot or does not offer. Rather than viewing nonprofits purposes independently, the real distinctive nature of NPOs may be in the combination and clustering of their roles (Salamon, Hems, & Chinnock, 2000). Explaining the identity and values of the nonprofit sector is comparable to what Moulton and Eckerd (2012) refer

to as their “Nonprofit Sector Public Role Index.” Similar to their findings, the managers in this sample identify with the particular purposes of the nonprofit and voluntary sector. Combined, these measures have a high eigenvalue score of 4.31. The Cronbach alpha of .91 is also high indicating that the *nonprofitness index* is capturing an underlying concept. The final binary variable that explores the influence of other nonprofits and foundations is whether NPOs *receives funding from other nonprofits and foundations*.

Table 3.1

Descriptive Statistics

	Mean	SD	Min	Max	N
<u>Dependent</u>					
Fees for services	1.68	0.79	1.00	3.00	151
Marketing alliances	1.80	0.76	1.00	3.00	149
Running agency like business	2.91	0.96	1.00	4.00	148
Need to professionalize	1.96	0.85	1.00	3.00	163
<u>Independent</u>					
Influence of the business*	0.00	1.00	-1.98	2.97	138
Government control*	0.00	1.00	-2.20	2.18	134
Nonprofitness*	0.00	1.00	-4.38	1.16	156
Receives funding from businesses	0.78	0.41	0.00	1.00	166
Receives funding from government	0.80	0.40	0.00	1.00	179
Receives funding from nonprofits	0.64	0.48	0.00	1.00	159
<u>Controls</u>					
Agency's operational budget size	3.54	1.47	1.00	6.00	184
Range of services	5.11	3.07	0.00	14.00	184
Offers advocacy service	0.48	0.50	0.00	1.00	184
Provides services in rural area	0.31	0.46	0.00	1.00	167
Board member from business	0.82	0.38	0.00	1.00	145
Board member from government	0.32	0.47	0.00	1.00	145
Female	0.55	0.50	0.00	1.00	143
Executive director	0.65	0.48	0.00	1.00	155
Education level	2.74	0.79	1.00	4.00	146
Business background and training	0.28	0.45	0.00	1.00	153

Worked in business	0.11	0.32	0.00	1.00	149
--------------------	------	------	------	------	-----

*Factor scores are standardized, with a mean of 0.00 and a standard deviation of 1.00.

Control Variables

Agency and individual level characteristics are controlled for in these models.

There are six agency level controls. The first measure is of an agency's *operating budget revenues* for fiscal year 2011 with 45% of managers reporting revenues of less than \$1 million, 30% with revenues between \$1million and \$4.9 million, and 25% with revenues of \$5 million or more. *Range of services offered* captures the different number of child welfare services an agency provides with up to 14 different choices available (mean = 5.11 and standard deviation = 3.07). Several NPOs *offers advocacy services* for children and families (mean = 48%). *Provides services in rural area* measures whether a nonprofit organization offer services in rural areas (mean = 31%). Two other agency level controls are whether they have a *board member from business* (mean = 82%) and a *board member from government* (mean = 32%).

At the individual level there are five control variables for managerial characteristics. These controls are important because they could have different effects on agency practices and their reported adoption of business management strategies and thus needed to be accounted for. *Females* account for 55% of respondents. The *executive director* or president variable measures whether the respondent is the top administrator (65%) at their agency or have a different position. *Education level* is a categorical level variable reporting their level of education with 8% reporting less than a BA or BS degree, 23% reporting a BA or BS degree, 56% reporting a Master's degree, and 13% reporting a PhD or Doctorate degree. The *business background and training* variable measures

whether they have a professional background or training in the area of business (11%) and *worked in a business corporation* measures whether they have worked in a business corporation (23%).

Statistical Approach

All four models of business management practices are based on categorical dependent variables. Two dependent variables, *charging fees for services* and *engaging in marketing alliances with business*, are based on a frequency of occurrence from never to occasionally to usually. *Need to professionalize agency* by replacing volunteers is measured on a range from whether respondents agree, neither agree nor disagree, or disagree with this practice. I test all these relationships using a multinomial logistic model given that the dependent variables in these three models do not have a natural ordering to them.³² Multinomial logistic models does limit analysis to comparing alternatives and relative change by examining one category at a time; nonetheless, it is still a useful statistical approach for studying statistical relationships among categorical variables (e.g., see Feeney, 2008; Guo, 2007; Stratton, O'Toole, & Wetzel, 2008).³³ Of the four dependent variables, only the fourth variable of *running my agency like a business* has a natural ordering based on a range of importance from one to four; hence, an ordered logistic model will be employed.

The results and interpretation of these models are presented as odds ratios. For the multinomial logistic models, positive and significant independent variables have values above one indicating an increased odd of being in the non-reference category, controlling for other variables in the equation. Conversely, an odds ratio of less than one signals that

the independent variable decreases the predicted probability of being in the non-reference category holding all other variables at their means.

Results

The findings of nonprofit adoption of business management strategies are presented in four tables with only the key variables of interest displayed. The full models are presented in Appendix A. Table 3.2 and 3.3 presents the results of occasionally and usually charging fees for services, and using marketing alliances with businesses, when compared to the reference category of never doing these practices. Table 3.4 displays the findings of whether managers agree or are neutral about there being a need to professionalize their agencies by replacing volunteers compared to those who disagree. The final model of running my agency like a business is presented in Table 3.5.

Fees for Services

Three of the key independent variables (1) *influence of the business community index*, (2) *receiving funding from business*, and (3) *government control index* are significantly related to charging fees for services. First, an increase in the *influence of the business community index* leads to an increase in the likelihood of NPOs charging fees for services when compared to those who never charge fees for services. More specifically, a one point increase in the business community's influence is associated with increased odds of usually charging fees for services by a factor of 2.4. Secondly, *receiving funding from business* increases the likelihood of occasionally charging fees for services. Therefore, agencies that receive money from business are 345% more likely to occasionally charge fees for services compared to those who never do. And finally, more

government control is associated with decreased odds of charging fees for services; thus, a one point increase in the *government control index* decreases the likelihood of usually charging fees for services by 67%. The other key variables of interest- *receiving funding from government, nonprofitness index, and receiving funding from nonprofits and foundations*-are not significant predictors of the frequency with which agencies charge fees for services.

Table 3.2

Multinomial Logistic Regression of Charging Fees for Services

<i>Independent Variables</i>	Occasionally versus Never		Usually versus Never	
	Odds Ratio	SE	Odds Ratio	SE
Influence of the business community index	1.785	0.670	2.364*	0.943
Receives funding from businesses	4.450*	3.292	1.141	0.940
Government control index	0.520	0.216	0.331*	0.170
Receives funding from government	1.240	0.939	0.497	0.384
Nonprofitness index	1.266	0.403	0.798	0.250
Receives funding from nonprofits/foundations	0.459	0.271	1.762	1.249

*Reference category: Never; N=151; $\chi^2 = 89.068^{***}$; Log likelihood full model - 109.484; * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$*

By examining the model of charging fees for services, I find support for the hypotheses that increased influence of the business community and accepting funding from business corporations leads to the adoption of business management practices by child welfare agencies. Businesses commonly charge for their services and products, and in the context of these child welfare agencies, 48% of them reported charging fees for services at least on an occasional basis. Contrary to what was suspected, more

government control does not lead to an increase in the likelihood of using fees for services. This could be attributed to the fact that if government is controlling an agency through state and federal regulations or accountability measures (e.g., specified in contracts), government may also discourage agencies from charging fees. It is also possible that government could have more control of one services area (e.g., foster care and adoption) and less control in another (e.g., advocacy or family support services). In addition, government funding may be sufficient to cover the costs associated with service provision making fee charges no longer necessary.

Alliances with Businesses

The *influence of the business community index* and *receiving government funding* are significant predictors of NPOs engaging in cause-related marketing alliances with businesses to market an image, product, or service for mutual benefit. An increase in the *influence of the business community index* increases the odds of usually engaging in marketing alliances with business when compared to never while *receiving funding from government* is associated with a decrease in the odds of occasionally creating business alliances. Respectively, a one point increase in the *influence of the business community index* increases the odds of usually versus never creating alliances with businesses by 149%. Correspondingly, nonprofits that accept government funding are 71% less likely to occasionally use marketing alliances with businesses. Creating marketing alliances with businesses was not found to be associated with *receiving government funding*, *government control index*, *nonprofitness index*, or *receiving funding from nonprofits and foundations*.

Table 3.3

Multinomial Logistic Regression of Engaging in Marketing Alliances with Businesses

<i>Independent Variables</i>	Occasionally versus Never		Usually versus Never	
	Odds Ratio	SE	Odds Ratio	SE
Influence of the business community index	1.217	0.410	2.486**	0.967
Receives funding from businesses	0.552	0.358	1.857	1.518
Government control index	1.077	0.391	1.514	0.694
Receives funding from government	0.289*	0.187	0.291	0.248
Nonprofitness index	1.204	0.310	1.863	0.706
Receives funding from nonprofits/foundations	2.337	1.328	0.836	0.562

*Reference category: Never; N=149; $\chi^2 = 68.179^{***}$; Log likelihood full model - 123.828; * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$*

Thus, I find evidence in support of hypotheses 1 and 4. An increasing level of business community influence does increase the likelihood that a child welfare agency will engage in marketing alliances with businesses. NPOs may actively seek out alliances with businesses because they believe it will be financially beneficially and/or improve their agency's presence and recognition in the community. On the other hand, these agencies could feel pressured to seek out alliances with businesses out of necessity or due to the lack of other resources. Correspondingly, child welfare agencies who accept government funding may be less likely to financially need to engage with business marketing alliances.

Need to Professionalize

The *influence of the business community index* and *receiving government funding* are related to the likelihood of nonprofit managers reporting a need to professionalize

their agencies. Greater *influence of the business community* increases the odds of NPOs managers reporting they feel a need to replace their volunteers with professional staff members than those who disagree, holding all other variables at their means. Thus, a one point increase in the *influence of the business community index* is positively associated with managers agreeing that there is a need to professionalize their agency by a factor of 4.9 times and by a factor of almost 2 times for those who are neutral, compared to those in the disagree category. Additionally, nonprofits that take government funding are 365% more likely to be neutral regarding professionalizing their staff when compared to those who disagree with replacing volunteers.

Table 3.4

Multinomial Logistic Regression of Need to Professionalize Agency

<i>Independent Variables</i>	Neutral versus Disagree		Agree versus Disagree	
	Odds Ratio	SE	Odds Ratio	SE
Influence of the business community index	1.949*	0.781	4.850***	0.781
Receives funding from businesses	0.526	0.356	0.662	0.450
Government control index	0.887	0.357	0.585	0.238
Receives funding from government	4.648*	3.722	0.957	0.672
Nonprofitness index	0.965	0.241	1.294	0.358
Receives funding from nonprofits/foundations	1.049	0.618	1.183	0.677

*Reference category: Disagree; N=163; $\chi^2 = 72.690^{***}$; Log likelihood full model - 141.813; * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$*

As in similar business management practices, *nonprofitness index*, and *receiving funding from nonprofits and foundations* are not significant predictors of perceived need of agency professionalism. Furthermore, the *government control index* is not significant while *receiving government funding* is only significant in the neutral category.

Among those child welfare agencies with managers who report needing to replace volunteers with professional staff members, evidence suggests they are being impacted by the business community. Not surprisingly, growing influence from the business community predicts the likelihood that managers will want to professionalize their agencies.

Running Their Agency Like a Business

The only key variable of interest that positively and significantly increases the likelihood of NPO managers choosing to run their agency like a business is the *influence of the business community index*. Generally, greater influence of the business community leads managers to place an increased level of importance on running their agency like a business. More specifically, a one point increase in the *influence of the business community index* increases the odds that managers find running their agency like a business as more important by a factor of 1.6. To put it another way, a point increase in the index means managers are 60% more likely to consider it is more important to run their agency like a business. In this table, two additional variables that further explain why managers run their agency like a business are included: having a *business board member* and receiving a *business background and training*. These variables are not significant in the other business management strategies models, but are included here because they depict just how powerful the business community via business education and board member influence is on management strategies. NPOs with a *business board member* are 375% more likely to run their agency like a business. Additionally, NPO managers with a *business background and training* are 310% more likely to report

running their agency like a business. The other key variables of interest were not statistically significant predictors of manager’s running their agencies like a business.

Table 3.5

Ordered Logistic Regression of Running My Agency Like a Business

<i>Independent variables</i>	Odds Ratio	SE
Influence of the business community index	1.596*	0.396
Receives funding from businesses	0.598	0.286
Government control index	0.927	0.251
Receives funding from government	1.991	1.039
Nonprofitness index	1.127	0.235
Receives funding from nonprofits/foundations	0.901	0.374
Business board member	4.752***	-2.402
Business background and training	4.103**	-2.494

*N=148; $\chi^2 = 62.277^{***}$; Log likelihood full model -158.408; Pseudo $R^2 = 0.164$; * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$*

Similar to the other business management practices models, greater influence from the business community increases the odds that administrators will report that running their agency like a business is important to them. Some may find it surprising that these managers would identify with the statement of “running my agency like a business” when they work in the child welfare field. I would argue, however, that this gives further credence to the power of a business-minded approach and philosophy within nonprofit and voluntary agencies. Interestingly, other factors like having a business board member and professional training also cause managers to identify with the value in running their agency like a business.

Discussion

The analysis presented in this paper examines whether child welfare nonprofit and voluntary agencies are implementing business-based management strategies, and, the

extent to which external and internal forces are affecting their actions. Conversations regarding the marketization of NPOs are not a new phenomenon; and yet, this research further contributes to this on-going dialogue in interesting ways. The results show that managers of child welfare nonprofits are charging for services and the likelihood of usually imposing fees are positively influenced by the business community and negatively associated with government control. The likelihood of managers usually engaging in cause-related marketing alliances with businesses increases with more business community influence. Child welfare managers who agree that their agency needs to professionalize its workforce are also being impacted by the business community's influence. And finally, administrators, who report "running their agency like a business" is important to them, can be attributed to pressures from the business community, having business board members, and having a background and training in business. Ultimately, the best predictor of these management strategies is the influence of the business community (e.g., competition and pressures to generate commercial revenues). Part of the intrigue lies in attempting to determine the tipping point for when nonprofits become 'shadow businesses' or 'for-profits in disguise' and thereby lose some of their nonprofit identity. This research empirically supports the theory that nonprofits are undergoing commercialization of their practices (Ott & Dicke, 2012; Weisbrod, 1998) and values; moreover, I find that this is occurring in an unexpected human service area like child welfare nonprofits. The consequences of NPO's adopting business management practices are profound.

The data presented in this research demonstrates the power and influence of the business community on the management of child welfare agencies. Similar to what others have suggested, “When faced with large new opportunities for commercialism, many nonprofits seem quite willing to shed their altruistic cover and assume the values and behavior of for-profits” (James, 1998, p. 285). Explaining the extent to which these child welfare agencies managers ‘know’ that they are being influenced by business pressures cannot be detected; nonetheless, the results of this investigation does seem to indicate a business mindset in some of these administrators. Surprisingly, measures of government control and funding did not reduce the adoption of business management strategies in most models; moreover, managers’ level of nonprofitness did not reduce the adoption of business management practices in any of the models. Thus, indicates that while publicness and nonprofitness may matter in other management practices, their influences on using business management practices pale in comparison with that of privateness. The results of the data suggest that the management of child welfare agencies is succumbing to isomorphic pressures placed on them by the business community.

The data offers support for the perpetual blurring and blending of the sectors. Scholars have long speculated the extent to which the blurring between NPOs and business and NPOs and government puts civil society at risk in long run (Alexander, et al., 1999; Eikenberry & Kluver, 2004). The implications of these trends of nonprofits adopting business management practices are yet to be decided. For decades private firms have been crying foul and “unfair competition” because revenue generating nonprofits are not being taxed (Rose-Ackerman, 1990). Additionally, NPOs and private foundations

represent an area of the U.S. economy that is having substantial growth of its financial revenues and assets (Arnsberger, Ludlum, Riley, & Stanton, 2012). Government has yet to respond to these criticisms by revoking NPOs tax-exempt status. But given the decreasing revenue streams of government, along with increasing lobbying power of corporations (e.g., the *Citizens United v. Federal Election Commission* case), imagining a future where taxing NPOs is not considered a viable revenue source for government seems unlikely. This may be particularly relevant to NPOs that are charging fees for services and using for-profit subsidiaries to pay for their other services.

The findings of this research also have implications on a more specific level for organizations providing child welfare services and advocacy. It raises normative questions regarding what *should* be influencing the management of nonprofit organizations. One might expect that some sense of a nonprofit identity and values would impact a manager's decision to utilize business management practices i.e., decrease the likelihood that administrators would rely on these strategies in running their agency. However, evidence from this research suggests otherwise. The consequences of child welfare agencies embracing a market orientation will likely have significant and possibly negative impacts on children and their families. Research has already demonstrated that government contracts specifying performance-based outcomes are leading to an increasing focus on efficiency at the cost of child outcomes (McBeath & Meezan, 2010). Additional research also shows the potential negative consequences of commercialization on individual agencies and the sector. For example, Guo (2006) surveyed 67 different human service organizations and found that higher levels of commercial income did not

significantly improve nonprofits ability to achieve their mission and service their clients. Others suggest that viewing clients and citizens as consumers, due in part from commercial and business mentality pressures, can have negative effects on civil society, citizens, and other major institutions (Backman & Smith, 2000; Eikenberry & Kluver, 2004). In the case of child welfare agencies, we do not know the impact of employing business management practices on the outcomes of children and their families. At best it may have no effect and at worst it could have devastating consequences for children and youth in the system. If managers focus more on survival and competition with other agencies for resources, then they may lose focus on their primary mission and responsibility to children and their families.

Conclusion

This research responds to Dekker's (2001) question of what happens "when nonprofitness makes no difference?" with "they adopt business management strategies and start running their agency like a business." This study describes the pervasiveness of the business community's influence on the management of child welfare agencies. It demonstrates how child welfare agencies have yielded to isomorphic pressures from the market and have therefore taken on management strategies similar to that of private, for-profits such as charging fees for services, engaging in marketing alliances with businesses, professionalizing their agency staff, and running their agency like a business.

Chapter 4

TO COLLABORATE OR NOT TO COLLABORATE: A MULTI-THEORETICAL EXPLANATION FOR COLLABORATION AMONG CHILD WELFARE NONPROFITS

Just as the practice of interorganizational relationships such as collaboration, partnerships, and alliances among nonprofit organizations has proliferated so too has the study of these relationships (Cairns, Harris, & Hutchinson, 2011; Guo & Acar, 2005). Collaboration has been especially prevalent among human service agencies (Provan & Milward, 1995; Selden, Sowa, & Sandfort, 2006; Sowa, 2008) such child welfare organizations (Glisson & James, 1993; Horwath & Morrison, 2007). However, collaboration is not an end unto itself (McGuire, 2006) and when service delivery nonprofit organizations (NPOs), like child welfare agencies for example, have a proclivity towards collaboration it is ultimately based on their concern for practice (Smith & Mogro-Wilson, 2007).

There are several theoretical explanations for why organizations collaborate (Guo & Acar, 2005; Sowa, 2009). However, consensus about how collaborations among service delivery partners operate and their implications is still far from being reached (Sowa, 2009). The most commonly used theoretical explanation for why agencies of any type collaborate is resource dependency (Gazley & Brudney, 2007; Grønbjerg, 1993; Guo & Acar, 2005). In times of scarce resources, competitive forces, and environment constraints, a NPO's desire for survival can make collaboration the most viable avenue

for achieving resource stability, securing existence, and accomplishing mission and goals (Pfeffer & Salancik, 1978).

Another theoretical justification for why organizations, in this case NPOs, begin to embody new organizational forms and practices like collaboration is institutional isomorphism (DiMaggio & Powell, 1991b). Most of these studies, however, focus upon the more structural or legal elements of institutionalism in describing collaborative behaviors. Scott and Davis (2007) note while these elements are important, there are underlying social obligations, shared understanding and logics of action that provide stability and meaning for social life (i.e., social institutions). Furthermore, they maintain that social institutions can have greater impacts on behavior than the more easily measured and somewhat superficial regulative and legal institutional constraints. In particular, utilizing an organizational theory and sociological perspective of institutions, it could be argued that environmental pressures in the form of informal normative beliefs and mimetic structures (i.e., the more deeply held and harder to measure unwritten or social rules of the game) placed upon agencies by different sectors could be shaping interagency collaboration. Some have noted a need for collaborative researchers to employ this sociological perspective to better assess organizational behavior (Gazley, 2010).

A third reason NPOs may collaborate stems from their desire to improve organizational services and administration. Little research, though, specifically examines how past organizational outcomes rather than client outcomes shape future collaborative behaviors. In her exploratory study, Sowa argues that most research focuses on the

impacts of interagency collaboration on “general systems of services (i.e., health care), on the nature of the services provided, and on the clients served...rather than focusing on the impact on the individual organizations that chose to engage in collaborative service delivery” (2009, p. 1014). An organization’s experiences with collaborations and the results produced from those arrangements will likely influence prospective partnerships.

And finally, decisions to collaborate may be a function of a network effect. The embedded nature of organizations in social structures creates opportunities for developing networks that enable organizations to achieve goals, but these same networks could also constrain behaviors (Granovetter, 1985). Guo and Acar (2005) contribute to this literature by connecting network theory to board linkages. They find that having board members with greater connections to other nonprofit organizations increases the formality of collaborative relationships. There are other ways of thinking about how board members influence collaboration. The sector in which a board member works could also affect how frequently NPOs partner. Sectoral membership has been found to be an important consideration that influences organizational behavior regarding partnering with others (Gazley & Brudney, 2007).

If scholarship is truly to inform practice, then understanding collaboration through a multi-theoretical lens is needed (Guo & Acar, 2005; Oliver, 1990; Rethemeyer, 2005). Moreover, some suggest that nonprofit scholars have used too narrow of an approach when studying collaboration and scholars and practitioners alike would benefit from a more generic construction of the collaboration concept (Cairns, et al., 2011; See also Huxham & Vangen, 2001). Collaboration comes in many forms, sizes, and levels;

consequently, if scholars wish to further advance our understanding of interorganizational relationships then it will be helpful to recognize this fact. Collaboration in this paper will be broadly explored as a relationship or partnership between two NPOs.

This article builds upon prior work in the field to craft a theoretical framework for examining nonprofit intra-agency collaboration that infuses both traditional explanations with new approaches for why organizations collaborate. The driving focus of this research is to answer how we can best explain why nonprofit organizations collaborate with one another. Examining data from 161 child welfare nonprofits, I will show how normative commitments to the nonprofit sector, organizational outcomes from past collaborative experiences, a changing environment, and board members' sector affiliation shape collaboration frequency between NPOs. This paper will identify gaps in the literature by reviewing theories of why nonprofits collaborate to test a set of hypotheses in the context of child welfare collaborations in particular. After discussing the data and results of an OLS regression on NPOs collaboration frequency, implications for child welfare agencies and the broader nonprofit sector will be considered.

Existing Research and Areas of Exploration

Much of the research on collaboration among nonprofits examines their relationships with government or business organizations and does not speak to their specific, within sector relationships across a national population. Even when scholars have studied collaboration they have often overlooked the normative institutional commitments that shape organizational behavior including pressures to conform to nonprofit, government, or business norms. Additionally, while some have examined the

effects past collaborative experiences have on the future of interorganizational relationships, few have examined this strictly in the context of how organizational outcomes from collaborating will impact their future decision to collaborate (for exception see, Chen, 2010). While normative institutional pressures should matter, factors external to the organization's environment like the nature of resources and changing environments will affect an agency's decision to collaborate. And, the socially embedded nature of board of directors in other organizations as well as their own professional norms could have a compounding influence on a NPO's decision to collaborate. Furthermore, agency characteristics may also shape collaborative behaviors but there is no scholarly consensus on how and to what extent. Finally, the context of collaboration matters i.e., the types of agencies collaborating with one another could also be theoretically telling for their niche service type and have implications for the sector at-large. The following sections will elaborate these theoretical challenges.

Sociological and Normative Institutional Pressures

Using the perspective that sociological and normative institutional pressures on organizations are meaningful and consequential, this paper explores how NPOs experiences these tensions from both within and outside of the nonprofit sector. From this institutional perspective, nonprofits may knowingly or unknowing be pressured from their external environment to conform to field norms, and through conforming to these forces, organizational survival can improve significantly (Meyer & Rowan, 1991). Guo and Acar's (2005) advance our thinking about the institutional effects on nonprofit collaborations by examining societal level (legal influences) and industry level (industry

regulation) impacts. They find evidence that these pressures do shape the degree of nonprofit formality of collaborations, but they do not explore specific organizational level influences. Unfortunately, there is little research which explains how internal normative institutions regarding sectoral expectations of behavior could be influencing organizational decision-making. Other research clearly suggests that NPOs have key organizational characteristics and values that make them different from for-profits and government entities (Ott & Dicke, 2012). There is even a theoretical assumption that identifying with the sector's purpose and values would, to at least some extent, shape organizational management and action (Anheier, 2005; Weisbrod, 2012). Both theoretical and empirical literature supports the special role nonprofits serve in society.

For example, in their review of the literature Moulton and Eckerd (2012) find support for a "Nonprofit Sector Public Role Index." Their index identifies six unique roles NPOs have including: service provision, social change, social capital, political advocacy, citizen engagement/democratization, individual expression, and innovation. Given that individuals in their survey recognize and distinguish between these values and roles, NPOs may be prompted to behave in a manner that conforms to norms of their field. Through trying to adhere to normative commitments, nonprofits are encouraged to tackle society's toughest and most challenging problems. In turn, nonprofits use collaboration as a mechanism to help them achieve their goals and mission as well as to improve agency operations (Agranoff & McGuire, 2004; Bryson, Crosby, & Stone, 2006; Sowa, 2009; Vernis, Iglesias, Sanz, & Sanz-Carranza, 2006). It is expected that when nonprofit organizations identify with some level of "nonprofitness" or what Moulton and

Eckerd refer to as a “Nonprofit Sector Public Role Index,” their collaboration frequency would increase i.e., these underlying normative pressures to adhere to the view of sector as charitable and philanthropic (Bremner, 1988; P.D. Hall, 2006) will shape decision-making. The following hypothesis is proposed:

Hypothesis 1: Higher levels of identification with nonprofitness will likely increase the collaboration frequency with other nonprofits.

While one might expect that within sector normative commitments would shape an organization’s decision to collaborate, it is also feasible that external environmental pressures are at work. One such case could stem from the rules of behaviors and market practices used by private, for-profit organizations. For decades scholars have argued that the lines between nonprofits and businesses are blurring, and therefore, “sector-bending” is occurring where imitation, interaction, intermingling, and industry creation is transpiring as nonprofits adopt a greater market orientation (Dees & Anderson, 2003). This process of NPOs employing market practices and assuming a market orientation is referred to as marketization or commercialization. The commercialization of the nonprofit sector is particularly relevant for social welfare organizations as they have taken-up “market-type relationships” (Salamon, 1993, p. 17; Weisbrod, 1997). These practices and pressures come in many forms such as: generating revenue and fees for services (Aspen Institute, 2001); being more entrepreneurial and resourceful (Dees, et al., 2001); competing with business and other nonprofits for funding and contracts (B.S. Romzek, LeRoux, & Blackmar, 2012; Ryan, 1999); and having programs and management being influenced by large donors or corporations (Eikenberry & Kluver, 2004).

Although some recognize that nonprofit behaviors are changing and being shaped by these market pressures, few, if any have empirically studied how these practices are impacting intra-sectoral collaboration. In essence, collaboration and competition between NPOs theoretically sit at two ends of a spectrum. Nonprofits that see themselves in competition with others and adopt more of a market orientation (i.e., experience stronger business influences) could be more reluctant to collaborate. Without knowing if collaboration will give them a competitive advantage, NPOs may prefer to work alone. In some cases, organizations may experience more tension to compete and to conform to market norms, while at other times, they connect with nonprofit sector values and therefore aim to fulfill their mission and goals through collaboration. Thus the following hypothesis is proposed regarding market pressures and the propensity to collaborate:

Hypothesis 2: Greater pressures to conform to the influence of the business community will likely decrease the collaboration frequency with other nonprofits.

In addition to experiencing pressures to adhere to business principles, NPOs also experience pressure to act in accordance with government rules, regulations, and other norms of appropriate behaviors. As the state increasingly hollows out many of its social services, nonprofits have filled in this gap and taken-up the delivery of many services (Milward & Provan, 2000; Yang & VanLandingham, 2011). Due to the close relational nature of what NPOs and government do, scholars have explored the evolving relationships between these sectors (Boris & Steuerle, 2006; Salamon, 1995; Weisbrod, 1997; Young, 2006). One lens used to study government's influence on any organizations is "publicness" (Bozeman, 1987). All organizations experience government through various control mechanisms such as regulations, taxation, public policies, and contracts,

it is argued that organizations are subject to varying degrees of publicness (and privateness) (Bozeman & Moulton, 2011). An agency's level of publicness is thought to impact internal organizational operations and managerial values (Boyne, 2002).

Yet, we know very little about how a NPO's level of publicness or informal accountability procedures influence within sector collaboration. Researchers have mainly studied the effects of government control and its influence on NPOs in the realm of cross-sector collaborations (e.g., Bryson, et al., 2006; Cho & Gillespie, 2006; Gazley, 2010; Gazley & Brudney, 2007) or contract management and performance (Brown, Potoski, & Van Slyke, 2006; McBeath & Meezan, 2010; Van Slyke, 2007). In seeking to develop a preliminary theory of informal accountability, Romzek, LeRoux, and Blackmar (2012) find that among social service nonprofit networks there are informal aspects to accountability that impact outcomes which may be just as influential, if not more, than formal accountability procedures. Informal accountability occurs through various mechanisms that promote shared behavioral norms along with systems of rewards and sanctions that encourage particular action among network actors. Thus, applying their logic to formal and informal government control of nonprofit organizations, we may expect the following to be the case:

Hypothesis 3: Higher levels of government control will likely increase the collaboration frequency with other nonprofits.

One challenge for NPOs is that they still have an “unsettled relationship between the state and the market” (Frumkin, 2005, p. 163) and this could change their relationships with one another. If NPOs are succumbing to normative institutional forces from private and public organizations, the essence of what makes them distinctive, and

perhaps more likely to collaborate to solve difficult problems could be on the decline. Conversely, when NPOs recognize that their societal contributions are in the uniqueness of what they do and how they do it, they may be predisposed to greater collaboration with one another. Scott and Davis maintain that when social scientist endeavor to study the normative aspects of institutions, “structures and behaviors are legitimate to the extent that they are consistent with widely shared norms defining appropriate behavior” (2007, p. 260). Thus, research is needed that explores how shared norms of behaviors and organizational attitudes toward nonprofits, government control, and the business community’s influences action; in this case, how normative pressures shape intra-agency collaboration.

Organizational Outcomes from Collaborative Experiences

Much of the research on interagency collaboration focuses on business or government partnerships with nonprofits (e.g., Austin, 2000; Austin & Seitanidi, 2012; Austin, 2003; Gazley & Brudney, 2007; Selden, et al., 2006; Sowa, 2009). The motivating factors for cross-sector collaboration have a diverse range of explanations: resource dependency and scarcity, environmental circumstances, organizational characteristics, sector failure, and leadership (Bryson, et al., 2006; Cairns & Harris, 2011; Snaveley & Tracy, 2000; Sowa, 2009). In a survey of nonprofit executives and local government administrators regarding cross-sector collaboration, Gazley and Brudney argue that “concerns about internal capacity and mission, rather than external factors such as statutory pressure, appear to provide the strongest rationale for entering or avoiding public-private partnerships” (2007, p. 411). This suggests that organizations do consider

how collaboration affects their ability to achieve mission and services in addition to improving administration and agency processes. While much of the literature points to the advantages of collaboration (Lawrence, Hardy, & Phillips, 2002; Vernis, et al., 2006), some studies note the associated disadvantages of partnering with others (Gazley, 2010; Gazley & Brudney, 2007). Despite the proliferation of research on cross-sector relationships, the literature has not offered “conceptual clarity as to the functioning of these kind of relationships and little understanding of the impact of interorganizational relationships on the clients receiving services and the organizations engaged in these relationships” (Selden, et al., 2006, p. 412). This raises questions as to whether collaboration between NPOs either betters client outcomes or enhances the internal capacity of an agency to achieve its mission and operate efficiently and effectively.

Some research shows that nonprofit executives have a strong motivation and predisposition to see the benefits of collaboration (Foster & Meinhard, 2002; Snaveley & Tracy, 2000). Additionally, studies have considered how past relationships and daily experiences of frontline service delivery workers helps them in assessing their collaborative partners and through social processes, their views can in turn impact future collaboration and even create barriers at the organizational level (Sandfort, 1999; Smith & Mogro-Wilson, 2007). Gazley notes that scholars have only just begun to explore how “attitudes towards collaboration are influenced by direct experiences, both positive and negative” (2010, p. 52). In a way, experiences of individuals within organizations, whether they are frontline workers or top executives, will guide collaborative relationships at an organizational level. Moreover, the success of collaboration, to the

extent that it helps or hinders an agency's ability to reach its mission, goals, or improves its administration and procedures may serve as a powerful predictor of future agency collaboration.

Two ways of thinking about how collaboration could specifically influence an agency's operations is through its ability to affect an agency's services and administration. For example, collaboration may either positively or negatively influence an agency's administrative processes such as its oversight and accountability mechanisms, overall financial operations, or program development. Furthermore, collaboration could also impact an agency's services such as the way an agency addresses community and clients' needs, are accountable to clients, or meets their own performance measures. It is speculated that when NPOs experience positive effects from prior collaboration with other NPOs they are more likely to engage in future collaborations.

Hypothesis 4: A positive impact on service quality from past collaborations will likely increase the collaboration frequency with other nonprofits.

Hypothesis 5: A positive impact on administration quality from past collaborations will likely increase the collaboration frequency with other nonprofits.

Resource Dependency

An open-systems approach maintains that organizations rely upon and interact with their environments in order to survive and achieve legitimacy (Buckley, 1967; Katz & Kahn, 1978; Scott & Davis, 2007). Organizations are constrained by their resources and external environments, and collaborating with others can provide some control over and certainty about resource availability and stability, and enhance chances of achieving mutual goals (Pfeffer & Salancik, 1978). Theories of resource dependency have become

the most commonly used explanations for why nonprofit collaborate (Guo & Acar, 2005). Scholars have discovered that NPOs adapt their behaviors (Froelich, 1999; Grønbjerg, 1993) and even embrace certain values and societal roles (Moulton & Eckerd, 2012) based on their resource providers. Funders often encourage collaborations and networks through giving preference to organizations partnering with others or by mandatory requirement for funding (Graddy & Chen, 2006; Shaw, 2003; Snively & Tracy, 2000). And, when resources are scarce cooperation is more likely to occur than competition (Molnar, 1978). Additionally, changes in an agency's environment or resources may increase collaboration (Connor, Kadel, & Vinokur, 1999; Gazley & Brudney, 2007; Provan & Milward, 1995) as NPOs seek stability. The following hypotheses postulate what happens to intra-agency collaboration when nonprofits depend on resources from government, business, and other nonprofits as well as experience changes in their environment.

Hypothesis 6: Receiving funding from outside sources will likely increase collaboration frequency with other nonprofits.

Hypothesis 7: Decreases in government financial support will likely increase the collaboration frequency with other nonprofits.

Hypothesis 8: Increases in demand for services will likely increase the collaboration frequency with other nonprofits.

Board Governance

Board members have a responsibility to ensure the overall direction and performance of a nonprofit and therefore aim to assist agencies in finding the right balance between mission achievement and sound operations (Anheier, 2005). The focus of nonprofit governance is to assess the big picture and steer agency's operations rather

than concentrate on the day-to-day tasks and internal management processes (Hudson, 1999). Research on board governance shows that business board members are a highly favored component of board composition for NPOs (Worthy & Neuschel, 1984); and that diversity of occupations and affiliations in board makeup is preferable overall (Baysinger & Butler, 1985). Siciliano (1996) finds that among YMCA organizational boards, occupational diversity is positively associated with social mission performance and fundraising outcomes. The story of how board members influence NPOs' behavior can be more complex though. In a qualitative study of twelve nonprofit board of directors, Miller (2003, p. 444) finds that when nonprofit board members have unclear and ambiguous roles regarding how to measure organizational effectiveness there is a tendency to monitor in a manner reflective of "their personal or professional competencies...[e.g.,] lawyers tended to ask questions around legal or contract issues." Thus, when board directors are unsure of their duties, they have a tendency to act in accordance with their own professional norms thereby making organizational affiliation and sector experience relevant.

Recognizing the gap in the nonprofit literature on board linkages and collaboration, Guo and Acar (2005) discover a positive and significant relationship between collaboration formality and board linkages to other nonprofit organization. They argue that there is a network effect from the embeddedness of board directors in other organizations that increases collaboration. Accordingly, having board members who work in various sectors could have an influence on the frequency of intra-agency collaboration. Board members have a public relations duty to enhance their agencies

standing in the community (Ingram, 2009) that could contribute to a growing collaboration intensity among nonprofits. The assumption then becomes that board members will increase a NPO's intra-agency collaboration because of the strength of their networks, community ties, and responsibility to improve agency standing within the community.

Hypothesis 9: Having board members from each sector will likely increase the collaboration frequency with other nonprofits.

Organizational Characteristics

Two organizational characteristics that could affect the frequency of intra-agency collaboration are an agency's age and budget size. However, the evidence of these influences on collaborative relationships is mixed or nonexistent (Gazley, 2010). Several studies have shown that smaller nonprofits are less likely to participate in formalized interagency collaborations (Foster & Meinhard, 2002; Guo & Acar, 2005) while larger organizations are less likely to perceive barriers to collaborating with government (Gazley, 2010). Some scholars find that an organization's age is not a significant predictor of collaboration (Foster & Meinhard, 2002) or collaborative disadvantage (Gazley, 2010); whereas, others find older organizations are more likely to develop formalized collaborations (Guo & Acar, 2005). One explanation of these findings proposes that smaller and younger organizations have fewer resources and therefore experience greater competing priorities. In addition, these organizations may lack the network depth that provides larger agencies with more opportunities to collaborate. Also, smaller organizations may have weaker perceptions of their need to collaborate in the

first place. Therefore, I predict the following relationship between age and budget size on collaboration frequency:

Hypothesis 10: Older and larger nonprofits will likely collaborate more frequently with other nonprofits.

The theoretical assumptions for why NPOs collaborate and the previously suggested hypothesis are depicted graphically in Figure 4.1.

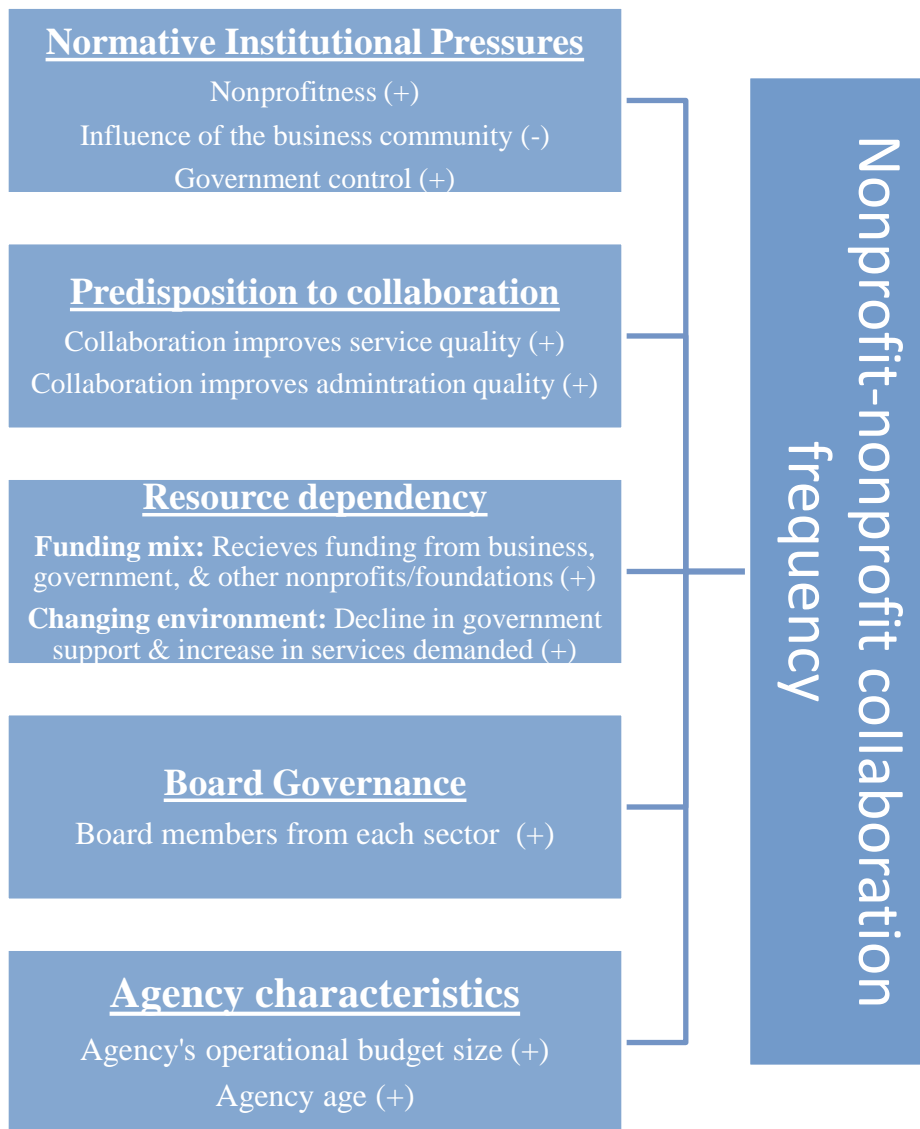


Figure 4.1. Explanations of collaboration frequency

Collaboration among Child Welfare Nonprofits

There are several reasons for studying collaborations between nonprofits offering child welfare services. The rich historical context of collaboration among these agencies offers a unique perspective on the current child welfare system. Many scholars argue that we should consider the historical, processual, and contextual governance of evolving state-market-civil society interactions to fully understand policy arenas (Bell & Hindmoor, 2009; Bevir, 2010; Heinrich, et al., 2010; Robichau, 2011). And while this is certainly true for state-market-civil society relationships, it is arguably just as relevant for within sector relationships. Unlike other social services, the original providers of child welfare services were the private, philanthropic organizations (Embry, et al., 2000; Leiby, 1978) going back as early as the 1800s (Flaherty, et al., 2008). Mangold notes, these types of services have “always [been] a ‘privatized’ system, never an exclusively public one” (1999, p. 1295). While several state and local governments provided *some* grants to charities throughout the 1800s, the main provisions and funding of child welfare programs originated from the private sector (Flaherty, et al., 2008; Rosenthal, 2000; Young & Finch, 1977). Moreover, the philosophy of child welfare provisions in the late nineteenth and early twentieth centuries labeled these services as belonging to the local level and within the private and, mainly religious domain.

In the early 1900s, networks of charities served as key suppliers of service for dependent children even though they progressively started receiving state and local government funding. In addition, the more well-known charities at that time such as the New York Prevention of Cruelty to Children opened similar divisions in other large cities

while other organizations like the Child Welfare League of America strived to create national standards and practices for all agencies providing child welfare. During this same time period, secular Children's Home societies became widespread. Children's Home societies were "not state sponsored but rather were statewide private organizations" that focused on child placement in "well-to-do" families and temporary shelter services (Boudreaux & Boudreaux, 1999, p. 176). In principle, there was a community-based, decentralized approach to service delivery that relied on nonprofit and charitable organizations to take care of children and their families. Although voluntary institutions have served as the main provider of services to children throughout the majority of American history—via foster care services such as orphanages, child placement, and group homes—early on they received very little regulation and monitoring (Holt, 2006). McGowan (2005) notes that even up to the 1960s the voluntary sector remained empowered to offer services in a manner they chose with little governmental involvement; thus, child welfare agencies have had a choice concerning who they provide services to and with whom they work with to do so.

Throughout the 1970s and 1980s greater government funding and provision of child welfare services occurred; although, it was not until the 1990s that the state began to privatize its social service provisions (Flaherty, et al., 2008). By privatizing, the state began relinquishing some of its official service provisions (excluding child protective services) in favor of a more integrated and collaborative relationship with private, nonprofit organizations that it hoped would improve service effectiveness (Waldfogel, 1997). Most notably, the 1996 Personal Responsibility and Work Opportunity welfare

reform act urged states to contract with Faith Based Organizations and amended the Social Security Act which now allows ‘for-profit’ organizations to receive federal funding to provide child welfare services (Mangold, 1999; Scarcella, et al., 2006). In line with reforms of New Public Management, trends in 1970s, 80s, and 90s aimed to rationalize child welfare services via increasing accountability, efficiency, and objective-based outcomes. Page states that these reforms:

Grant local collaborators the discretion to craft flexible interventions for families while holding the collaborators accountable for the results they achieve. In the language favored by some human service analysts, states are encouraging collaboration around clients, programs, and policies—while organizational structures remain more or less the same. (2004, p. 596)

Foster care services of the 1990s to present day are best portrayed in the welfare reform movement, increased emphasis on adoption through legislative initiatives, and privatized, managed care models of service provisions.

As the original providers of services to dependent children, voluntary organizations still have a widespread, if not increasingly important part, in the current child welfare system. The relationship between public and private agencies is continually changing. Creagh states that “what began as evangelical child-saving in the mid-1800s was transformed during the course of the twentieth century into a *professional, bureaucratized, complex network* of efforts to confront illegitimacy and dependency” (2006, pp. 43, emphasis added). Moreover, the public’s view of government and private organizations place in child welfare services is a complicated, evolving one. Child welfare networks now include actors from government, nonprofit, and for-profit agencies; and in some instances, nonprofits are serving as the lead-organization network

for children and family service delivery (see Chen & Graddy, 2010; Graddy & Chen, 2006). In essence, networks like these facilitate a nonhierarchical space of exchange, interaction, and interdependency for organizations and actors to engage with one another in order to cope with the challenges of a complex society (Wachhaus, 2009). The suggested benefits of these networks are that they can encourage a more integrated system based on bottom-up decision-making, self-organization, innovation, and a sense of community. In sum, they may well nurture a normative ethic to collaborate.

Formal collaboration, which frequently come with political mandates, are shaping the delivery of child welfare programs at the state and local levels (Ehrle, Andrews Scarcella, & Geen, 2004; Horwath & Morrison, 2007). And while this is occurring, national-level research regarding how for-profits and nonprofits provide child welfare services is lacking (for an exception, see McBeath, et al., 2011). Furthermore, “although public child welfare agencies have historically relied upon private agencies to deliver programs and services...very few studies to date have described the characteristics of the private agencies providing child welfare services or the challenges these agencies face” (McBeath, et al., 2011, p. 1). This research takes these considerations to heart by asking to what extent are child welfare agencies collaborating with other NPOs to serve children and families, and how are environmental and normative pressures as well as outcomes from past collaborative experiences shaping their behaviors.

Methods and Data

Sample

This study relied upon a national sample of nonprofit and voluntary child welfare agency administrators. The sample comes from the classification of charitable statistics using the National Taxonomy of Exempt Entities (NTEE) codes assigned by the Internal Revenue Service and the NTEE-Core Codes (NTEE-CC) assigned by the National Center for Charitable Statistics (NCCS). Organizations were selected only if they were classified as a human service foster care agency with the assistance of the Urban Institute where the NCCS is housed and managed (Boris, et al., 2010).³⁴ While many of these NVOs perform a variety of child welfare services (e.g., adoption, advocacy, and family preservation), their agency's classification falls under NTEE and NTEE-CC codes for foster care services. The choice to sample the population in this manner does remove some of the larger, national agencies like Catholic Charities from the known population of foster care providers. However, it is virtually impossible to narrowly identify large nonprofits like Catholic Charities through the NTEE and NTEE-CC system because they are often classified under more general charity type like human service agencies.³⁵ This sample does not represent a precise sampling frame of NVOs providing foster care services, and as other have noted, this is due in part to the fact that there is no exact count of the number of NVOs, as well as for-profit agencies, offering child welfare services nationwide (McBeath, et al., 2011). Nevertheless, this work does begin to at least identify a portion of NVOs who are providing child welfare services across the nation.

After compiling an initial list of nonprofit foster care agency providers, further research online and by telephone was conducted to find email addresses of top administrators at each agency and to verify the NVOs provided some form of child welfare or advocacy service. A total of 426 managers were included in the sampling frame, and of that, 184 individuals participated in this research giving a response rate of 43 percent.³⁶ The data come from an online survey collected between April 12, 2012 and June 27, 2012. The design of the survey instrument is derived from a combination of literature reviews of nonprofit, public administration, and social work research as well as the results of research conducted by the National Quality Improvement Center on the Privatization of Child Welfare Services.³⁷ The 54 question survey should have taken respondents between 20 to 25 minutes to complete. Observations come from NVOs in 38 different states.

Dependent Variable

The dependent variable measures the frequency with which nonprofit child welfare agencies collaborate with other nonprofit organizations. Administrators were asked how frequently they collaborated or partnered with nonprofits to provide services to families and children: never, yearly, quarterly, monthly, and weekly. Intra-agency collaboration levels are as follows: 11% never collaborate, 9% collaborate on a yearly basis, 11% collaborate on a quarterly basis, 24% collaborate on a monthly basis, and 45% collaborate weekly. Therefore, over half of these agencies work with other nonprofits to provide services to their clients at least on a monthly basis. For analysis, this ordinal variable is turned into a numerical value corresponding to number of times an event

occurs each year (i.e., 0, 1, 4, 12, 52). Making this variable more continuous allows for the exploration of meaningful relationships between the independent and dependent variables and produces interesting results.

Independent Variables

Normative sectoral pressures. The first variables to examine normative commitments addresses the identification with nonprofit's purposes and values in society i.e., *nonprofitness*. Some have argued that the real identity and distinctive nature of nonprofit organizations may be best understood through the combination and clustering of roles rather than viewing the nonprofits purposes independently (Salamon, et al., 2000). Similar to Moulton and Eckerd's (2012) findings and their "Nonprofit Sector Public Role Index," respondents in this sample strongly identify with these purposes and values of the sector. Respondents were asked their level of agreement with the following seven statements about nonprofit organizations' role in society: 1) Act as an alternative to government by protecting and promoting individual and community values and interests; 2) Experiment or be innovative in programs, processes, and service delivery; 3) Drive social change; 4) Serve poor, under-represented, or disadvantaged individuals; 5) Promote causes and policies on behalf of clients and communities; 6) Bring communities together and develop social trust; 7) Provide or supplement services government and business cannot or does not offer. Exploratory factor analysis, along with theory and intuition, was employed to construct all scales.³⁸ Higher scores represent more agreement with these statements while lower scores indicate more disagreement. Table 4.1 presents the descriptive statistics in more detail.

Pressures to conform to market principles and practices within the nonprofit sector have been argued to have an effect on agency operations (Eikenberry & Kluver, 2004). NPOs could be experiencing these normative pressures in a variety of ways so a summated scale is created called the “influence of the business community” that combines these pressures into one variable.³⁹ *The influence of business community* is a sum score based on a Likert scale of agreement and disagreement with the following five statements: 1) There is greater competition with businesses for government contracts and funding; 2) There is pressure to generate commercial revenues and fees-for-services; 3) Businesses providing child welfare services presents a challenge to your agency’s service provision; 4) Competition with other agencies over funding presents a challenge to your agency’s service provision; and 5) Large donors or corporations influencing management or programs presents a challenge to your agency’s service provision.

Research also shows that government control and accountability of an agency affects its operations (Bozeman & Bretschneider, 1994). In this case, the impact of “government control” is examined to see if it influences how frequently nonprofit collaborate with other nonprofits. The *government control* summated scale is created from six survey questions: 1) If your agency stopped receiving government funds, how would this affect daily operations; 2) The level of influence of State Child and Family Services Review findings and your state’s Program Improvement Plan on your agency’s operations; 3) The level of influence of state regulations on agency operations; 4) How involved are the public child welfare agencies and 5) state legislatures in holding your agency’s operations accountable; and, 6) The extent to which strong governmental

influence over agency operations presents a challenge to effectively providing services.

Combined these questions offer a clue into how government pressures of oversight,

influence, and regulation may be impacting child welfare agency behaviors.⁴⁰

Table 4.1

Descriptive Statistics

Independent Variable	Mean	SD	Min	Max	N
The influence of the business community*	15.768	4.743	5	29	138
Government control*	14.425	3.669	6	23	134
Nonprofitness*	40.397	7.018	10	49	156
Collaboration effects on service quality**	14.050	2.520	7	20	159
Collaborative effects on administration quality**	22.909	3.403	14	35	153
Receives funding from businesses	0.783	0.413	0	1	166
Receives funding from government	0.799	0.402	0	1	179
Receives funding from nonprofits/foundations	0.642	0.481	0	1	159
Experienced a decline in government financial support	0.570	0.497	0	1	151
Experience an increase in services demanded	0.824	0.382	0	1	153
Business board member	0.821	0.385	0	1	145
Government board member	0.317	0.467	0	1	145
Nonprofit board member	0.517	0.501	0	1	145
Agency's operational budget size	3.543	1.474	1	6	184
Agency age	31.668	30.809	3	158	184

*Higher scores indicate greater levels of agreement regarding the indicator.

** Higher scores reflect agreement that collaboration improves agency operations while lower scores signify collaboration hinder agency operations

Organizational outcomes from collaborative experiences. Scholars have considered whether nonprofits choose to collaborate based on previous collaborative history, achieving perceived goals or outcomes, and other predisposing conditions (Bryson, et al., 2006; Chen, 2010; Oliver, 1990). This research adds to these studies by examining how perceived organizational outcomes in the form of service and administration improvement influence future collaborative activities. The first variable is a sum score,

collaboration effects on service quality, which measures the degree to which collaborations with other nonprofits is making an agency's services "better or worse off" on a five-point Likert scale in the following areas: 1) ability to respond to community needs (2) ability to serve children and families well; 3) accountability to clients; and 4) ability to meet key agency performance outcomes.⁴¹ The second variable, *collaboration effects on administrative quality*, is a sum measure of the degree to which collaborations with other nonprofits is making an agency's administration "better or worse off" in the following areas: 1) agency transparency 2) doing paperwork; 3) outside oversight and monitoring; 4) relationship with other nonprofits; 5) overall financial outlook; and 6) development of new and long-standing programs.⁴² A lower score indicates that collaboration harms an agency's services or administration while a higher score is associated with a collaborative improvement to an agency's operations.

Resource dependency –Funding mix and changing environment. Nonprofits dependency on other funding streams has been a well-documented explanation for why nonprofits collaborate. In this survey, respondents were asked whether they accepted funding from businesses, government, and other nonprofits and foundations. Dummy variables are used for *business funding*, *government funding*, and *nonprofit/foundation funding*. The dependency of nonprofits on their funding sources is often measured as continuous variables; however, given the nature of this survey, respondents were only asked whether they received funding from the different sectors. Therefore, two additional conceptualizations of environmental constraints and change are used in the model: *decline in government financial support* and *increase in services demanded in the last*

fiscal year. The percentages of these different dummy variables are presented in Table 4.1.

Board governance. In the nonprofit and voluntary sector, boards are stewards rather than owners of agencies and thus are responsible for how organizations conduct themselves but not in the same way for-profit boards have ownership and hold firms accountable (Frumkin, 2005, p. 6). The role board members have on influencing collaboration has not been thoroughly researched. Respondents were asked if they had board members from business, government, and other nonprofits. Three dummy variables were created where responses were given a 1 if they had a *business, government, or nonprofit board member* and 0 if otherwise.

Agency size and age. A nonprofit's budget size and age have both been demonstrated to have an effect on collaboration. An *agency's operational budget size* is a categorical variable based on their total annual operating budget with 1 being less than \$100,000; 2 being between \$100,000 - \$499,999; 3 being \$500,000 - \$999,999; 4 being \$1 million - \$4,999,999 million; 5 being \$5 million - \$9,999,999 million and 6 being greater than \$10 million. The *agency's age* is calculated from the year an agency began providing services in the child welfare system minus the year of survey completion.

Methods

The most appropriate statistical method for an ordinal dependent variable is an Ordered Probit regression model. However, after running the Ordered Probit models of different collaboration frequencies, the results and statistical significance were found to be almost identical as an Ordinary Least Squares regression (OLS). Given that the results

were similar, an OLS regression is used and the dependent variable of collaboration frequency is converted into a continuous measure. A simple OLS regression allows the research question to be easily addressed, that is, how different theoretical explanations shape nonprofit collaborations individually and collectively. The results also permit the different theoretical models to be compared and the direction of different relationships to be explored. Heteroskedasticity is not found to be a problem but robust standard errors are used to be cautious.

Results

Using OLS, the independent effects of different theoretical explanations for how frequently nonprofits collaborate with one another is described in Table 4.2. The dependent variable for all models is how frequently nonprofits collaborate with other nonprofits to provide services to children and their families. Model 1 is the baseline model and shows how collaboration frequency is a function of the control variables only. Model 2 show how the sociological/normative institutional pressures influence collaboration frequency. Model 3 tests the effects of organizational outcomes from previous collaboration on future collaboration endeavors and Model 4 examines the varying effects of funding sources and changing environment. Model 5 shows the results of having board members from different sectors. And finally, Model 6 includes the effects of all variables on collaboration frequency.

The variation inflation factor (VIF), a common diagnostic test for collinearity, is used to check for multicollinearity. As a general rule, VIF should not exceed 10 (Belsey, Kuh, & Welsch, 1980). VIF values for all models were below 10. Appendix B reports

Pearson's correlation between variables. Two independent variables had a strong correlation with one another and are worth mentioning given that the models report robust standard errors: *collaborative outcomes on service* and *administration quality*. There is a positive relationship between organization's identifying that collaboration improves both their administration and service i.e., if they identify that collaborating with other nonprofits improves their services they may also maintain it improves their administration as well.

Models 1-5 show the statistical significance effects of some key variables and not that of others. While each of these models have their own interesting implications, Model 6 has the best overall fit so I will focus on these results regarding hypothesis testing and key findings. Appendix C includes results from all of the hypotheses testing together. Given the nature of the dependent variable, coefficients can only be interpreted as having a positive or negative influence on the frequency with which nonprofit organizations collaborate controlling for other variables in the equation. Hypothesis 1-3 examines how normative institutional pressures from government, business, and nonprofits shape collaborative behaviors of child welfare agencies. They maintain that while greater influence from the business community may lessen collaboration between nonprofit child welfare agencies, the more pressure experienced from government and nonprofits may increase interorganizational relationships. Support is only found for Hypothesis 1, indicating that greater identification with a nonprofit normative ethic leads to more collaboration while the direction of business and government influence (Hypothesis 2 and 3) is as expected but not statistically significant.

Table 4.2

OLS Regression Models of Nonprofit-nonprofit Collaboration Frequency

	<i>Model 1</i>	<i>Model 2</i>	<i>Model 3</i>	<i>Model 4</i>	<i>Model 5</i>	<i>Model 6</i>
	b/se	b/se	b/se	b/se	b/se	b/se
<u>Normative Institutional Pressures</u>						
The influence of the business community		-0.075 (0.469)				-0.384 (0.460)
Government control		0.882 (0.558)				0.960 (0.587)
Nonprofitness		0.813*** (0.226)				0.471* (0.261)
<u>Organizational outcomes</u>						
Collaborative effects on service quality			3.160*** (1.003)			2.488** (0.990)
Collaborative effects on administration quality			-1.407** (0.707)			-1.356* (0.717)
<u>Resource Dependency</u>						
Receives funding from businesses				8.346* (4.915)		8.771* (4.948)
Receives funding from government				5.769 (4.803)		0.266 (4.840)
Receives funding from nonprofits/foundations				4.790 (4.299)		2.323 (4.211)
Experienced a decline in government financial support				5.978 (3.742)		9.239** (3.874)
Experience an increase in services demanded				5.442 (4.094)		7.352* (3.769)
<u>Board Governance</u>						
Business board member					-7.267* (4.099)	-14.076*** (4.028)
Government board member					1.445 (4.281)	2.189 (4.227)
Nonprofit board member					7.829** (3.709)	7.019* (3.613)
<u>Agency Characteristics</u>						
Agency's operational budget size	3.429** (1.388)	2.997** (1.455)	3.226** (1.377)	1.770 (1.470)	3.600** (1.418)	1.973 (1.416)
Agency age	0.030 (0.069)	0.044 (0.066)	0.017 (0.065)	0.014 (0.066)	0.038 (0.070)	0.048 (0.058)
Constant	13.824** (4.518)	-29.433*** (10.784)	3.83 (13.338)	-0.583 (5.199)	14.234*** (4.890)	-24.123 (15.181)
R ²	0.061	0.162	0.141	0.146	0.099	0.335

Adjusted R ²	0.049	0.118	0.107	0.107	0.070	0.240
-------------------------	-------	-------	-------	-------	-------	-------

Note: All models use robust standard errors. $N = 161$. Statistical levels are as follows: * $p < .10$, ** $p < .05$, *** $p < .01$. Available case analysis, more specifically Dummy Variable Adjustment, is used in the models to handle missing data in the independent variables and thereby prevents losing observations at the case level when a question is not answered (for review of the method see Cohen & Cohen, 1985).⁴³

Hypotheses 4 and 5 posit that if past collaboration with other nonprofits improves internal agency operations in regards to its services and administration, then the intensity of collaboration should grow. Both Models 3 and 6 lend support for Hypothesis 4, but not Hypothesis 5. Thus, positive experiences where collaboration enhances service quality can increase future collaborative relationships. Conversely, the same positive experience where collaboration improves administration quality actually lowers the likelihood of future collaborations.

Hypothesis 6 suggests that accepting funding from other organizations will increase collaboration with other NPOs. Hypothesis 7 and 8 maintain that when nonprofits experience environmental changes of declining government support and increasing demands for services they will collaborate more as well. There is only partial support for Hypothesis 6 in that that taking funds from businesses increases collaboration intensity while this does not hold true for accepting funds from government and nonprofits and foundation. Changes in the agency's environment are shown to increase collaboration as theorized in Hypothesis 7 and 8.

Only partial support is found for Hypotheses 9 indicating that having board members from diverse sectors will increase collaboration among nonprofit agencies. Interestingly, having a business board member reduces collaboration while having a nonprofit board member increases collaboration. There is no evidence that government board members have a statistically significant effect. The full model does not lend

support for either Hypothesis 10 or 11 that increases in an agency's operational budget size or its age will lead to more collaborative relationships. While agency size is not a significant predictor in any model, an agency's operational budget size is positive and significant in 4 out of the 6 models.

Implications for Intra-agency Collaboration

Using a multi-theoretical lens, this study offers insight into inter-agency collaboration among nonprofit child welfare agencies. The picture portrayed by these findings is multifaceted and speaks to new ways of framing the collaboration discussion more broadly. First, the results show that identifying with a certain level of nonprofitism or nonprofit ethics and norms is likely to increase collaboration among the child welfare agencies in this sample. No research to date has sought to explain how identifying with nonprofit norms can influence the collaboration level of an agency. Due to the long historical nature of child welfare agencies collaborating with one another, an identifiable service ethic could be more at work here than in other types of service delivery NPOs although Moulton and Eckerd's (2012) work shows how there are nonprofit value similarities among different organizational types. There does appear to be motivating sociological institutions at work that are shaping collaborative practices which is consistent with the literatures that view regulative and legal institutions also having strong effects on collaboration.

For example, Foster and Meinhard (2002) identified that environment changes and attitudes towards collaboration and competition have a mediating effect on interorganizational activities. While the results here did not show statistical significance

that organizational attitudes concerning the degree of influence from the business community or government control predict collaboration frequency, the direction of the relationship is as expected. That is, more government control through regulations and accountability may increase collaboration because NPOs try to meet these demands while higher perceptions of the influence of the business community through competition with other agencies and pressures to generate revenue may lower collaboration. The negative relationships between businesses influence and NPO's collaboration level does lend credence to those warning that the effects of competition and the commercialization of nonprofits could serve to undermine the inherent goodwill and benevolence of these organizations (Eikenberry & Kluver, 2004).

One research study of day-care centers (DCC) in Toronto finds that when organizations changed their niches so that they competed less, their organizational survival improved significantly, and, the probability of collaboration lowers when organizations assume competition is beneficial (Baum & Singh, 1996). Therefore, organizational attitudes towards how other sectoral practices and expectations for behavior shape current within sector behavior could offer new insights into nonprofits decision-making, especially given the degree of state-market-civil society interactions today. Additional research on the effects of institutional pressures should be expanded to include the more sociological and normative elements that are influencing the decision to collaborate. Child welfare agencies, in particular, are currently subjected to high levels of government control and regulations in addition to facing pressures to compete with other organizations for federal funds encouraged under welfare reform.

Another implication of this research points to a relationships between how prior organizational outcomes of collaboration in the areas of an agency's services and administration will influence future collaboration intensity. In studying why nonprofits collaborate with other nonprofits and public agencies, Sowa's (2009) exploratory research suggests that NPOs collaborate both to improve their services and organizational operations as a whole. Instead of framing the benefits of collaboration as serving as an organizational driver like Sowa, I expand her argument to see how past collaborative outcomes influence future collaboration frequency. However, some of the results in this area were not as expected. The results show that when collaborating with other NPOs benefits an agency's services to their clients and community, they are more likely to partner other NPOs. One explanation is that NPOs are mission-driven and therefore if achieving their goals is better accomplished through collaborative efforts, they are willing to continue working with others. Furthermore, collaborating with NPOs can create greater community awareness of the organization and expands an agency's networking opportunities.

The surprising finding is that even though past collaborations with other NPOs improve an organization's administration and operations there is a negative effect on future collaboration frequency. Many researchers have pointed out that collaboration is difficult (Vernis, et al., 2006) and can be problematic for administration (McGuire, 2006). Additionally, collaboration between NPOs and government has the potential for "mission drift, loss of institutional autonomy or public accountability, cooptation of actors, greater financial instability, greater difficulty in evaluating results, and the

expenditure of considerable institutional time and resources in supporting collaborative activities” (Gazley & Brudney, 2007, p. 392). These findings raise questions as to whether the challenges presented from cross-sector collaborations hold true for intra-agency collaboration. Some scholars have gone as far to argue that collaboration should be avoided when there is no clear and real collaborative advantages (Huxham, 2003). Further research points out that there can be diminishing returns for managerial networking with other organizations (Hicklin, O’Toole, & Meier, 2008). Thus, the results of this study seem paradoxical. On one hand child welfare agencies report that their relationships with other NPOs helps their organization administratively, while on the other hand, this advantage of collaboration may result in a devaluing of collaborative benefits given that the frequency of their collaboration declines even though these relationships improved their administration.

There are several explanations for these findings. One explanation is that while nonprofit organizations see the collaborative benefits provided to their organization administratively there may be a point of diminishing returns. Arguably, NPOs could feel that improvements in management and operations have made them more stable and effective, and given the complexity involved in collaboration, it is no longer in their best interest to continue working together. In essence, child welfare agencies may no longer see the benefits of collaboration. Another and perhaps more revealing explanation of these results is that it is possible that NPOs can become too mission-driven and this could come at the cost of the more long-term positive effects of improved administration and operations. That is, if collaboration only increases administrative capacity then these

NPOs may not perceive these improvements as taking a priority in determining whether to collaborate in the future. The implications of these findings raise larger questions about nonprofit administration. Referring to unanswered questions in collaborative public management, McGuire (2006) asks “do collaborations...evolve over time, such that there is an identifiable cycle or sequence to their development? That is, do collaborations ‘learn’?” While this research does not speak to the latter question specifically, the results do suggest that NPOs may only be willing to continue their collaborative interactions and ‘learn’ if it improves their services and not their administration.

A third finding in this paper adds to the long line of research maintaining that an organization’s needs for resources and stability drive collaborative behaviors. Accepting funds from corporations is the only funding source shown to significant increase intra-agency collaboration. It is possible that business funders may have greater expectations that NPOs will collaborate or they may have greater strings attached to their donated dollars. However, a limitation of this study is that the specific level of funding from business, government, and foundations is unknown and therefore it is hard to make a case for a causal relationship. For example, intra-agency collaboration may increase the likelihood of receiving money from business. To strengthen the argument for the effects of resource dependency and organizational survival, two additional constructs of changing a NPO’s environment are included. As theory would suggest, greater instability in government funding (a major source of funding for child welfare agencies) and an increasing demand of services raises the chance that nonprofits will collaborate with one another more.

The fourth theoretical contribution of this research comes from the results associate with board governance. Research examining the relationships between board members and collaboration is almost nonexistent within the nonprofit literature (for exception see, C. Guo & Acar, 2005). Thus, the finding that simply having a business board member reduces intra-agency collaboration while having a board member from another NPOs increases it is curious and raises more questions than it answers. A justification for this somewhat counterintuitive finding is that, as suggested by Miller (2003), board members act in accordance with their own professional norms when member are not given clear monitoring roles for how they should help an agency be effective. If this supposition is true, then a business board member might be inclined to advise a NPO not to collaborate with other NPOs seeing them as a competitor and feeling that collaboration could possibly lead their organization to lose any competitive edge they may have in service provision or administration. Contrarily, a nonprofit board member could see the benefit of have greater network ties with other NPOs and the added possibility for organizational improvements through working with agency peers. A lack of statistical significance in that government board members neither seem to encourage or discourage collaboration is not that unexpected. Government board members may be more inclined to encourage collaboration with government rather than nonprofit organizations. Or, government board members could be more informed about the specific context of the collaborative environment and may be pickier about which nonprofits their organization collaborates with. Nevertheless, who serves on nonprofit boards may have a

greater influence on direct services than expected and practitioners need to consider how board member's sector affiliations can and do shape organizational behaviors.

And finally, the agency's characteristics of operational budget size and age do not have statistical significance in the full model. However, budget size is positive and significant in some of the other models. Unfortunately, these results add to the mixed findings regarding the extent to which specific organizational attributes inform collaborative behaviors. The data suggest that in some scenarios (Models 1-4 and 5) a greater operational budget size encourages collaboration while an agency's age is not significant in any of the models.

A limitation of this study is its small sample size and focus on child welfare nonprofits. It is possible that a larger sample size would produce more statistical significance among the different relationships. Additionally, examining how normative institutional pressures are at work in other nonprofit fields could produce different findings or results. This paper suggests there are some interesting associations between institutional pressures and collaboration that prompt further research and raise important questions which need to be addressed in the future.

Conclusion

The goal of this paper is to contribute to the collaboration literature by empirically examining why nonprofits in particular choose to partner with one another using multiple theoretical lenses. The results of this research shows that the often overlooked, and perhaps undervalued, effects of understanding the sociological and normative pressures of institutions can help shed light on how we explain collaboration. In addition, while

scholars have made a concerted effort to start measuring outcomes of collaborations, these outcomes are usually measured as to how interorganizational relationships directly impact clientele and not the outcomes at the individual, organizational level. Evidence is provided that even when past collaborative experiences improves agency administration and service quality, only improvements in services increases future collaboration intensity among NPOs. Sector affiliations of board members likewise influence collaboration frequency in some unexpected ways. And finally, this work adds to a long and well established literature that argues that there are strong relationships between resource dependency of organizations on their external environments and collaborative intensity.

Chapter 5

IN SEARCH OF A MULTI-SECTOR THEORETICAL EXPLANATION OF NONPROFIT MANAGEMENT: WHAT FORCES SHAPE CHILD WELFARE MANAGERIAL PRIORITIES TO SERVICE CLIENTS, ACHIEVE MISSION, AND MAKE FINANCIALLY SOUND DECISIONS?

Nonprofit organizations exist to serve their mission, clients, and to make a difference in society; however, this cannot be accomplished without money (Drucker, 1990). Each day managers make choices about how best to achieve multiple goals while encountering normative pressures to behave like other organizations in their environment. As their environments change rapidly, nonprofits are expected to adapt to the tides of managerial reforms (Light, 2000). To ensure organizational survival, nonprofits need to create public value through accomplishing mission, serving clients, and simultaneously being fiscally responsible through diversifying their revenue streams (Pynes, 2011).

For nonprofit organizations (NPOs) and their administrators, effective and strategic management requires a consideration of three essential dimensions: mission, money, and merit (Krug & Weinberg, 2004). First, managers have an obligation to pursue their agency's mission and be committed to agency goals while being accountable to their funders for how well their agencies operate. Second, executive directors have a duty to provide the best possible services to their clients which often includes advocating for and being accountable to these individuals for their choices and programs. Thirdly, managers have a financial responsibility to pursue more funding, to make fiscally sound decisions and save costs, and to operate as efficiently as possible. Though nonprofit managers aim

to accomplish all of the goals, outside influences may lead them to place different levels of importance on each of these organizational objectives.

An open-systems approach suggests that agencies rely upon and interact with their environments in order to survive and achieve legitimacy (Katz & Kahn, 1978). The operating environment of nonprofits and their managers include pressures from other governmental, for-profit, and nonprofit institutions. Just as scholars have noted the blurring of management styles and practices between private and public organizations (e.g., Boyne, 2002; Rainey & Chun, 2005), the sectors themselves are blurring (Dees & Anderson, 2003; Kettl, 1993, 2002; Weisbrod, 1997). Due to the complex interweaving web of relationships between organizations, it is difficult to know “where government and the private sector begin and end” (Rainey, 2009, p. 64). Some research indicates that public and business managers hold inaccurate stereotypes about what is the other does (Stevens, Wartick, & Bagby, 1988). However, few have sought to explore how managers perceive and respond to the roles and norms of government, private, and nonprofit organizations. There are several ways to conceptualize the pressures managers could experience from their environments through the viewpoint of sectors.

This paper will explore whether tensions to conform to practices and norms of business, government, and other nonprofit organizations, frequency of collaboration with other organizations, sector affiliation of board members, and funding sources impact nonprofit managerial priorities of serving and being accountable to their clients, achieving mission and goals, and being financially prudent. This paper wrestles with the question of whether it is possible for scholars to frame the “sectors” as meaningful

constructs in the lives of individuals and their organizations. The broad implication of this work hinges on the understanding of what the “sectors” represent in the minds of managers and how various perspectives for examining the theoretical constructs of these relationships can actually inform management behavior.

Examining data from approximately 147 child welfare nonprofit managers, this paper shows how government, business, and nonprofit organizational perceptions and constraints can affect managerial priorities through different mechanisms. Through reviewing the literature and identifying gaps, this paper will develop a conceptual framework that depicts how nonprofit managers may be influenced by their relationship to and understanding of the sectors. After developing a set of hypothetical relationships between environmental influences and managerial priorities, results of an Ordinary Least Squares regression will be presented. Implications of these findings will be discussed in the context of child welfare nonprofits and the sector in general.

Using the “Sectors” as a Conceptual Framework

In recent decades, the proliferation of governance research and theory (Bevir, 2010; Heinrich, et al., 2010; Osborne, 2010c) has raised doubts as to the usefulness of employing the sectors as a theoretical construct. One reason for this is that governments are hollowing-out (Milward & Provan, 2000; Rhodes, 2007) and privatizing (Donahue, 1990; Savas, 2000). Governing now demands finding the best partners to accomplish goals regardless of institutional form; thereby, lessening the theoretical usefulness of clustering organizations by virtue of their various classifications. A related viewpoint has been that the borders between government, business, and nonprofit organizations appear

to be vanishing (Hammack & Young, 1993), especially in the context of social service agencies (Kramer, 1998; Yang & VanLandingham, 2011). Sectoral blurring relies upon the basis that *new* relationships are forming across sectors as organizations expand their traditional scope of work and operations (Selsky & Parker, 2005). Even with many agencies expanding their scope of work, Kramer cautions not to forget that, historically, the boundaries between societal sectors have always been amorphous regardless of whether the distinction is “conceptual, legal, political, economic and organizational” (2000, p. 3). Others have suggested that these spheres do not exist in isolation and are “*multiply embedded*” within one another; and yet, “the relations among them [i.e., sectors] are inevitably tense, due to the inherent dilemmas of reconciling market, society, and state in a capitalist economy” (O’Riain, 2000, p. 191). On one side, the appropriateness of employing sectors as a theoretical lens is questioned. On the other, there appears to be something fundamental about being a nonprofit, government, or business organizations that puts their very nature in contention with one another.

As these sectoral divisions have broken-down, what has been needed is a *relational* perspective of governance (Catlaw, 2007). Catlaw argues that in order to advance ontological and methodological explanations of governing, perspectives are needed that study the social world as a place of interacting relationships between people and outside forces, or what he terms, an “analysis of composition.” An analysis of composition is essentially about how people create meaning through their subjective and objective relationship to, and understandings of, their social worlds which then shapes their behaviors. What Catlaw is referring to is similar to what Bourdieu called symbolic

capital. In discussing symbolic capital, Bourdieu states that it is “nothing other than capital, in whatever form, when perceived by an agent endowed with categories of perception arising from the internalization (embodiment) of the structure of its distribution, i.e. when it is known and recognized as self-evident” (1985, p. 731). From these explanations, one may wonder if there is something about the idea—the internalization or categorization of the sectors—that people take as self-evident that could be shaping their perceptions and actions.

Related to these theoretical explanations for why the sectors could be a relevant perspective on managerial behavior is the sociological and organizational theory view of new institutionalism. This approach recognizes that all institutions, to at least some extent, are socially constructed, shared understandings and logics of action that offer stability and meaning for individuals (Scott & Davis, 2007). It could be argued that environmental pressures in the form of informal normative beliefs and mimetic structures (i.e., the more deeply held and harder to measure unwritten or social rules of the game) placed upon nonprofits and their managers by different sectors could be shaping managerial priorities. Moreover, noted organizational theorist Richard Scott and his colleague maintain that social institutions have substantial impacts on behavior and they can even be more influential than regulative and legal institutions (Scott & Davis, 2007). To ensure organizational survival and legitimacy, agencies should embody both formal and informal rules as well as the social structures of their fields (Meyer & Rowan, 1991). But, as has been argued in the case of NPOs, when fields are confronting isomorphic pressures the “cultural elements, that is, taken-for-granted beliefs and widely

promulgated rules...serve as templates for organizing” (DiMaggio & Powell, 1991a, pp. 27-28).

By applying the theories of social institutions, Bourdieu’s *symbolic capital*, and Catlaw’s *analysis of composition*, the benefits of exploring managerial behaviors as being influenced by a multi-sector environment becomes a worthwhile endeavor. And, to the extent that human beliefs of tripartite society are a culturally embedded phenomenon, isomorphic pressures to conform to other fields could be at work as well. Through the process of creating meaning and relating to the prescribed norms and roles associated with business, government, and nonprofit organizational operations, an individual’s choices may change i.e., the sectors matter to the extent that people think they matter. Consequently, these choices can reinforce the very notion of differences between these organizational constructs and their boundaries thus creating a feedback loop. Figure 5.1 depicts how these processes may occur.

As theory suggests, the sectors and their boundaries in Figure 5.1 are depicted as constantly being pushed and pulled towards one another i.e., an isomorphic effect is occurring. Managers are simultaneously interpreting, interacting, and assigning meaning to their social world and their agency’s environment. Whether they are consciously of this or not is another concern. Consequently, pressures from business, government, and nonprofit organizations may be shaping managerial behavior through four mechanisms: norms and social institutions, collaborative relationships with other organizations, sector affiliation of board members, and funding sources. As managers’ filter these influences their behaviors may alter. In this case, child welfare administrators may place more or

less importance on the agency priorities of being client, mission, and financially-focused due to how they interpret and interact with their environment.

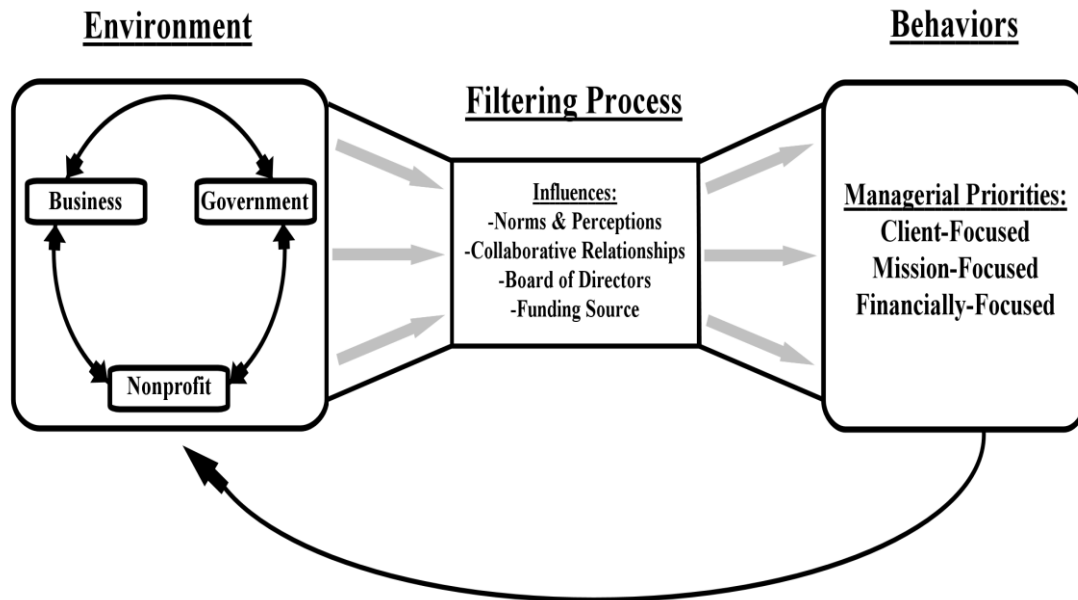


Figure 5.1. Multi-sector influence on managerial behaviors

The purpose here is not to argue that different types of organizations and structures merely exist, but to show *how* an individual perceives these distinctions can and does shape the priorities they set within the confines of their NPO. The explanation for how these specific stresses converge and inform managerial priorities is discussed in more detail below.

Nonprofits as Charitable and Philanthropic

Beyond their legal distinction and tax-exempt status, nonprofits hold a special place between the public and private spheres of society. Historically, nonprofits have served as instruments of charity, philanthropy, and self-expression that seek to address social problems (Bremner, 1988; Hall, 2006). Research shows that key organizational

characteristics and values differentiates them from their for-profits and government counterparts (Ott & Dicke, 2012). But what are these values and purposes? Frumkin (2005) maintains that NPOs have four distinct functions: to promote service delivery, social entrepreneurship, civic and politician engagement, and values and faith. In synthesizing the literature, Moulton and Eckerd (2012) find support for a “Nonprofit Sector Public Role Index” which identifies six unique roles for NPOs: service provision, social change, social capital, political advocacy, citizen engagement/democratization, individual expression, and innovation. Taken together, a more distinguishable and coherent purpose and normative ethic of the nonprofit sector emerges—what I refer to as nonproftiness.

There is an underlying theoretical assumption in the literature that identifying with these key nonprofit characteristics and values would, or should to at least some degree, guide managerial decision-making (Anheier, 2005; Weisbrod, 1997). Unfortunately, the empirical evidence for this is scarce. One exception is found in the recent work of Moulton and Eckerd (2012). They find that certain revenue sources are significantly associated with particular nonprofit roles in various subsectors. For example, human services organizations “are more likely to perform the innovation role” and report “higher performance on the service provision role” whereas an “increase in earned revenue is associated with decreased performance on the innovation role” (pp. 671-673). However, their work does not use the association with these roles as explanations of individual action. A theoretical contribution with practical implications would be to have a greater understanding of how employees of NPOs identify with the

socially constructed roles and values of the sector. Additionally, the research could clarify if their understandings of and identification with the nonprofit sector practices and norms drive their behaviors. The following hypothesis articulates this:

Hypothesis 1: Higher levels of identification with nonproftiness will increase the likelihood that managers place greater importance on key managerial priorities.

Administrators who have high levels of identification and association with a nonprofit mindset may find it imperative to emphasize achieving mission and goals, serving clients, and being financially prudent.

The State as Exerting Control

The relationships between charitable organizations and government dates back hundreds of years (Hall, 2006). Many scholars have theorized about the close and intertwining relationship between government and nonprofits (Boris & Steuerle, 2006; Salamon, 1995; Weisbrod, 1997). At times, this relationship may be supplementary, complementary, adversarial, or any combinations of the three; but, what remains consistent is that their interactions are multidimensional, complex, and constantly evolving (Young, 2006). In the last few decades, as government has hollowed out many of its social services, nonprofits have filled in the service gap (Milward & Provan, 2000; Yang & VanLandingham, 2011). Nonprofits have adapted to government's reliance on and funding of them, and in some cases, they have become agents or representatives of the state (Desai & Snavely, 2012). Desai and Snavely argue that the state funds nonprofits through contracts, which requires specific performance measures and greater professional management; however, "client service becomes the key mission orientation [and] the broad concept of serving the public is translated into serving a clientele" (2012,

p. 969). They note that efficiency becomes the driving ethos of what NPOs value. Some worry that strong governmental influence leads NPOs to become merely vendors, highly bureaucratized, and less autonomous; in effect, nonprofits are lead further away from their original mission, goals, and clients (Frumkin & Andre-Clark, 2000; Grønbjerg, 1993; Salamon, 1995; Smith & Lipsky, 1993).

Two of the state's main avenues for influencing NPOs are through perceived and actual control and accountability mechanisms. Many have noted the deterministic effect government can have on nonprofits through its ability to regulate, restrict, and hold nonprofits accountable (Desai & Snavely, 2012; Young, 2006). One framework used to explore government's influence on organizations is through the notion of "publicness" (Bozeman, 1987). It is argued that all organizations experience varying level of publicness (and privateness) through control mechanisms like regulations, taxation, public policies, and contracts (Bozeman & Moulton, 2011). Organizational operations and managerial values are thought to be shaped by an agency's level of publicness (Boyne, 2002). Most researchers using the publicness framework, however, have focused on comparisons between public and private organizations (Andrews, et al., 2011; Haque, 2001; Moulton, 2009) rather than nonprofits organizations.⁴⁴

Closely related to government controls, is the impact that government accountability systems may have on NPOs. In developing what they refer to as a preliminary theory of informal accountability among social service nonprofit networks, Romzek, LeRoux, and Blackmar (2012) argue that informal systems for holding one another accountable is just as important as the formal aspects. In addition, these informal

accountability procedures occur through the promotion of shared behavioral norms, systems of rewards and sanctions, which, taken together, reinforce desired actions among network actors. Thus, applying their logic to formal and informal government control of nonprofit organizations, we may expect that as nonprofit managers decision-making will be informed by both their experiences and perceptions of the state as controlling them and holding them accountable. The following hypothesis suggests how government control can influence managerial priorities differently:

Hypothesis 2: Higher perceptions of government control increases the likelihood that managers will place more importance on serving their clients and being financially responsible.

Hypothesis 3: Higher perceptions of government control increases the likelihood that managers will place less importance on achieving organizational mission and goals.

Arguably, the more an agency experiences, or a manager perceives government control to be over their organization, the more emphasis they may place on serving their clients. And, if social service NPO sometimes operate as government agents, then it may be necessary for them to be more strategic and accountable to their principals for their financial operations. However, higher degrees of government control can have a negative impact on NPO's ability to focus on their mission because it draws their attention towards government priorities and a specified clientele.

For-profits as Promoting Competition

For decades scholars have been arguing that the lines between nonprofits and businesses are blurring, and therefore, "sector-bending" is occurring (Dees & Anderson, 2003). NPOs, in particular are imitating, interacting, intermingling, and creating new

industries as they employ a greater market orientation towards their work (Dees & Anderson, 2003). Some have even questioned whether the relationships between businesses and nonprofits will cause the presumed benevolent spirit of the sector to be replaced with competition (Bush, 1992). Moreover, there has been a movement of businesses into fields traditionally considered the purview of nonprofits, like that of many human and social services (Frumkin, 2005; Ryan, 1999). In response, NPOs have been adopting more of a market orientation towards their management and operations i.e., commercialization (Light, 2000; Salamon, 1993). Some administrators express concern about this trend: “There are some common characteristics across the sectors, but we get hit by everything. If it works in business, or even if it doesn’t, we’re supposed to do it. The idea that nonprofits are well run only when they run like a business is wrong” (Light, 2000, p. 81). Even though some managers may dislike or try to resist the pressures to operate more like a business, they may nonetheless conform to these practices because others in their field may be doing so and organizational survival may depend upon it.

NPOs and their managers are being encouraged to engage in practices traditionally considered business-like and to adopt market-like values, norms, and rhetoric (Brinckerhoff, 2000; Dart, 2004; Weisbrod, 1997). For example, a new trend over the last 20 years has been to charge fees for services which has accounted for 50 percent of the revenue growth in the overall sector (Aspen Institute, 2001) and 35 percent of the revenue growth for social service agencies (Salamon, 2003). There are other market-like practices and values that have penetrated the sector such as: competing with other organizations (Romzek, et al., 2012; Ryan, 1999), professionalizing employees and

sometimes relying less on volunteers (Salamon, 2001, 2005), participating in cause-related marketing and strategic partnerships (File & Prince, 1998), developing business strategies and planning (Rooney, 2001), and experiencing large donor or corporate influence on programs and management (Eikenberry & Kluver, 2004). The dissemination of market practices and values into NPOs come with both benefits and costs.

One side maintains that using market solutions and practices will enable NPOs to flourish and continue to survive. The advantages of adopting a market orientation is that it can help nonprofits achieve greater resource stability, efficiency and innovation, focus on customers' wants and needs, legitimacy, better performance management, and possible greater accountability to the public and key stakeholders (Aspen Institute, 2001; Dees, et al., 2001). Those concerned about what marketization may do to the sector warn that it could lure nonprofits away from their mission, helping the poorest and hardest-to-reach clients, utilizing volunteers, promoting democracy and advocacy, sustaining valuable community networks, and putting more emphasis on accepted management techniques over delivering services (Alexander, et al., 1999; Aspen Institute, 2001; Eikenberry & Kluver, 2004). To put it more precisely, Frumkin warns that high levels of commercialization have “eroded the moral high ground of these organizations and transformed nonprofits into shadow businesses” (2005, p. 10). The following hypotheses speculate on what happens to managers as they adopt business-practices or norms of behavior.

Hypothesis 4: Higher perceived influences of the business communities will increase the likelihood that managers place more importance on serving their clients and being financially responsible.

Hypothesis 5: Higher perceived influences of the business communities will increase the likelihood that managers will place less importance on achieving organizational mission and goals.

It is expected that when managers experience or perceive strong business influences to compete, generate revenues, or conform to large donor or corporate pressures they may be persuaded to focus on their clients as customers and bottom-line financial operations. Conversely, these same pressures may draw manager's emphasis away from their agency's original mission or goals.

The Level of Collaboration with Other Agencies

Another way the relationships between business, government, and nonprofit organizations could be informing nonprofit management and practice is through collaboration. Some have attributed improvements in management to NPO's increasingly collaborative relationships with others (Vernis, et al., 2006). Since welfare reform there has been a proliferation of collaboration among human service agencies (Provan & Milward, 1995; Selden, et al., 2006; Sowa, 2008) such child welfare organizations (Glisson & James, 1993; Horwath & Morrison, 2007). These collaborative relationships are both within and across sectors.

Collaborating can help nonprofits achieve their mission and goals as well as improve agency operations, management, and resource stability (Agranoff & McGuire, 2004; Bryson, et al., 2006; Grønbjerg, 1993; Pfeffer & Salancik, 1978; Sowa, 2009). Funders of nonprofit organizations may give preferential treatment to, or, create mandatory requirements for NPOs to collaborate (Graddy & Chen, 2006; Shaw, 2003; Snaveley & Tracy, 2000). In addition, "to enhance their credibility, civil society

organizations *should* collaborate with each other... Nonprofits will strengthen their positioning if they collaborate in joint projects” (Vernis, et al., 2006, pp. 13-14, emphasis added). Perhaps, there is an inherent expectation that NPOs should collaborate with others, especially due to perceived benevolent spirit and nature of the work that NPOs perform. While the majority of literature takes a pro-collaboration perspective, there are noted collaborative disadvantages like “mission drift, loss of institutional autonomy or public accountability, cooptation of actors, greater financial instability, greater difficulty in evaluating results, and the expenditure of considerable institutional time and resources in supporting collaborative activities” (Gazley & Brudney, 2007, p. 392). The reason being that collaboration may facilitate the spread of normative commitments and values from one sector or agency to another and this may have both positive and negative influences on managerial behaviors.

The overall consequences of collaborating with other organizations can have critical implications for nonprofit management in terms of organizational outcomes and processes. However, there is much we do not know about how collaboration affects clients and organizations themselves (Selden, et al., 2006; Sowa, 2009). Underlying various collaborative relationships is a concern for how working across organizational and sectoral boundaries can influence managerial choices beyond the specific collaborative relationship. In a sense, collaboration between and within the sectors allows nonprofit managers to see and experience how other organizations operate and are managed. In turn, these managers may adopt and replicate the practices and norms they observe in other nonprofit, business, and government agencies. Given that the research on

intersectoral collaboration is still fairly young (Gazley, 2010), it is expected that collaboration frequency these child welfare nonprofits have with other agencies will have some influence on managerial priorities.

Hypothesis 6: It is highly likely that greater collaboration with other agencies will influence the importance manager's place on key managerial priorities.

Theory would suggest that collaboration affects behaviors, but the directionality of this relationship is unclear. Even less is known about how collaborations can shape agency management beyond the confines of the collaborative relationship itself.

Board Governance

Nonprofit board members have many roles and how they choose to define and perform their job could be related to the current sector they work in. Board members ensure the overall direction and performance of a NPO and therefore should assist agencies in finding the right balance between mission achievement and sound operations (Anheier, 2005). In their ethnographic research on the relationship between boards and senior management, Cornforth and Edwards (1999) develop four models to explain board roles and strategic management. Briefly, the role of the board can keep managers in *compliance* with agency mission and goals; they can add value through ensuring that the agency and management are *strategic*; they can serve as *representatives* that help create policies and monitor the executive; and finally, they can act in a *supportive* role ensuring the organization's survival. Cornforth and Edwards conclude that "various normative institutional pressures have helped to shape current thinking and norms about boards, and that board members may draw upon these different and often contradictory sets of ideas in interpreting their own role and the role of their board" (p. 348). And while these

researchers do not examine the influence of a board member's sector affiliation, their argument that institutional pressures (whether they be coercive, mimetic, or normative) shape board operations and their interactions with management is important.

Other studies of board governance have indicated that business board members are highly favored (Worthy & Neuschel, 1984); but overall, greater diversity in occupations and affiliations of board makeup is preferable (Baysinger & Butler, 1985). For example, occupation diversity among YMCA boards is shown to have positive effects on achieving mission and fundraising outcomes (Siciliano, 1996). The story, however, of board member's sway on organizational effectiveness and management is complex. Miller (2003, pp. 444-445) discovers that when nonprofit board members have unclear and ambiguous roles on how to measure effectiveness, there is a tendency to monitor in a manner reflective of "their personal or professional competencies... [e.g.,] lawyers tended to ask questions around legal or contract issues... [Moreover, boards were there to] 'help broaden the organization's perspective.'" In cases where boards are unsure of their roles and responsibilities, there may be a tendency to adhere to their own professional norms thereby making sector affiliation relevant. Yet, there is little empirical research in the nonprofit sector that examines how a board member's sector affiliations could shape managerial priorities. Applying these research findings about board governance to managerial priorities, one might expect the following relationship:

Hypothesis 7: Having board members from different sectors increases the likelihood that managers will place more importance on key managerial priorities.

Funding Sources

There are several reasons why funding from each sector could impact management strategies. From an open-systems perspective, NPOs operate in a broader environment where they must interact and sometimes rely upon other organizations to receive legitimacy and survive (Buckley, 1967; Katz & Kahn, 1978). Organizations may also be constrained by their resources and external environments; thus, they are urged to diversify funding sources enabling them to achieve much needed resource stability and security (Pfeffer & Salancik, 1978). Essentially, resource dependency theory suggests that a nonprofit's reliance on funding streams whether they be from government, business, or other nonprofits can create financial dependencies. If these dependencies develop, management's concern becomes how best to manage this and how to avoid the often value-laden expectations that come with taking money from another organization.

Furthermore, research shows that when nonprofits take funding from different sources they change their behaviors (Froelich, 1999; Grønbjerg, 1993) and can even embrace certain values and societal roles (Moulton & Eckerd, 2012) of the funding agencies. However, there may be differences in how nonprofit managers respond to their funders. On one side, managers are encouraged to secure resources while on the other they must stay in tune with organizational mission and values (Herman & Heimovics, 2005). Funding from one nonprofit or foundation could have positive effects on managerial strategies. One reason for this is that NPOs and foundations may have similar purposes and normative commitments. Secondly, funding from other nonprofits may come with fewer strings attached that allow agencies to use the money as they see fit.

Therefore, one would expect this to encourage managers to strive towards accomplishing agency mission and goals, serving customers, and being financially fit and responsible.

Hypothesis 8: Accepting funding from a nonprofit or foundation increases the likelihood that managers will place more importance on key managerial priorities.

Accepting money from government may have a different effect on nonprofit management. For example, government funding of nonprofits increases professionalization (Suárez, 2011), opportunities for access to the political process (Chavesc, et al., 2004), and overall survival and growth (Gazley, 2008; Salamon, 2003). Government funding may also lead to mission drift and less focus on clients (Frumkin & Andre-Clark, 2000; Salamon, 1995) as well as reduce the community's representativeness on nonprofit boards (Guo, 2007). Funding is also one of the key dimensions to an agency's level of publicness (Bozeman & Bretschneider, 1994). The findings on government's influence on nonprofit management is mixed; but there is no doubt that government funding to some degree has shaped and will continue to shape the nonprofit sector (Desai & Snavely, 2012).

Hypothesis 9: Accepting funding from government is likely to impact the importance manager's place on key managerial priorities.

Businesses are a vital financial contributor to NPOs. But, scholars are noticing a change in why and to whom businesses donate. Corporations seem to be moving from a "benign benevolence" to do good to more strategic partnering that leads to corporate success and building a firm's "reputational capital" (Salamon, 2003, p. 65; Young, 2002, p. 6). While many firms give money to charity for altruistic motives, one can imagine that some corporations may have an agenda and desire to shape nonprofit practices and

strategies. In addition, corporate funding could have a compounding effect of promoting market-like values such as competition. One of the greatest strengths of private sector firms is their ability to focus on the bottom line of making a profit. It is possible that business funding, regardless of the intention behind the donation, may actually urge managers to concentrate more on their own priorities even when they have multiple bottom lines.

Hypothesis 10: Accepting funding from business increases the likelihood that managers will place more importance on key managerial priorities.

Why Child Welfare Agencies?

Child welfare nonprofits and their managers offer an interesting lens for exploring evolving state-market-civil society interactions. Child welfare nonprofits have been balancing their position between the societal spheres since early American history. Due to the historic relationship between child welfare nonprofits and their communities, these agencies have worked with businesses and government. These long-standing relationships may give managers a much needed perspective into the social institutions and external environment that influence field norms. Many would argue that to fully understand policy there should be a consideration of the historical, processual, and contextual governance between public and private actors (Bell & Hindmoor, 2009; Bevir, 2010; Heinrich, et al., 2010; Robichau, 2011). Uniquely, child welfare services have “always [been] a ‘privatized’ system never an exclusively public one” (Mangold, 1999, p. 1295) with private, philanthropic organizations providing care and assistance as early as the 1800s with little to no public funding or regulation (Flaherty, et al., 2008; Holt, 2006; Rosenthal, 2000; Young & Finch, 1977).

Some of these original providers of child welfare services are still in operation today including: Child Welfare League of America, New York Prevention of Cruelty to Children, and Children's Home Society. As late as the 1960s, the voluntary agencies were entrusted by government and society at-large to provide reasonable care to children and their families with little government intervention (McGowan, 2005). For their part, these philanthropic and charitable organizations developed and innovated standards of practice, adoptions of multi-racial and international children, the foster care and child placement system, and temporary shelter to families in need (Boudreaux & Boudreaux, 1999; Creagh, 2006; Holt, 2006). In the early twentieth century public funding and supervision of these agencies received much attention, and at times, was considered highly controversial; therefore, charities were responsible for raising money through individual and private organizational contributions as well as generating local interests in providing services to dependent children (Bremner, 1971, p. 269; Tiffin, 1982).

The child welfare system of today is not that different from a century ago. From the 1970s onward, government became increasingly involved in service provision itself and in funding private and nonprofit agencies serving children and their families (Flaherty, et al., 2008). The privatization of the system following the 1996 Personal Responsibility and Work Opportunity Reconciliation Act allowed states to relinquish many of their official service provisions in favor of a more integrated and collaborative relationships with private, nonprofit organizations in the hopes of improving service effectiveness (Waldfogel, 1997). The motivation for the states became to work with both Faith Based Organizations and "for-profit" firms to provide child welfare services.

Additionally, the amendment to the Social Security Act now permitted ‘for-profit’ organizations to compete and apply for federal funding dollars and contracts for the provision child welfare services (Mangold, 1999; Scarcella, et al., 2006). A national, statewide study of public administrators in 2000 discovered that at least 80 percent of states were employing nonprofit and private providers to support foster care placement, residential treatment, family preservation and family support service family reunification programs, special needs adoptions, and recruitment of foster care/adoptive family services (U.S. DHHS & ACF, 2001).

As in the past, these child welfare agencies find themselves as central figures in serving abused or abandoned children and their families. But unlike a century ago, NPOs are more willing to take state and federal funding and they now must operate in a more competitive environment with other nonprofits and for-profits for those dollars. Currently, networks are developing among government, nonprofit, and for-profit actors to provide services where nonprofits often serve as the lead-organizational network for child and family service delivery (see Chen & Graddy, 2010; Florida Philanthropic Network, 2010; Graddy & Chen, 2006). Many states like Florida, Illinois, Kansas, and New York have privatized large portions of their child welfare services through contracts (see Flaherty, et al., 2008). Research suggests that when child welfare agencies have a proclivity towards collaboration it is ultimately based on their concern for practice (Smith & Mogro-Wilson, 2007). And while these nonprofits have been delivery programs and services to children for over one hundred years, “very few studies to date have described the characteristics of the private agencies providing child welfare services or the

challenges these agencies face” (McBeath, et al., 2011, p. 1). This research seeks to tell two stories: one of child welfare managers themselves and another of the broader role these agencies play in the child welfare system.

Methods and Data

Sample

This research relies upon a national survey conducted of nonprofit child welfare agency administrators. The sample comes from the classification of charitable statistics using the National Taxonomy of Exempt Entities (NTEE) codes assigned by the Internal Revenue Service and the NTEE-Core Codes (NTEE-CC) assigned by the National Center for Charitable Statistics (NCCS). Organizations were selected only if they were classified as a human service foster care agency with the assistance of the Urban Institute where the NCCS is housed and managed (Boris, et al., 2010).⁴⁵ While many of these NPOs perform a variety of child welfare services (e.g., adoption, advocacy, and family preservation), their agency’s classification falls under NTEE and NTEE-CC codes for foster care services. The choice to sample the population in this manner does remove some of the larger, national agencies like Catholic Charities from the known population of foster care providers. However, it is virtually impossible to narrowly identify large nonprofits like Catholic Charities through the NTEE and NTEE-CC system because they are often classified under more general charity type like human service agencies.⁴⁶ This sample does not represent a precise sampling frame of NPOs providing foster care services, and as other have noted, this is due in part to the fact that there is no exact count of the number of NVOs, as well as for-profit agencies, offering child welfare services

nationwide (McBeath, et al., 2011). Nevertheless, this work does begin to at least identify a portion of NPOs who are providing child welfare services across the nation.

After compiling an initial list of nonprofit foster care agency providers, further research online and by telephone was conducted to find email addresses of top administrators at each agency and to verify the NPOs provided some form of child welfare or advocacy service. A total of 426 managers were included in the sampling frame, and of that, 184 individuals participated in this research giving a response rate of 43 percent.⁴⁷ The data come from an online survey collected between April 12, 2012 and June 27, 2012. The design of the survey instrument is derived from a combination of literature reviews of nonprofit, public administration, and social work research as well as the results of research conducted by the National Quality Improvement Center on the Privatization of Child Welfare Services.⁴⁸ The 54 question survey should have taken respondents between 20 to 25 minutes to complete. Observations come from NPOs in 38 different states.

Dependent Variables

Three different measures were created to determine nonprofit managerial priorities associated with child welfare agencies and nonprofits in general. Administrators were asked, on a day-to-day basis, how important are 9 areas are in informing your decision-making. They were given a five-point Likert scale with 1 being not important at all to 5 being extremely important. The first dependent variable, *client-based decision-making*, is based on their responses to how important they rated the following areas: improving the quality of services to clients, being accountable to my clients and

advocating on behalf of those I serve. The second dependent variable, *mission-based decision-making*, is based on their responses to how important they rated the following priorities: pursuing our mission, commitment to agency's goals, and being accountable to funders.⁴⁹ The last dependent variable, *financially-focused decision-making*, asked how important they rated these following areas: making financially-sound decisions and saving costs, pressures to do more with less, and pursuing funding. All questions used in the three dependent variables were checked for reliability and internal consistency and were found to be acceptable.⁵⁰ Summary scales were created from these questions and then standardized so that the coefficients could be interpreted as standard deviations in an Ordinary Least Squares (OLS) regression.⁵¹ The mean scores before standardization are reported in Table 5.1 of the Descriptive Statistics.

Independent Variables

Normative influences of the sectors. The first variable to examine sector normative influences on managerial priorities addresses a manager's identification with and perception of the nonprofit sector's purposes and values i.e., *nonprofitness*. Similar to what others have argued, the distinctive natures of NPOs may be best explained through the combination and clustering of roles rather than viewing the nonprofits purposes independently (Salamon, et al., 2000). In testing this theory, Moulton and Eckerd's (2012) find support for a "Nonprofit Sector Public Role Index," where respondents in their sample did strongly relate to various purposes and values of the sector. In this sample, respondents are asked about their level of agreement with the following seven

Table 5.1

Descriptive Statistics

Variables	Mean	SD	Min	Max
<u>Dependent Variables*</u>				
Client-focused priorities	13.463	1.973	4	15
Mission-focused priorities	13.459	1.838	5	15
Financially-focused priorities	12.678	2.304	4	15
<u>Independent Variables</u>				
<i>Nonprofit sector influences</i>				
Nonprofitness**	40.397	7.018	10	49
Frequency of nonprofit collaboration ⁺	3.857	1.359	1	5
Nonprofit board member	0.517	0.501	0	1
Receives funding from nonprofits/foundations	0.642	0.481	0	1
<i>Government sector influences</i>				
Government control**	14.425	3.669	6	23
Frequency of government collaboration ⁺	4.261	1.258	1	5
Government board member	0.317	0.467	0	1
Receiving funding government	0.799	0.402	0	1
<i>Private sector influences</i>				
Influence of the business community**	15.768	4.743	5	29
Frequency of collaboration with business ⁺	2.758	1.398	1	5
Business board member	0.821	0.385	0	1
Receives funding from businesses	0.783	0.413	0	1
<i>Controls</i>				
Female	0.552	0.499	0	1
Business background and training	0.114	0.319	0	1

* These are the scores before the dependent variables were standardized.

** Higher scores indicate greater levels of agreement regarding the indicator. These are summated scores.

⁺These are categorical variable for collaborate frequency where 1=Never, 2=Year, 3=Quarterly, 4=Monthly, and 5=Weekly.

statements concerning NPO's role in society to: 1) Act as an alternative to government by protecting and promoting individual and community values and interests; 2) Experiment or be innovative in programs, processes, and service delivery; 3) Drive social change; 4) Serve poor, under-represented, or disadvantaged individuals; 5) Promote causes and

policies on behalf of clients and communities; 6) Bring communities together and develop social trust; and, 7) Provide or supplement services government and business cannot or does not offer. Exploratory factor analysis, along with theory and intuition, was employed to construct all scales.⁵² Higher scores on *nonprofitness* indicate more agreement with the previous seven statements while lower scores indicate less agreement.

Research shows that greater government control and accountability on an agency can affect its operations and management (Bozeman & Bretschneider, 1994). In this study, manager's perception of "government control" is examined to see if it shapes their emphasis on being client, mission, and financially-focused. The *government control* scale is created from six survey questions: 1) If your agency stopped receiving government funds, how would this affect daily operations; 2) The level of influence of State Child and Family Services Review findings and your state's Program Improvement Plan on your agency's operations; 3) The level of influence of state regulations on agency operations; 4) How involved are the public child welfare agencies and 5) state legislatures in holding your agency's operations accountable; and, 6) The extent to which strong governmental influence over agency operations presents a challenge to effectively providing services. Collectively these questions speak to the nature government pressures like oversight, influence, and regulation can have on the behaviors of child welfare managers.⁵³

A third way normative practices and values from another sector could be shaping the behavior of nonprofit organizations comes from the private sector. Researchers have argued that NPOs are affected by pressures to conform to market principles and practices (Eikenberry & Kluver, 2004). There are numerous ways a nonprofit manager could

experience and perceive market-like pressures. A summated scale is created to tap into these perceptual tensions called the *influence of business community*. This indicator combines Likert scaled questions based on a respondent's level of agreement and disagreement with the following five statements: 1) There is greater competition with businesses for government contracts and funding; 2) There is pressure to generate commercial revenues and fees-for-services; 3) Businesses providing child welfare services presents a challenge to your agency's service provision; 4) Competition with other agencies over funding presents a challenge to your agency's service provision; and 5) Large donors or corporations influencing management or programs presents a challenge to your agency's service provision.⁵⁴

Collaboration frequency. Collaboration among nonprofits has been flourishing in recent decades, including agencies providing child welfare services (Horwath & Morrison, 2007). These relationships include both within and cross-sectors as indicated in Table 5.1. Administrators were asked how frequently they collaborated or partnered with nonprofits, government, and businesses to provide services to families and children: never, yearly, quarterly, monthly, and weekly. The *frequency of nonprofit, government, and business collaboration* is a categorical variables that ranges from 1 indicating these agencies never collaborate to 5 noting that they collaborate with others on a weekly basis. The largest percentage of collaboration among these child welfare agencies and the sectors are as follows: 45 percent collaborate weekly with NPOs, 66 percent collaborate with government weekly, and 22 percent collaborate quarterly with businesses.

Board governance. In the nonprofit and voluntary sector, boards are stewards rather than owners of agencies and serve to guide agency and managerial behavior (Frumkin, 2005, p. 6). The research on nonprofit boards does not speak to whether a board member's sectoral affiliation can shape managerial practices and priorities. In order to address this relationship, respondents were asked if they had board members from different sectors. Dummy variables were created to indicate if child welfare agencies had *nonprofit, business, and government board members*.

Funding streams. Historically, nonprofits have relied upon funding from private, public, and other nonprofit organizations to accomplish their mission. The source of the funding stream may bring along with it stipulations for usage or it may promote particular values that influence behaviors (e.g., Froelich, 1999). In this survey, respondents were asked whether they accepted funding from businesses, government, and other nonprofits and foundations. Dummy variables are used for receiving *business funding, government funding, and nonprofit/foundation funding*.

Individual level control variables. Two variables that may affect managerial priorities are gender and professional background and training. These variables could also be related to how an individual perceives and then responds to normative institutional pressures. The verdict is still out on whether there are meaningful differences between male and female managers. Many scholars maintain that there is not enough evidence to argue for managerial differences between the sexes (Eagly, Karau, & Makhijani, 1995; Karsten, 2006; Powell & Graves, 2003). However, some research of public sector organizations speculates that males and females may have different attitudes towards

public service motivations (Fox & Schuhmann, 1999) and that management activities and organizational performance is influenced by gender (Meier, O'Toole, & Goerdel, 2006). These differences towards management behaviors may be based on women having different personal qualities and life experiences (Stivers, 2002). Therefore, to control for any affect gender may have on managerial priorities, a dummy variable is created where 1 is *female* and 0 if other.

A second dummy control variable is created for a respondent's professional background and training. Respondents were asked what best describes their professional background and training. Administrators were given a 1 if they had a *business background and training* 0 for all other backgrounds. Those categorized as other had training that included: public administration, family studies, social work, nonprofit, criminal justice, or psychology. Business is chosen as the comparison source because the other professions—at least at face value—have more of a public service orientation. Therefore, to the extent that there may be pressures to conform to institutional norms based on sectors, then there may be more parsimony between managers with a business background and managers with the other backgrounds listed.

Results

An ordinary least squares (OLS) regression is employed to test the relationships between nonprofit, government, and private sector influences on three management priorities of operating a child welfare agency. The models of client-focused, mission-focused, and financially-focused priorities produce some evidence for sectoral influences on management. The results are presented in Table 5.2. The first hypothesis argued that

the more a manager identifies with the purposes and values of the nonprofit sector—i.e., non-profitness—the more likely they are to place a greater importance on serving clients, achieving mission and goals, and having financially sound operations. Respectively, a one point increase in the non-profitness indicator is associated with .03, .06, and .06 increases in the standard deviations of the dependent variables in Models 1, 2, and 3. While these magnitudes are small, they do indicate a positive relationship between management's identification with the roles NPOs serve in the broader society and how this influences their priorities.

Only partial support is found for Hypotheses 2 thru 5 regarding government control and influence of the business community variables. Higher perceptions of government control and influence of the business community is only found to be statistically significant in Model 3. That is, a one point increase in the manager's perception of government control and influence of the business community is associated with a .05 and .03 increase in the standard deviation of placing more importance on being financially-focused in one's day-to-day decision-making. In most of the other models the relationships between government control and the influence of the business community on managerial priorities were positive; however, this is not the case between government control and being mission-focused. As was expected, a small, but negative relationship is found between higher perceptions of government control and placing less importance on achieving agency mission and goals as suggested in Hypothesis 3. This same negative relationship is not found between the influences of the business community and being mission-focused, rather, the association is positive.

Table 5.2

OLS Regression Models of Managerial Priorities

	Model 1: Client- focused priorities	Model 2: Mission- focused priorities	Model 3: Financially- focused priorities
	b/se	b/se	b/se
<u>Nonprofit sector influences</u>			
Nonprofitness	0.026* (0.015)	0.055*** (0.018)	0.061*** (0.014)
Frequency of nonprofit collaboration	-0.07 (0.099)	-0.190** (0.087)	-0.283*** (0.091)
Nonprofit board member	0.274* (0.155)	0.061 (0.171)	0.163 (0.165)
Receives funding from nonprofits/foundations	0.304 (0.212)	0.097 (0.190)	0.158 (0.176)
<u>Government sector influences</u>			
Government control	0.026 (0.026)	-0.003 (0.029)	0.050* (0.026)
Frequency of government collaboration	-0.004 (0.146)	0.148 (0.124)	0.141 (0.104)
Government board member	-0.008 (0.165)	-0.043 (0.184)	0.134 (0.161)
Receiving funding government	0.318 (0.276)	0.231 (0.269)	-0.036 (0.222)
<u>Private sector influences</u>			
Influence of the business community	0.036 (0.026)	0.005 (0.020)	0.032* (0.017)
Frequency of collaboration with business	0.12 (0.094)	-0.039 (0.093)	0.068 (0.087)
Business board member	0.365 (0.278)	0.484* (0.261)	0.272 (0.228)
Receives funding from businesses	-0.492 (0.330)	0.101 (0.264)	0.196 (0.240)
<u>Controls</u>			
Female	0.336** (0.155)	0.233 (0.166)	0.253* (0.142)

Business background and training	0.244 (0.216)	0.536*** (0.166)	0.392* (0.206)
Constant	-2.768** (1.114)	-2.912** (1.179)	-4.125*** (0.855)
N	147	148	146
R ²	0.237	0.261	0.41
Adjusted R ²	0.116	0.145	0.316

Note: All models use robust standard errors. Statistical levels are as follows: * p<.10, ** p<.05, ***p<.01. To prevent losing observations among the independent variables, a value of zero is imputed for the missing values. Then, a dummy variable equal to unity if a given respondent has a missing response is included in the final regression models.⁵⁵

Hypothesis 6 suggested that as child welfare agencies collaborated more with businesses, governments, and other nonprofits it should have some effect on the importance they place on different managerial priorities. The findings indicate that the more a child welfare agency collaborates with other nonprofits, the less likely they are to place more importance on being mission and financially-focused by a standard deviation of .19 and .28. Moreover, while there is no statistically significant relationship between nonprofit collaboration frequency and being client-focused, the directionality of the association is the same as in Model 2 and 3. No statistically significant relationships are found between the priorities and collaboration frequency with business and government, respectively. What is interesting, however, is that the directionality between business and government collaboration frequency and the importance of the different managerial priorities changes in each model. While this does motivate further questions, it should be approached with caution given the insignificant finding. For example, greater collaboration with government is associated with manager's placing a lower priority on being client-focused, but there is a positive association with being mission and financially-focused. Conversely, higher levels of collaboration with businesses is

positively associated with being client and financially-focused and negatively associated with mission-focused priorities.

There is some evidence that the sector affiliation of a nonprofit's board members may influence managerial priorities as speculated in Hypothesis 7. Having a board member from another nonprofit organization increases the importance manager's place on being client-focused by a standard deviation of .27. In addition, having a board member from a private firm is associated with an increased importance of a .48 standard deviation on achieving agency mission and goals. Even though the other relationships between board member's sector affiliation and managerial priorities were not statistically significant, all the relationships between business and nonprofit board members on managerial priorities were positive. Unlike their business and nonprofit counterparts, public sector board members were negatively associated with being client and mission-focused.

No statistically significant relationships were found in favor of Hypotheses 7 through 10. The reason for the lack of statistical significance may be due to funding variables being measured as binary rather than continuous. Consequently, it cannot be argued with a high degree of statistical certainty that funding from the different sectors shapes managerial priorities; however, the various directionalities associated with funding streams and managerial priorities are intriguing. Most funding streams are positively associated with more emphasis placed on managerial priorities; yet, there are negative associations between funding from government and being financially-focused and funding from business and being client-focused.

And finally, it is worth noting that there are several positive and significant associations between the individual level controls and managerial priorities. Being female is associated with a .34 and .25 increase in the standard deviation of emphasizing client and financial priorities. In addition, having a business background and training is associated with placing more importance on serving one's mission and focusing on finances. The implications of these results will be further discussed below.

Limitations and Implications

There are a few data limitations to keep in mind when considering these findings. The data are cross-sectional, rely upon a sample size of respondents, and the results produced from the OLS regression are small in magnitude. The small magnitudes are most likely a function of the way the dependent variables were measured and the limited variations in respondent's answers. Nevertheless, several interesting statistically significant associations were discovered that have important implications for nonprofit theory and management. Two intentions of this paper were: 1) To explore how managerial priorities of child welfare administrators are affected by their perceptions of normative sectoral influences, collaborative relationships, funding sources, and sector affiliation of board members; and 2) To develop a broad conceptual framework of the "sectors" as a meaningful construct.

Agency administrators in this sample strongly identified with the purposes of NPOs in American society and their recognition of nonproftness is positively associated with emphasizing key managerial priorities on a daily basis. As theory would suggest, managerial behaviors and choices should be affected by fundamental nonprofit

characteristics and values (Anheier, 2005; Weisbrod, 2012) and this research finds supporting empirical evidence of this. To the extent that scholars could draw organizational boundaries, it may only be useful to do so through the perspective of how relational interactions between individuals and their broader environment affect action. Inherent in NPO's operating environment are increasing isomorphic pressures to conform to business, government, and even nonprofit norms of behaviors and practices. Framing the discussion of the position of the sectors more broadly, Bozemen and Moulton argue,

All organizations are subject to influences of publicness and privateness and they vary in the degree to which they are subject to each. This variation permits one to identify organizations as 'more private' or 'more public,' not only as a whole but also with respect to key organizational dimensions. (2011, p. i365)

Their perspective provides a subtle shift in our thinking about the characteristics of organizations and their behavior. One goal of this paper has been to add to the public-private distinction conversation by creating a space for practitioners and scholars alike to compare dimensions of nonproftness, publicnessness, and privateness. While nonprofits may assume many government and private characteristics, there is still something unique and meaningful about nonprofits in regards to what they are, what they value, and how they operate that is worth further research. They hold a symbolic space in society as conduits of charity and philanthropy. Moreover, it may be beneficial to educate nonprofit students and professionals about a nonprofit normative ethic and to create more awareness of NPO's contribution to society in ways that are distinctive from what government and businesses do.

Results from this research indicate that while nonproftness is positively associated with emphasizing financially responsibility so too do increases in the

perceptions of government control and influences from the business community. Manager's relation to government as controlling their agency's behavior, and businesses as encouraging competition and a market orientation, may lead administrators to better financial management. Conversely, one may ask whether concentrating on finances comes at the cost of being mission or client-focused. Professionalization of management is a noted side effect of succumbing to isomorphic pressures (DiMaggio & Powell, 1991) and the potential negative consequences of excessive professionalization within the nonprofit sector have been noted (Salamon, 2001, 2003).

Another contribution of this research relates to the collaboration literature. Results show that with whom these child welfare agencies collaborate with may have both positive and negative associations with emphasizing agency's client, mission, and financially-focused priorities. Surprisingly, only greater collaboration with other nonprofit organizations shows a negative and statistically significant relationship with key managerial priorities. This raises concerns for the possibility that working with other nonprofits may draw a manager's attention away from their own organizational objectives and perhaps, more towards the goals and needs of their nonprofit partners. This finding confirms that collaboration can influence managerial choices—an area still in need of greater research (Sowa, 2009)—and that at times, collaboration may be problematic for administration (McGuire, 2006). Nonprofits must not only be strategic and consider the ways that collaboration impacts their clients and organizational outcomes, but also how it impacts their managerial choices on a daily basis. Others have warned that there are disadvantages to collaboration (Gazley, 2010; Gazley & Brudney,

2007) and that collaboration should be avoided when there is no clear and real collaborative advantage (Huxham, 2003). The results, while not statistically significant, do point to positive and negative benefits of greater collaboration with business and government. More research is needed that compares how nonprofit management and organizational outcomes are affected differently based on the nature of the specific collaborative partners. And, it would be interesting to explore how manager's perceptions of normative sector influences may shape the decision to collaborate with other sectors in the first place.

A third implication of this research concerns how board members' sector affiliations informs managerial practices of these child welfare agencies. Research indicates that the manner in which board members interact with senior management is a function of their interpretation of and response to normative institutional pressures (Cornforth & Edwards, 1999). In this study, having a board member from another NPO is positively associated with manager's placing greater importance on being client-focused while having a board member from a private firm is positively associated with being more focused on mission and goals. Although they were not statistically significant, the directions of business and nonprofit board members were positively associated with managerial priorities. It is possible that their presence on the board may encourage managers to focus on clients, mission, and finances. On the other hand, it is curious that having a board member from government is negatively associated with being client and mission-focused. Managers should give a thoughtful consideration of who sits on their board and how these members could be influencing their daily operations in different

ways. These overall results lend support to previous research addressing why NPOs may prefer business board members (Worthy & Neuschel, 1984) and occupational diversity (Siciliano, 1996). To the extent that scholars believe the management of NPOs is improving, then one reason for this could be related to the various roles board members perform and how their actions are informed by their own professional norms and occupations as alluded to in Miller's (2003) work on nonprofit board members.

While the sources of different funding streams have been found to impact management across various literatures, no empirical support of these relationships were uncovered here. The lack of findings may have more to do with the inability of the funding dummy variables to adequately capture a relationship. Most likely resource dependencies have developed among these child welfare agencies; however, they may be more accurately captured and studied as continuous variables where effects between levels of funding are explored.

Even though the emphasis of this research is not on individual characteristics of the managers themselves, the results indicate that women were more likely to place greater emphasize on being client and financially-focused. One explanation for this could be that child welfare agencies may be more akin to societal roles associated with "women's" work (Stivers, 2002). In their meta-analysis, Eagly, Karau, and Makhinjani (1995) found that "male and female leaders were equally effective," but "gender enhances effectiveness, men were more effective than women in roles that were defined in more masculine terms, and women were more effective than men in roles that were defined in less masculine terms" (p.125). There are certainly other possible explanations

for gender differences in these findings, but they are beyond the scope of this research. In addition, it is worth noting that the child welfare agency managers in this sample who had business backgrounds and training were more likely to place importance on being mission and financially-focused. This may be attributed to the normative culture of business training programs that prioritizes the bottom line and overall efficiency. For these managers, some of their bottom line priorities are to accomplish their mission and be financially efficient.

And finally, these findings point to a theoretical need for exploring the symbolic capital people associate with the sectors. The numerous ways individuals interact with and assign meaning to their social worlds can create logics of action. That is, the internalization of the sectors via their associated roles and values in the broader society could be taken as self-evident in people's operating worlds and may inform their decision-making. To reiterate, it is not that we can distinguish organizations by various typologies and classifications that matters most, but that how people perceive these agency's roles and respond to their perceptions of these organizations that is of most importance. While each sector is somewhat embedded in one another, the very nature of what it is that they do in a capitalist society puts them at odds with each other (O'Riain, 2000). And yet, in their own right competition, control, and charity have significant purposes in both a democratic and capitalistic society. The fear being for NPOs, however, is the possibility of excessive outside control or competition, or the lack of nonprofitness, that could be problematic for NPO's future. It is up to practitioners and scholars alike to decide what the future purposes and values are of NPOs.

In conclusion, this paper grapples with the theoretical usefulness of employing a multi-sector approach to explore nonprofit managerial priorities. The results suggest that child welfare managers identify with and may be compelled to conform to sector pressures that can be filtered through the mechanisms of: sector norms and social institutions, collaborative relationships, and sector affiliation of board members. This research points to the advantages and potential disadvantages of nonprofit organizations, and their managers, conforming to pressures from business, government, and to a much lesser sense, other nonprofit agencies. For nonprofits to maintain their unique and special space in the societal sectors, they must stay true to their original purposes as charitable and philanthropic organizations (Bremner, 1988; Hall, 2006) who promote public values (Moulton & Eckerd, 2012) and offer various societal benefits (Frumkin, 2005; Salamon, 2003). And to an even greater extent, child welfare nonprofits have an obligation to serve their clients, achieve their mission, and be financially responsible to their best ability. They have this duty not only because of the nature of the work they do (i.e., caring for abused, abandoned or needy children and their families), but also because of their historical and significant role as providing this societal good. In exploring whether the sectors matter to the extent that managers think they matter, the answer would seem to be maybe, but more work is needed to fully address this topic.

Chapter 6

CONCLUSION

To conclude, I would like to begin with a personal story. Undergraduate students in a Public Leadership and Change course this semester were asked to write papers on how a public sector leader handled a change management or innovation challenge. As the deadline approached, students began emailing about the various leaders they wanted to write about. While many of them named public leaders (e.g., President Obama and Michelle Obama, Sheriff Joe Arpaio, Senator Elizabeth Warren, and Chairman of the Federal Reserve Ben Bernanke), a handful of them asked if they could write about Steve Jobs and Apple, Marc Zuckerberg and Facebook, Bank of America, Disney World, and Google. After several emails with one student about which leaders they could *not* write about, she stated “I am having trouble understanding how to determine which businesses are public.” This is when I realized some students do not grasp the concept of sectors i.e. the differences between private, public, and nonprofit organizations and their leaders.

Even after I sent out many emails and wrote a grading rubric that specifically stated students had to write about a public, government leader, I still received papers on Steve Jobs and Apple; Van Phillips the inventor of the Flex-Foot Cheetah blade *prosthetic*; Cannon Power Group an innovative renewable energy company; Dr. Ben Carson a leading pediatric neurosurgeon; and John David Arnold, PhD, a creator and founder of the nonprofit Portable Practical Education Preparation (PPEP). To some degree these students may be right. These are “public” leaders in the sense that the general public may know of them, and in some cases, they have made society better off

through their innovations. But, can a good argument be made that these individuals are “public” leaders even though they do not work for government? Perhaps. Many students today may think more like advanced governance scholars where the boundaries that once distinguished the public from the private or the nonprofit no longer exist or seem relevant. Organizations and their leaders are public to the extent that people know about them and can easily access their information the web. In addition, the “multiply embedded” nature of sectors within one another—which creates fundamentally contentious relations among them in a capitalist system (O’Riain, 2000, p. 191)—produces theoretical and conceptual challenges as well.

From a new public governance perspective, the focus is on the co-production of services as part of a broader public service system. The state’s role may be indirect such as providing public financing or regulation (Osborne, 2010a; Pestoff, et al., 2006). Therefore, it is easy to imagine a scenario where the public service system involves government partnering with a nonprofit organization to provide educational services to migrant workers (e.g., John David Arnold), funding and regulating a renewable energy company to produce energy more cleanly (e.g., Cannon Power Group), or supporting an inventor to make better prosthetics to help injured or disabled citizens and veterans live more active lifestyles (e.g., Van Phillips). These cases of private and nonprofit leadership seem like services government would support because they make the “public” better off. At the surface level, the question of who produces different societal goods may not seem as important as it once did. However, as this dissertation explores, the deeper concern

may not be about *who* produces public service per se, but *how* and *why* agencies do what they do may be the most important factor in shaping *how well* they do it.

The central purpose of this research has been to explore *who* provides child welfare services, *how* they go about doing it, and *why* their actions are shaped by various societal sector pressures. By striving to understand more about the work of child welfare nonprofit and their managers, this research examines their contemporary governance practices in light of the historical underpinnings of a state-market-civil society system. In addition to studying how child welfare nonprofits are being managed, the results point to broader implications for the nonprofit sector. Rather than reviewing and summarizing the findings of each individual paper, I will speak to the practical and theoretical implications of this research as a whole as well as discuss directions for future research.

Implications for Practice and Theory

This research is concerned with how child welfare nonprofits are being managed and influenced by external and internal normative and fiscal pressures. Through using a new intuitionism framework, it is discovered that the extent to which an individual relates to and understands her social worlds, and specifically the societal sectors, matters. The approach used to operationalize the assorted effects—business, government, and nonprofit spheres—could have on management practices and agency behavior can be conceptualized through some unique measures. Specifically, non-profitness, government control, influence of the business community, funding sources, board of director's sector affiliation, and collaborative relationship within and across sectors can all impact

managerial and organizational behaviors in distinctive ways. The broad implications for practice and theory will be discussed.

One theme of this research has been to develop and explore the impact of an underlying nonprofit normative ethic—nonprofitness—in guiding managerial and agency behaviors among child welfare nonprofits. I have argued that the values and roles associated with NPOs within a larger nonprofit sector are meaningful and do shape certain behaviors. For example, it is found that higher identification with nonprofitness does not reduce the likelihood that these child welfare agencies will adopt various business management strategies. However, nonprofitness is positively associated with encouraging more collaboration among nonprofits and increasing the importance managers' place on achieving mission and goals, serving clients, and being strategic financially.

For child welfare and other nonprofit managers, a need exists for broader awareness about the particular values and normative ethic of the sector. Recognizing what makes nonprofits distinctive from business and government organizations is not just their tax-exempt status, but also the principles and ideals they stand for regarding how public goods and services should be delivered in a democratic and capitalist society are significant. The major concern being that if a nonprofit ethic for behavior does not exist, or at least is not recognized to be important, then these organizations may run the risk of becoming too similar to government and business. As Frumkin warns “intense commercialization has eroded the moral high ground of these organization and transformed nonprofits into shadow businesses” (2005, p. 10). What is the ‘moral high

ground' of these organizations? I have argued that is it a normative ethic for behavior i.e. nonprofitness. Nonprofit managers and their staff must be concerned with how best to service their clients and achieve their mission. They must question whether adopting commercial practices and even collaborating with other organizations allows them to do their jobs better, or whether it merely enables them to keep their doors open at the cost of service quality. Moreover, they must be strategic about agency priorities and how outside pressures could be influencing the importance they place these priorities.

The real problem that emerges from this research involves how the moral high ground of nonprofits may be shifting ever so subtly that practitioners and academics alike do not fully recognize that it is occurring. And, without acknowledging the various ways nonprofits could be turning into government vendors or for-profit organization, it may quickly become too late to salvage the unique societal space NPOs occupy between business and government organizations. As demonstrated in this dissertation, greater influence of the business community is associated with greater adoption of business management strategies (e.g., charging fees for services or relying less on volunteers), positively shaping the importance managers give to financial priorities, and negatively (although not statistically significantly) associated with increasing collaboration among nonprofit organizations. Moreover, more government control is also positively associated with manager's placing more importance on being financially-focused. Interestingly, government control is not significant throughout most of these research findings. This may be attributed to the special and historical relationship between child welfare nonprofits and government discussed in the introductory paper of this dissertation.

Historically, child welfare nonprofits in the 1950s and 1960s were leery of accepting federal funding for service provision because they feared that it would distort their charitable mission and other societal purposes as well as their belief that the public sector should be the “primary vehicle to enhance comprehensive services” (Rosenthal, 2000, p. 294). Social reformer Grace Abbott noted: “By the end of the nineteenth century, leaders in social welfare began to appreciate the difficulties inherent in the subsidy system and that, once started it was very difficult to abandon” (Abbott, 1938, p. 15). This challenge remains true today as the primary service providers of child welfare services are nonprofit organizations who are funded to some extent by government agencies. Almost 80 % of child welfare agencies in this sample rely upon government and business funding to support their operations. This represents another evolution in the governance story of the child welfare public service system. While these child welfare agencies have played a significant role since early American history, there is a concern that pressures to conform to government norms, more specific funding requirements, and competition from other nonprofits and for-profit providers may change the nature and motive behind serving vulnerable children and their families. This development epitomizes yet another way that business and government pressures could be shaping managerial behaviors of nonprofits organizations.

Broadly, this research also explored the effects that board members from business, government, and nonprofit agencies may have on child welfare agency’s practices. It has been speculated that these board of directors bring with them their own professional norms and values that shape nonprofit managerial behaviors in specific

ways. Take for instance, a board member from the business community. These board members are shown to increase the likelihood that managers will place more importance on “running their agency like a business” and being mission-focused while they may lower the intra-agency collaboration among nonprofit organization. Conversely, having a board member from another nonprofit increases the likelihood of nonprofit collaboration and managers placing greater importance on being client-focused. Overall, it is argued that board members inform agency and managerial behaviors and that having a diverse board is best. Additionally, managers would benefit from the recognition that board members bring their own professional normative ethics and biases to the table that may, or may not, be in accordance with a nonprofit ethic or best practices. It is up to organizational leadership to determine how their boards should operate and in what capacity these members should influence organizational practices.

Another theme dealt with in this is collaboration. First, the intensity of collaboration between child welfare agencies and other nonprofits is examined as a function of varying sectoral pressures. And secondly, the frequency of collaboration between child welfare agencies and business, government, and nonprofits is studied as having an effect on managerial priorities. The interactions that child welfare agencies have with other organizations provides an alternative avenue for considering the extent to which sectoral affiliations and normative commitments can lead to the spreading of isomorphic pressures among the sectors. The implications for who these child welfare agencies collaborate with are many and it is up to agency leadership to decide whether collaboration should be pursued. Given the fact that many grant applications and funders

of nonprofit organizations encourage collaboration, more research and attention needs to be given to whether collaboration provides a strategic advantage for agencies and their clients. Results in this dissertation offer a cautionary tale by indicating that the more child welfare agencies in this sample collaborated with other nonprofits they less importance they placed on focusing on their own mission and finances.

While several implications for management of these child welfare agencies have been raised, many policy and theoretical consequences should be noted. First, given the historical nature of interactions between child welfare nonprofits and government their specific niche in service provision overlaps in many respects. With the arrival of for-profit organizations in the sphere of child welfare services a major concern becomes *who* should be providing *what* services and to *whom*. Should policy-makers be worried about whether government, nonprofits, or businesses provide these services and do they know how client outcomes are being influenced by the specific type of service provider? The response would seem to be that yes, there is cause for concern and no, we do not know enough about how child outcomes differ regarding whether the servicer is a nonprofit, business, or government agency. The fact that the boundaries of the sectors appear to be overlapping in many respects would hint at the conclusion that organizational type may not matter. However, to the extent that child welfare outcomes have not been accurately and longitudinally measured, and business and government are influencing the key nonprofit service providers, there is still too much we do not understand about this complex service system to judge who will do the best job. And, government must be careful about who it chooses as its partner and be sure not to overly control the behaviors

of nonprofits, thereby undermining what made them a strategic choice provider in the first place. States and local governments must avoid getting into the business of turning nonprofits into government vendors because it may weaken the moral high these organizations have held in society for hundreds of years.

Finally, policy makers and government agencies alike must consider the potential changing nature of nonprofit service providers. These agencies are simultaneously being subjected to government control and marketization pressures which could potentially transform the very essence of who nonprofits are, what they do, and how they do it. While there is great potential for this to occur as indicated by the adoption of business management practices by these child welfare nonprofits, there is also an underlying normative ethic that exists and appears to be driving managerial behavior. In essence, a sectoral identity with particular roles and values i.e. non-profitness, does emerge as a meaningful indicator of some managerial behaviors. However, higher levels of identifying with non-profitness are not associated with lower adoption rates of business management techniques implying the power of market orientation influences within the sector. As implied in this research, there is something meaningful about individuals in the sector adopting a non-profit ethic and to the extent that scholars, educators, and policy makers can foster the further development of a non-profit normative ethic is worth examining. There is a fine line that should not be crossed between these nonprofits turning into a government or business organization and how people draw that line today will have dramatic implications for the future.

Reflections and Future Research

The process of writing this dissertation and uncovering the business of child welfare nonprofits has further spurred my research interest into three specific areas. First, the motivating reason why I took up studying child welfare nonprofits stemmed out of a concern that we as scholars and citizens know very little about what happens to children while they are in the public foster care system. Complicating this fact is that research on foster care alumni populations repeatedly shows that long-term outcomes for these vulnerable children are poor. For example, these children are more likely than their peers to “become homeless, incarcerated, dependent on state services...have lower scores on standardized tests and higher absenteeism...and dropout rates...do not have an adequate safety net or social network...[and] are among the most at risk for poor life outcomes in American society” (Lips, 2007, pp. 1-2). Moreover, it is expected that if nothing changes by 2020 “more than 10.5 million children will spend some time in the foster care [and] 22,500 children will die of abuse or neglect, most before their fifth birthday” (FosterClub). These grizzly facts represent all the more reason why the system and those providing services need to be studied. Child welfare nonprofits are making decisions on a daily basis that impact vulnerable children and their families’ outcomes, and yet, as a community the process of providing services remains somewhat hidden and illusive from the public’s eye. With the majority of states reporting over 10 years ago that they heavily rely upon private, nonprofit providers to assist abused and neglected children and their families (U.S. DHHS & ACF, 2001), a great need exists to know more about how well

these agencies operate, their decision-making processes, and the results associated with what they do.

A second finding that became apparent in this dissertation and which needs further research regards whether child welfare nonprofits and the sector in general, may be shredding their altruistic purposes due to various external and fiscal pressures. The motivating ethic of these child welfare nonprofits have historically been to deliver charitable and philanthropic services to a vulnerable population that lacked a voice i.e., to provide both a public good and societal benefit. And while it cannot be argued that this underlying ethic of nonproftness has disappeared entirely from these organizations and the sector, the evidence of governmental control and private sector influences suggests a strong possibility that these outside forces may have a crowding out effect on the original character and purposes of these organizations. Therefore, the concern becomes whether too much governmentalization and marketization of these agencies may distort their original vision and mission to serve vulnerable children and their families because it is the *charitable* thing to do. I question whether these outside pressures may lead nonprofits to be overly focused on a financial bottom line; and, whether pleasing their government principals by being economically efficient will come at the cost of achieving mission and doing what is actually in the best interest of this population?

Determining what is in the “best interest of the child” is something American society has struggled over the last 200 years and still no answer exists. Perhaps, this is due to the fact that the public child welfare system as is treats all children equally and systematically rather than focusing on individual needs and preventative services. It is

necessary that we as a community of scholars and practitioners find ways to understand the process of nonprofit service provision as it is occurring. Moreover, it may be time to ask who *really* does the best job of providing services to children: government, businesses, or nonprofits. Little comparative work exists that examines the outcomes of children and their families based on what extent they received services from government, nonprofit, or even, for-profit organizations. One way to begin to uncover this is to examine states where the foster care system is fully privatized (e.g., Kansas or Florida) with states that have varying levels or no privatized services (e.g., Texas, Missouri, Michigan). Furthermore, as some researchers have begun to study (e.g., McBeath & Meezan, 2006, 2010), data is needed regarding how government performance-based contracting is impacting the services child welfare nonprofits provide, how they deliver them, and how it affects their clients.

And finally, I would like to further develop the sectors as a conceptual framework. In the final paper, I stated that the sectors may only matter to the extent that people think they matter (i.e., the symbolic capital and social interactions people assign to private, public, and nonprofit spheres). To fully grasp and develop a theory of the sectors, attention should be given to the practitioner's voice and perceptions. A discourse is required about what each societal sphere offers and whether isomorphic pressures will improve or hinder people's relationship to their organizations and society at large. It would be interesting to explore commonalities and disagreements about how government, nonprofit, and business workers view the work of their organizations and the work of other sectors. That is, what role should each sector have in American governance or, have

these roles and purposes become so similar that the sectors no longer seems like a relevant construct.

In the beginning of this section I told a story of how some students do not seem to fully understanding the construct of “public” organizations and leadership. In their minds, the public, governmental space is equivalent with that of nonprofit and business organizations. The implications of a society where all spheres are considered equivalent could distort the unique public service motives and purposes of government and nonprofit organizations with that of for-profits drive for efficiency and profitability. It could bring into the question the checks and balances the sectors have on one another. In sum, what would a future with no publicness or nonproftiness look like?

REFERENCES

- Abbott, G. (1938). *The child and the state* (Vol. II). Chicago: University of Chicago Press.
- Abzug, R., & Galaskiewicz, J. (2001). Nonprofit boards: crucibles of expertise or symbols of local identities? *Nonprofit and Voluntary Sector Quarterly*, 30(1), 51-73.
- Administration for Children and Families. (2010). Trends in foster care and adoption-FY 2002-FY2009 Retrieved March 17, 2011, from http://www.acf.hhs.gov/programs/cb/stats_research/afcars/trends.htm
- Agranoff, R. (2003). *Leveraging networks: A guide for public managers working across organizations*. Arlington, VA: IBM Endowment for the Business of Government.
- Agranoff, R. (2007). *Managing within networks: Adding value to public organizations*. Washington, D.C.: Georgetown University Press.
- Agranoff, R., & McGuire, M. (2004). *Collaborative public management: New strategies for local governments*. Washington, D.C.: Georgetown University Press.
- Alexander, J., Nank, R., & Stivers, C. (1999). Implications of welfare reform: Do nonprofit survival strategies threaten civil society? *Nonprofit and Voluntary Sector Quarterly*, 28(4), 452-475.
- Andrews, R., Boyne, G. A., & Walker, R. M. (2011). Dimensions of publicness and organizational performance: A review of the evidence. *Journal of Public Administration Research and Theory*, 21(Supplement 3), i301-i319.
- Anheier, H. (2005). *Nonprofit organizations: Theory, management, and policy*. New York: Routledge.
- Ansell, C., & Gash, A. (2008). Collaborative governance in theory and practice. *Journal of Public Administration Research and Theory*, 18(4), 543-571.
- Arnsberger, P., Ludlum, M., Riley, M., & Stanton, M. (2012). A history of the tax-exempt sector: An SOI perspective. In J. S. Ott & L. A. Dicke (Eds.), *The nature of the nonprofit sector* (pp. 125-150). Boulder, CO: Westview Press.
- Ashton, R. (2011). *How to be a social entrepreneur: Make money and change the world*. West Sussex, U.K.: Capstone Publishing.
- Askeland, L. (2006). Informal adoption, apprentices, and indentured children in colonial era and the New Republic, 1605-1850. In L. Askeland (Ed.), *Children and youth in adoption, orphanages, and foster care: A historical handbook and guide* (pp. 3-16). Westport, CT: Greenwood Press.

- Aspen Institute. (2001). *The nonprofit sector and the market: Opportunities and challenges*. Washington, DC: Aspen Institute.
- Aulich, C. (2011). It's not ownership that matters: It's publicness. *Policy Studies*, 32(3), 199-213.
- Austin, J. E. (2000). Strategic collaboration between nonprofits and business. *Nonprofit and Voluntary Sector Quarterly*, 29(Supplement 1), 69-97.
- Austin, J. E., & Seitanidi, M. M. (2012). Collaborative value creation: A review of partnering between nonprofits and businesses: Part I. Value creation spectrum and collaboration stages. *Nonprofit and Voluntary Sector Quarterly*, 41(5), 726-758.
- Austin, M. J. (2003). The changing relationship between nonprofit organizations and public social service agencies in the era of welfare reform. *Nonprofit and Voluntary Sector Quarterly*, 32(1), 97-114
- Backman, E. V., & Smith, S. R. (2000). Healthy organizations, unhealthy communities? *Nonprofit Management and Leadership*, 10(4), 355-373.
- Baines, C. T., Evans, P. M., & Neysmith, S. M. (1998). *Women's caring: Feminist perspectives on social welfare* (Vol. Second Edition). Toronto: Oxford University Press.
- Bartholet, E. (1999). *Nobody's children: Abuse and neglect, foster drift, and the adoption alternative*. Boston: Beacon Press.
- Baum, J. A. C., & Singh, J. V. (1996). Dynamics of organizational responses to competition. *Social Forces*, 74(4), 1261-1297.
- Baysinger, B. D., & Butler, H. N. (1985). Corporate governance and the board of directors: Performance effects of changes in board composition. *Journal of Law, Economics, & Organization*, 1(1), 101-124.
- Bell, S., & Hindmoor, A. (2009). *Rethinking governance: The centrality of the state in modern society*. Cambridge: Cambridge University Press.
- Belsey, D. A., Kuh, E., & Welsch, R. E. (1980). *Regression diagnostics: Identifying influential data and sources of collinearity*. New York: John Wiley.
- Berger, P. L., & Luckman, T. (1967). *The social construction of reality: A treatise in the sociology of knowledge*. Garden City, NY: Doubleday.
- Bertelli, A. M., & Smith, C. R. (2010). Relational contracting and network management. *Journal of Public Administration Research and Theory*, 20(Supplement 1), i21-i40.

- Bevir, M. (2009). *Key concepts in governance*. Los Angeles: Sage.
- Bevir, M. (2010). *Democratic governance*. Princeton: Princeton University Press.
- Bogason, P., & Musso, J. A. (2006). The democratic prospects of network governance. *The American Review of Public Administration*, 36(1), 3-18.
- Boots, S. W., & Geen, R. (1999). Family care or foster care?: How state policies affect kinship caregivers. *July*(Series A, No. A-34).
- Boris, E. T., De Leon, E., Roeger, K. L., & Nikolova, M. (2010). Human service nonprofits and government collaboration: Findings from the 2010 National Survey of Nonprofit Government Contracting and Grants. Washington, D.C.: Urban Institute.
- Boris, E. T., & Steuerle, C. E. (Eds.). (2006). *Nonprofits and government: Collaboration and conflict* (2nd ed.). Washington, D.C.: The Urban Institute.
- Boudreaux, K. C., & Boudreaux, D. J. (1999). Social security, social workers, and the care of dependent children. In R. B. McKenzie (Ed.), *Rethinking orphanages for the 21st century* (pp. 171-191). Thousand Oaks: Sage Publications.
- Bourdieu, P. (1985). The social space and the genesis of groups. *Theory and Society*, 14(6), 723-744.
- Boyne, G. A. (2002). Public and private management: What's the difference? *Journal of Management Studies*, 39(1), 97-122.
- Bozeman, B. (1987). *All organizations are public: Bridging public and private organizational theories* (Vol. 1st). San Francisco: Jossey-Bass.
- Bozeman, B., & Bretschneider, S. (1994). The "Publicness Puzzle" in organizational theory: A test of alternative explanations of differences between public and private organizations. *Journal of Public Administration Research and Theory*, 4(2), 197-223.
- Bozeman, B., & Moulton, S. (2011). Integrative publicness: A framework for public management strategy and performance. *Journal of Public Administration Research and Theory*, 21(Supplement 3), i363-i380.
- Brace, E. (Ed.). (1894). *The life of Charles Loring Brace: Chiefly told in his own letters*. New York: Scribner's.
- Bremner, R. H. (1988). *American philanthropy*. Chicago: University of Chicago Press.

- Bremner, R. H. (Ed.). (1971). *Children and youth in America: A documentary history. 1866-1932* (Vol. II). Cambridge: Harvard University Press.
- Bremner, R. H. (Ed.). (1974). *Children and youth in America: A documentary history. 1933-1973* (Vol. III, Parts 1-4). Cambridge: Harvard University Press.
- Brinckerhoff, P. C. (2000). *Social entrepreneurship: The art of mission-based innovation*. New York: John Wiley & Sons.
- Brown, T. L., Potoski, M., & Van Slyke, D. M. (2006). Managing public service contracts: Aligning values, institutions, and markets. *Public Administration Review*, 66(3), 323-331.
- Bryson, J. M., Crosby, B. C., & Stone, M. M. (2006). The design and implementation of cross-sector collaborations: Propositions from the literature. *Public Administration Review*, 66, 44-55.
- Buckley, W. (1967). *Sociology and modern systems theory*. Englewood Cliffs, NJ: Prentice Hall.
- Bush, R. (1992). Survival of the nonprofit spirit in a for-profit world. *Nonprofit and Voluntary Sector Quarterly*, 21(4), 391-410.
- Cahn, N. R. (1999). Children's interests in a familial context: Poverty, foster care, and adoption. *Ohio State Law Journal*, 60, 1189.
- Cairns, B., & Harris, M. (2011). Local cross-sector partnerships: Tackling the challenges collaboratively. *Nonprofit Management and Leadership*, 21(3), 311-324.
- Cairns, B., Harris, M., & Hutchinson, R. (2011). *Collaboration by nonprofits: A useful concept for theory and practice?* Paper presented at the Association for Research on Nonprofit Organizations and Voluntary Action, Toronto, Canada.
- Catlaw, T. J. (2007). From representations to compositions: Governance beyond the three-sector society. *Administrative Theory & Praxis*, 29(2), 225-259.
- Catlaw, T. J. (2009). Governance and networks at the limits of representation. *The American Review of Public Administration*, 39(5), 478-498.
- Chavesc, M., Stephens, L., & Galaskiewicz, J. (2004). Does government funding suppress nonprofits' political activity? *American Sociological Review*, 69(2), 292-316.
- Chen, B. (2010). Antecedents or processes? Determinants of perceived effectiveness of interorganizational collaborations for public service delivery. *International Public Management Journal*, 13(4), 381-407.

- Chen, B., & Graddy, E. A. (2010). The effectiveness of nonprofit lead organization networks for social service delivery. *Nonprofit Management and Leadership*, 20(4), 405-422.
- Child Welfare Information Gateway. (2010). Foster care statistics. *Numbers and trends*. Retrieved March 17, 2011, from <http://www.childwelfare.gov/pubs/factsheets/foster.cfm>
- Cho, S., & Gillespie, D. F. (2006). A conceptual model exploring the dynamics of government–nonprofit service delivery. *Nonprofit and Voluntary Sector Quarterly*, 35(3), 493-509.
- Chudacoff, H. P. (2007). *Children at play: An American history*. New York: New York University Press.
- Cohen, J., & Cohen, P. (1985). *Applied multiple regression and correlation analysis for the behavioral sciences* (Second ed.). Hillsdale, NJ: Erlbaum.
- Connor, J. A., Kadel, T., S., & Vinokur, K., D. (1999). The role of nonprofit management support organizations in sustaining community collaborations. *Nonprofit Management and Leadership*, 10(2), 127-136.
- Cook, J. F. (1995). A history of placing-out: The orphan trains. *Child Welfare*, 74(1), 181-197.
- Cooney, K. (2006). The institutional and technical structuring of nonprofit ventures: Case study of a US hybrid organization caught between two fields. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 17(2), 137-155.
- Cooper, P. J. (2003). *Governing by contract: Challenges and opportunities for public managers*. Washington, D.C.: C.Q. Press.
- Cornforth, C., & Edwards, C. (1999). Board roles in the strategic management of non-profit organisations: Theory and practice. *Corporate Governance: An International Review*, 7(4), 346-362.
- Coursey, D., & Bozeman, B. (1990). Decision making in the public and private organizations: A test of alternative concepts of "Publicness". *Public Administration Review*, 50(5), 525-534.
- Courtney, M. E. (1999). Foster care and the costs of welfare reform. In P. A. Curtis, G. Dale & J. C. Kendall (Eds.), *The foster care crisis: Translating research into policy and practice* (pp. 129-151). Lincoln & London: University of Nebraska Press in association with the Child Welfare League of America.

- Courtney, M. E., & Malucicio, A. (1999). The rationalization of foster care in the Twenty-First Century. In P. A. Curtis, G. Dale & J. C. Kendall (Eds.), *The foster care crisis: Translating research into policy and practice* (pp. 225-242). Lincoln & London: University of Nebraska Press in association with the Child Welfare League of America.
- Craig, C., & Herbert, D. (1999). The state of child welfare. In R. B. McKenzie (Ed.), *Rethinking orphanages for the 21st century* (pp. 23-38). Thousand Oaks: SAGE Publications.
- Creagh, D. (2006). Science, social work, and bureaucracy: Cautious developments in adoption and foster care, 1930-1969. In L. Askeland (Ed.), *Children and youth in adoption, orphanages, and foster care: A historical handbook and guide* (pp. 31-44). Westport, CT: Greenwood Press.
- Crenson, M. (1998). *Building the invisible orphanage. A prehistory of the American welfare system*. Cambridge: Harvard University Press.
- Curran, L. (2009). Foster care. *Encyclopedia of children and childhood in history and society*.
- Curtis, P. A. (1999). Introduction: The chronic nature of the foster care crisis. In P. A. Curtis, G. Dale & J. C. Kendall (Eds.), *The foster care crisis* (pp. 1-14). Lincoln & London: University of Nebraska Press in association with the Child Welfare League of America.
- Curtis, P. A., Dale, G., & Kendall, J. C. (Eds.). (1999). *The foster care crisis: Translating research into policy and practice*. Lincoln & London: University of Nebraska Press in association with the Child Welfare League of America.
- Dart, R. (2004). Being “business-like” in a nonprofit organization: A grounded and inductive typology. *Nonprofit and Voluntary Sector Quarterly*, 33(2), 290-310.
- Dees, J. G., & Anderson, B. B. (2003). Sector-bending: Blurring lines between nonprofit and for-profit. *Society*, 40(4), 16-27.
- Dees, J. G., Emerson, J., & Economy, P. (2001). *Enterprising nonprofits: A toolkit for social entrepreneurs* (Vol. 159). New York: John Wiley & Sons
- Dekker, P. (2001). What crises, what challenges? When nonprofitness makes no difference. In H. K. Anheier & J. Kendall (Eds.), *Third sector policy at the crossroads: An international nonprofit analysis* (pp. 61-68). London: Routledge.
- Denhardt, J., & Denhardt, R. (2007). *The new public service: Serving, not steering* (Vol. Expanded edition). New York: ME Sharpe Inc.

- Desai, U. C., & Snaveley, K. (2012). Three faces of the state and the nonprofit sector. *Administration & Society*, 44(8), 962-984.
- DiMaggio, P. J., & Powell, W. W. (1991a). Introduction. In W. W. Powell & P. J. DiMaggio (Eds.), *The new institutionalism in organizational analysis* (pp. 1-38). Chicago: The University of Chicago Press.
- DiMaggio, P. J., & Powell, W. W. (1991). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. In W. W. Powell & P. J. DiMaggio (Eds.), *The new institutionalism in organizational analysis* (pp. 63-82). Chicago: The University of Chicago Press.
- DiMaggio, P. J., & Powell, W. W. (Eds.). (1991b). *The new institutionalism in organizational analysis*. Chicago: University of Chicago Press
- Dixon, J., & Dogan, R. (2002). Hierarchies, networks and markets: Responses to societal governance failure. *Administrative Theory & Praxis*, 24(1), 175-196.
- Donahue, J. D. (1990). *The privatization decision*. New York: Basic Books.
- Drucker, P. F. (1990). *Managing the non-profit organization: Principles and practices*. New York: HarperCollins.
- Durnford, J. (2011, December 12). [Personal communication].
- Eagly, A. H., Karau, S. J., & Makhijani, M. G. (1995). Gender and the effectiveness of leaders: A meta-analysis. *Psychological Bulletin*, 117(1), 125-145.
- Ehrle, J., Andrews Scarcella, C., & Geen, R. (2004). Teaming up: Collaboration between welfare and child welfare agencies since welfare reform. *Children and Youth Services Review*, 26(3), 265-285.
- Eikenberry, A. M. (2007). Symposium—Theorizing governance beyond the state: Introduction. *Administrative Theory & Praxis*, 29(2), 193-197.
- Eikenberry, A. M., & Kluver, J. D. (2004). The marketization of the nonprofit sector: Civil society at risk? *Public Administration Review*, 64(2), 132-140.
- Embry, R. A., Buddenhagen, P., & Bolles, S. (2000). Managed care and child welfare: Challenges to implementation. *Children and Youth Services Review*, 22(2), 93-116.
- Fabrignar, L. R., & Wegener, D. T. (2012). *Exploratory factor analysis: Understanding statistics*. Oxford: Oxford University Press.

- Feeney, M. K. (2008). Sector perceptions among state-level public managers. *Journal of Public Administration Research and Theory*, 18(3), 465-494.
- File, K. M., & Prince, R. A. (1998). Cause related marketing and corporate philanthropy in the privately held enterprise. *Journal of Business Ethics*, 17(14), 1529-1539.
- Flaherty, C., Collins-Camargo, C., & Lee, E. (2008). Privatization of child welfare services: Lessons from experienced states regarding site readiness assessment and planning. *Children and Youth Services Review*, 30, 809-820.
- Florida Philanthropic Network. (2010). The roles of philanthropy and government in sustaining Florida's successful child welfare reforms Retrieved March 17, 2011, from http://www.fpnetwork.org/pdf/Summary_DCF-FPN_Convening.pdf
- Foster, M. K., & Meinhard, A. G. (2002). A regression model explaining predisposition to collaborate. *Nonprofit and Voluntary Sector Quarterly*, 31(4), 549-564.
- FosterClub. Foster Care Statistics Retrieved April 20, 2013, from <http://www.fosterclub.com/article/foster-care-statistics>
- Fox, R. L., & Schuhmann, R. A. (1999). Gender and local government: A comparison of women and men city managers. *Public Administration Review*, 59(3), 231-242.
- Frederickson, H. G. (2005). Whatever happened to public administration? Governance, governance everywhere. In E. Ferlie & Lynn, Jr., L.E. (Eds.), *The oxford handbook of public management* (pp. 282-304). Oxford: Oxford University Press.
- Froelich, K. A. (1999). Diversification of revenue strategies: Evolving resource dependence in nonprofit organizations. *Nonprofit and Voluntary Sector Quarterly*, 28(3), 246-268.
- Frumkin, P. (2005). *On being nonprofit: A conceptual and policy primer*. Cambridge: Harvard Univ Press.
- Frumkin, P., & Andre-Clark, A. (2000). When missions, markets, and politics collide: Values and strategy in the nonprofit human services. *Nonprofit and Voluntary Sector Quarterly*, 29(supplemental 1), 141-163.
- Fryar, A. H. (2012). What do we mean by privatization? In J. Smart & M. Paulson (Eds.), *Handbook of Higher Education Theory and Research* (Vol. 27, pp. 521-548). Dordrecht: Springer Press.
- Fukuyama, F. (1996). *Trust: The social virtues and the creation of prosperity*. New York: Free Press.

- Gazley, B. (2008). Beyond the contract: The scope and nature of informal government–nonprofit partnerships. *Public Administration Review*, 68(1), 141-154.
- Gazley, B. (2010). Why not partner with local government? Nonprofit managerial perceptions of collaborative disadvantage. *Nonprofit and Voluntary Sector Quarterly*, 39(1), 51-76.
- Gazley, B., & Brudney, J. L. (2007). The purpose (and perils) of government-nonprofit partnership. *Nonprofit and Voluntary Sector Quarterly*, 36(3), 389-415.
- Glisson, C., & James, L. (1993). The interorganizational coordination of services to children in state custody. *Administration in Social Work*, 16(3-4), 65-80.
- Graddy, E. A., & Chen, B. (2006). Influences on the size and scope of networks for social service delivery. *Journal of Public Administration Research and Theory*, 16(4), 533-552.
- Granovetter, M. (1985). Economic action and social structure: the problem of embeddedness. *American Journal of Sociology*, 9(3), 481-510.
- Greve, C., & Hodge, G. (2010). Public-private partnership and public governance challenges. In S. P. Osborne (Ed.), *The new public governance? Emerging perspectives on the theory and practice of public governance* (pp. 149-162). London: Routledge.
- Grønbjerg, K. (1993). *Understanding nonprofit funding: Managing revenues in social service and community development organizations*. San Francisco: Jossey-Bass Inc.
- Gruber, J., & Hungerman, D. M. (2007). Faith-based charity and crowd-out during the great depression. *Journal of Public Economics*, 91(5-6), 1043-1069.
- Guo, B. (2006). Charity for profit? Exploring factors associated with the commercialization of human service nonprofits. *Nonprofit and Voluntary Sector Quarterly*, 35(1), 123-138.
- Guo, C. (2007). When government becomes the principal philanthropist: The effects of public funding on patterns of nonprofit governance. *Public Administration Review*, 67(3), 458-473.
- Guo, C., & Acar, M. (2005). Understanding collaboration among nonprofit organizations: Combining resource dependency, institutional, and network perspectives. *Nonprofit and Voluntary Sector Quarterly*, 34(3), 340-361.
- Hall, P. A., & Taylor, R. C. R. (1996). Political Science and the Three New Institutionalisms. *Political studies*, 44(5), 936-957.

- Hall, P. D. (1992). *Inventing the nonprofit sector*. Baltimore: The Johns Hopkins University Press.
- Hall, P. D. (2006). A historical overview of philanthropy, voluntary associations, and nonprofit organizations in the United States, 1600-2000. In W. W. Powell & R. Steinberg (Eds.), *The nonprofit sector: A research handbook* (Second ed., pp. 32-65). New Haven, CT: Yale University Press.
- Hammack, D. C., & Young, D. R. (Eds.). (1993). *Nonprofit organizations in a market economy: Understanding new roles, issues, and trends*. San Francisco: Jossey-Bass Publishers.
- Haque, S. M. (2001). The diminishing publicness of public service under the current mode of governance. *Public Administration Review*, 61(1), 65-82.
- Hegar, R. (1999). The cultural roots of kinship care. In R. Hegar & M. Scannapieco (Eds.), *Kinship foster care: Policy, practice, and research* (pp. 17-27). Oxford: Oxford University Press.
- Heinrich, C. J., & Fournier, E. (2004). Dimensions of publicness and performance in substance abuse treatment organizations. *Journal of Policy Analysis and Management*, 23(1), 49-70.
- Heinrich, C. J., Lynn, Jr., L. E., & Milward, H. B. (2010). A state of agents? Sharpening the debate and evidence over the extent and impact of the transformation of governance. *Journal of Public Administration Research and Theory*, 20(Supplement 1), i3-i19.
- Hendriks, C. M. (2009). The democratic soup: Mixed meanings of political representation in governance networks. *Governance*, 22(4), 689-715.
- Herman, R. D., & Heimovics, D. (2005). Executive leadership. In R. D. Herman & Associates (Eds.), *The Jossey-Bass handbook of nonprofit leadership and management* (Second ed., pp. 153-170). San Francisco: John Wiley & Sons, Inc.
- Hicklin, A., O'Toole, L. J., & Meier, K. J. (2008). Serpents in the sand: Managerial networking and nonlinear influences on organizational performance. *Journal of Public Administration Research and Theory*, 18(2), 253-273.
- Hill, C. J., & Lynn, Jr., L. E. (2005). Is hierarchical governance in decline? Evidence from empirical research. *Journal of Public Administration Research and Theory*, 15(2), 173-195.
- Hochman, G., Hochman, A., & Miller, J. (2004). *Foster care: Voices from the inside*. Washington, D.C.: PEW Commission on Children in Foster Care.

- Holland, T. P., & Ritvo, R. A. (2012). History and theories of nonprofit organizations. In J. S. Ott & L. A. Dicke (Eds.), *The nature of the nonprofit sector* (Second ed., pp. 108-120). Boulder, CO: Westview Press.
- Holt, M. I. (1992). *The orphan trains: Placing out in America*. Lincoln and London: University of Nebraska Press.
- Holt, M. I. (2006). Adoption reform, orphan trains, and child-saving, 1851-1929. In L. Askeland (Ed.), *Children and youth in adoption, orphanages, and foster care: A historical handbook and guide* (pp. 17-30). Westport, CT: Greenwood Press.
- Horwath, J., & Morrison, T. (2007). Collaboration, integration and change in children's services: Critical issues and key ingredients. *Child Abuse & Neglect*, 31(1), 55-69.
- Hudson, M. (1999). *Managing without profit: the art of managing third-sector organizations*. London: Penguin.
- Huxham, C. (2003). Theorizing collaboration practice. *Public Management Review*, 5(3), 401-423.
- Huxham, C., & Vangen, S. (2001). What makes practitioners tick? Understanding collaboration practice and practising collaboration understanding In J. Genefke & F. McDonald (Eds.), *Effective collaboration: Managing the obstacles to success* (pp. 1-16). New York: Palgrave.
- Imperial, M. T. (2005). Using collaboration as a governance strategy: Lessons from six watershed management programs. *Administration & Society*, 37(3), 281-320.
- Ingram, R. T. (2009). Ten basic responsibilities of nonprofit boards Retrieved February 20, 2013, from <http://www.boardsource.org/Knowledge.asp?ID=3.368>
- Jackson, P. M. (2009). The size and scope of the public sector. In T. Bovaird & E. Löffler (Eds.), *Public management and governance* (2nd ed., pp. 27-40). New York: Routledge.
- James, E. (1998). Commercialism among nonprofits: Objectives, opportunities, and constraints. In B. A. Weisbrod (Ed.), *To profit or not to profit: The commercial transformation of the nonprofit sector* (pp. 271-286). Cambridge: Cambridge University Press.
- Jepperson, R. L. (1991). Institutions, institutional effects and institutionalism. In W. W. Powell & P. J. DiMaggio (Eds.), *The new institutionalism in organizational analysis* (pp. 143-163). Chicago: University of Chicago Press.
- Jordan, A. (2008). The governance of sustainable development: Taking stock and looking forwards. *Environment and Planning C: Government & Policy*, 26(1), 17-33.

- Kammerman, S. B., & Kahn, A. J. (1998). Privatization, contracting, and reform of child and family social services (pp. 1-58). Washington, D.C.: Finance Project.
- Karsten, M. F. (2006). *Management, gender, and race in the 21st century*. Lanham, MD: University Press of America.
- Katz, D., & Kahn, R. (1978). *The social psychology of organizations*. New York: Wiley.
- Kearns, K. P. (2000). *Private sector strategies for social sector success: The guide to strategy and planning for public and nonprofit organizations*. San Francisco: Jossey-Bass.
- Kennedy, S. S. (2006). Holding "governance" accountable: Third-party government in a limited state. *The Independent Review*, 11(1), 67-77.
- Kettl, D. F. (1993). *Sharing power: Public governance and private markets*. Washington, D.C.: Brookings Institution Press.
- Kettl, D. F. (2002). *The transformation of governance: Public administration for twenty-first century America*. Baltimore, Md.; London: Johns Hopkins University Press.
- Kettl, D. F. (2005). *The global public management revolution*. Washington, D.C.: Brookings Institution Press.
- Kettl, D. F. (2010). Governance, contract management and public management. In S. P. Osborne (Ed.), *The new public governance? Emerging perspectives on theory and practice of public governance* (pp. 303-321). London: Routledge.
- Kjær, A. M. (2004). *Governance*. Cambridge: Polity.
- Klijn, E.-H. (2008). Governance and governance networks in Europe: An assessment of ten years of research on the theme. *Public Management Review*, 10(4), 505-525.
- Kramer, R. M. (1998). *Nonprofit organizations in the 21st Century: Will sector matter?* Washington, D.C.: Aspen Institute.
- Kramer, R. M. (2000). A third sector in the third millennium? *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 11(1), 1-23.
- Krebs, B., & Pitcoff, P. (2006). *Beyond the foster care system: The future for teens*. New Brunswick, NJ: Rutgers University Press.
- Krug, K., & Weinberg, C. B. (2004). Mission, money, and merit: Strategic decision making by nonprofit managers. *Nonprofit Management and Leadership*, 14(3), 325-342.

- Kurtz, M. J., & Schrank, A. (2007). Growth and governance: Models, measures, and mechanisms. *Journal of Politics*, 69(2), 538-554.
- Lawrence, T. B., Hardy, C., & Phillips, N. (2002). Institutional effects of interorganizational collaboration: The emergence of proto-institutions. *Academy of Management Journal*, 45(1), 281-290.
- Lee, D. R. (1999). A public choice analysis of child care dollars: The political bias in favor of the status quo. In R. B. McKenzie (Ed.), *Rethinking orphanages for the 21st century* (pp. 171-206). Thousand Oaks: Sage Publications.
- Leiby, J. (1978). *A history of social welfare and social work in the United States, 1815-1972*. New York: Columbia University Press.
- Lemons, J. S. (1969). The Sheppard-Towner Act: Progressivism in the 1920s. *The Journal of American History*, 55(4), 776-786.
- Liao, T. F. (1994). *Interpreting probability models: Logit, probit, and other generalized linear models*. Thousand Oaks, CA: Sage Publications.
- Light, P. C. (2000). *Making nonprofits work: A report on the tides of nonprofit management reform*. Washington, D.C.: Brookings Institution Press.
- Light, P. C. (2008). *A government ill executed: The decline of the federal service and how to reverse it*. Cambridge, Mass.: Harvard University Press.
- Lindenmeyer, K. (1997). *A right to childhood: The U.S. children's bureau and child welfare, 1912-1946*. Urbana: University of Illinois Press
- Lindsey, D. (2004). *The welfare of children* (Vol. Second edition). New York: Oxford University Press.
- Lips, D. (2007). Foster care children need better educational opportunities. Washington, D.C.: The Heritage Foundation.
- Löffler, E. (2009). Public governance in a network society. In T. Bovaird & E. Löffler (Eds.), *Public management and governance* (2nd ed., pp. 215-232). New York: Routledge.
- London, R. D. (1999). The 1994 orphanage debate: A study in the politics of annihilation. In R. B. McKenzie (Ed.), *Rethinking orphanages for the 21st century* (pp. 79-102). Thousand Oaks: Sage Publications.
- Lynn, Jr., L.E. (2006). *Public management: old and new*. New York: Routledge.

- Lynn, Jr., L.E. (2010a). Adaptation? Transformation? Both? Neither? The many faces of governance (Vol. Working Paper No. 20). Jerusalem, Israel: Jerusalem Papers in Regulation & Governance.
- Lynn, Jr., L.E. (2010b). Has governance eclipsed government. In R. Durant (Ed.), *The oxford handbook of American bureaucracy* (pp. 669-690). Oxford: Oxford University Press.
- Lynn, Jr., L.E. (2010c). What endures? Public governance and the cycle of reform. In S. P. Osborne (Ed.), *The new public governance? Emerging perspectives on the theory and practice of public governance* (pp. 105-123). London: Routledge.
- Lynn, Jr., L.E. (2011). The persistence of hierarchy. In M. Bevir (Ed.), *The sage handbook of governance* (pp. 318-336). Thousand Oaks, CA: Sage Publications.
- Mangold, S. V. (1999). Protection, privatization, and profit in the foster care system. *Ohio St.LJ*, 60, 1295-1326.
- McBeath, B., Collins-Camargo, C., & Chuang, E. (2011). Portraits of private agencies in the child welfare system: Principal results from the National Survey of Private Child and Family Serving Agencies. Lexington, KY: Quality Improvement Center on the Privatization of Child Welfare.
- McBeath, B., & Meezan, W. (2006). Nonprofit adaptation to performance-based, managed care contracting in Michigan's foster care system. *Administration in Social Work*, 30(2), 39-70.
- McBeath, B., & Meezan, W. (2010). Governance in motion: Service provision and child welfare outcomes in performance-based, managed care contracting environment. *Journal of Public Administration Research and Theory*, 20(Supplemental 1), i101-i123.
- McCullough, C., & Schmitt, B. (2000). Managed care and privatization: Results of a national survey. *Children and Youth Services Review*, 22(2), 117-130.
- McGowan, B. (2005). Historical evolution of child welfare services. In G. Mallon & P. Hess (Eds.), *Child welfare for the twenty-first century: A handbook of practices, policies, and programs* (pp. 10-48). New York: Columbia University Press.
- McGuire, M. (2006). Collaborative public management: Assessing what we know and how we know it. *Public Administration Review*, 66(Special Issue), 33-43.
- Meier, K. J., O'Toole, L. J., Jr., & Goerdel, H. T. (2006). Management activity and program performance: Gender as management capital. *Public Administration Review*, January/February(Journal Article), 24-36.

- Meyer, J. W., & Rowan, B. (1991). Institutionalized organizations: Formal structure as myth and ceremony. In P. J. DiMaggio & W. W. Powell (Eds.), *The new institutionalism in organizational analysis* (pp. 41-62). Chicago & London: University of Chicago Press.
- Miller, J. L. (2003). The board as a monitor of organizational activity: The applicability of agency theory to nonprofit boards. *Nonprofit Management and Leadership*, 12(4), 429-450.
- Milward, H. B., & Provan, K. G. (2000). Governing the hollow state. *Journal of Public Administration Research and Theory*, 10(2), 359-379.
- Mink, G. (1995). *The wages of motherhood: Inequality in the welfare state, 1917-1942*. Ithaca, N.Y.: Cornell University Press.
- Molnar, J. J. (1978). Comparative organizational properties and interorganizational interdependence. *Sociology and Social Research*, 63(1), 24-48.
- Morrill, C., & McKee, C. (1993). Institutional isomorphism and informal social control: Evidence from a community mediation center. *Social Problems*, 40(4), 445-463.
- Moulton, S. (2009). Putting together the publicness puzzle: A framework for realized publicness. *Public Administration Review*, 69(5), 899-900.
- Moulton, S., & Eckerd, A. (2012). Preserving the publicness of the nonprofit sector: Resources, roles, and public values. *Nonprofit and Voluntary Sector Quarterly*, 41(4), 656-685.
- Murray, K. O., & Gesiriech, S. (2004). A brief legislative history of the child welfare system. Washington, DC: Pew Commission on Children in Foster Care.
- National Council of Public-Private Partnerships. (2011). Top ten facts about PPPs Retrieved April 11, 2011, from <http://www.ncppp.org/presskit/topten.shtml>
- Nutt, P. C., & Backoff, R. W. (1993). Organizational publicness and its implications for strategic management. *Journal of Public Administration Research and Theory*, 3(2), 209-231.
- O'Riain, S. (2000). States and markets in an era of globalization. *Annual review of sociology*, 26, 187-213.
- O'Connor, S. (2001). *The orphan trains: The story of Charles Loring Brace and the children he saved and failed*. Boston: Boston: Houghton Mifflin.

- Olasky, M. (1999). The rise and fall of American orphanages. In R. B. McKenzie (Ed.), *Rethinking orphanages for the 21st century* (pp. 65-77). Thousand Oaks: Sage Publications.
- Oliver, C. (1990). Determinants of interorganizational relationships: Integration and future directions. *Academy of Management Review*, 15(2), 241-265.
- Osborne, D. E., & Gaebler, T. (1992). *Reinventing government: How the entrepreneurial spirit is transforming the public sector*. Reading: Addison-Wesley Publishing.
- Osborne, S. P. (2010a). Conclusions. Public governance and public services delivery: A research agenda for the future. In S. P. Osborne (Ed.), *The new public governance? Emerging perspectives on the theory and practice of public governance* (pp. 413-428). London: Routledge.
- Osborne, S. P. (2010b). Introduction. The (new) public governance: A suitable case for treatment. In S. P. Osborne (Ed.), *The new public governance? Emerging perspectives on the theory and practice of public governance* (pp. 1-16). London: Routledge.
- Osborne, S. P. (2010c). *The new public governance? Emerging perspectives on the theory and practice of public governance*. London: Routledge.
- Ott, J. S., & Dicke, L. A. (Eds.). (2012). *The nature of the nonprofit sector* (Second ed.). Boulder, CO: Westview Press.
- Page, S. (2004). Measuring accountability for results in interagency collaboratives. *Public Administration Review*, 64(5), 591-606.
- Pecora, P., Kessler, R., Williams, J., Downs, A., English, D., White, J., & O'Brien, K. (2010). *What works in foster care?: Key components of success from the northwest foster care alumni study* Oxford: Oxford University Press.
- Pestoff, V., Osborne, S. P., & Brandsen, T. (2006). Patterns of co-production in public services. *Public Management Review*, 8(4), 591-596.
- Peters, G. B. (2010). Meta-governance and public management. In S. P. Osborne (Ed.), *The new public governance? Emerging perspectives on the theory and practice of public governance* (pp. 36-51). London: Routledge.
- Petr, C. G., & Johnson, I. C. (1999). Privatization of foster care in Kansas: A cautionary tale. *Social work*, 44(3), 263-268.
- Pfeffer, J., & Salancik, G. R. (1978). *The external control of organizations: A resource dependence perspective*. New York: Harper & Row.

- Pollitt, C. (2003). *The essential public manager*. Maidenhead: Open University Press.
- Pollitt, C., & Bouckaert, G. (2004). *Public management reform: A comparative analysis* (2nd ed.). Oxford: Oxford University Press.
- Powell, G. N., & Graves, L. M. (2003). *Women and men in management* (Vol. 3rd). Thousand Oaks, CA: Sage Publications Inc.
- Powell, W. W. (1991). Neither market nor hierarchy: Network forms of organization. In G. Thompson, J. Frances, R. Levačić & J. Mitchell (Eds.), *Markets, hierarchies and networks: The coordination of social life* (pp. 265-276). London: Sage Publications.
- 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), 1-33.
- Provan, K. G., & Milward, H. B. (2001). Do networks really work? A framework for evaluating public-sector organizational networks. *Public administration review*, 61(4), 414-423.
- Putnam, R. D. (1995). Bowling alone: America's declining social capital. *Journal of democracy*, 6(Journal Article), 65-78.
- Pynes, J. E. (2011). *Effective nonprofit management: Context and environment*. Armonk, NY: M.E. Sharpe.
- Rainey, H. G. (2009). *Understanding and managing public organizations* (4th ed.). San Francisco: Jossey-Bass.
- Rainey, H. G. (2011). Sampling designs for analyzing publicness: Alternatives and their strengths and weaknesses. *Journal of Public Administration Research and Theory*, 21(Supplement 3), i321-i345.
- Rainey, H. G., & Chun, Y. H. (2005). Public and private management compared. In E. Ferlie, Lynn, Jr., L.E. & C. Pollitt (Eds.), *The Oxford handbook of public management* (pp. 72-102). Oxford ; New York: Oxford University Press.
- Reese, E. (2005). *Backlash against welfare mothers: Past and present*. Berkeley: University of California Press.
- Rethemeyer, R. K. (2005). Conceptualizing and measuring collaborative networks. *Public Administration Review*, 65(1), 117-121.

- Rhodes, K. W., Orme, J. G., & Buehler, C. (2001). A comparison of family foster parents who quit, consider quitting, and plan to continue fostering. *Social Service Review*, 75(1), 84-114.
- Rhodes, R. A. W. (1997). *Understanding governance: Policy networks, governance, reflexivity, and accountability*. Buckingham, UK: Open University Press.
- Rhodes, R. A. W. (2007). Understanding governance: Ten years on. *Organization Studies*, 28(8), 1243-1264.
- Robichau, R. W. (2011). The mosaic of governance: Creating a picture with definitions, theories, and debates. *Policy Studies Journal*, 39(Special Issue 1), 113-131.
- Robichau, R. W., & Lynn, Jr., L.E. (2009). The implementation of public policy: Still the missing link. *Policy Studies Journal*, 37(1), 21-36.
- Roche, T. (2000, November 13). The crisis of foster care, *Time*.
- Romzek, B. S., & Johnston, J. M. (2005). State social services contracting: Exploring the determinants of effective contract accountability. *Public Administration Review*, 65(4), 436-449.
- Romzek, B. S., LeRoux, K., & Blackmar, J. M. (2012). A preliminary theory of informal accountability among network organizational actors. *Public Administration Review*, 72(3), 442-453.
- Rooney, J. (2001). Planning for the social enterprise. In J. G. Dees, J. Emerson & P. Economy (Eds.), *Enterprising nonprofits: A toolkit for social entrepreneurs* (pp. 273-298). New York: John Wiley & Sons, Inc.
- Rose-Ackerman, S. (1990). Competition between non-profits and for-profits: Entry and growth. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 1(1), 13-25.
- Rosenfeld, A. A., Pilowsky, D. J., Fine, P., Thorpe, M., Fein, E., Simms, M. D., . . . Nickman, S. (1997). Foster care: An update. *Journal of American Academy of Child & Adolescent Psychiatry*, 36(4), 448.
- Rosenthal, M. G. (2000). Public or private children's services? Privatization in retrospect. *Social Service Review*, 74(2), 281-305.
- Ryan, W. (1999). The new landscape for nonprofits. *Harvard Business Review*, January-February, 127-136.

- Ryan, W., & Morris, L. (1967). Child Welfare problems and potentials: A study of intake of child welfare agencies in metropolitan Boston. Boston: Massachusetts Committee on Children and Youth.
- Salamon, L. M. (1993). The marketization of welfare: Changing nonprofit and for-profit roles in the American welfare state. *The Social Service Review*, 67(1), 16-39.
- Salamon, L. M. (1995). *Partners in public service: Government-nonprofit relations in the modern welfare state*. Baltimore, MD: Johns Hopkins University Press
- Salamon, L. M. (2001). The nonprofit sector at a crossroads: The case of America. In H. K. Anheier & J. Kendall (Eds.), *Third sector policy at the crossroads: An international nonprofit analysis* (pp. 17-35). London & New York: Routledge.
- Salamon, L. M. (2002). *The tools of government: A guide to the new governance*. Oxford: Oxford University Press.
- Salamon, L. M. (2003). *The resilient sector: The state of nonprofit America*. Washington, D.C.: Brookings Institution Press.
- Salamon, L. M. (2005). The changing context of American nonprofit management. In R. D. Herman & Associates (Eds.), *The Jossey-Bass handbook of nonprofit leadership and management* (Second ed., pp. 81-101). San Francisco: Jossey-Bass.
- Salamon, L. M., Hems, L. C., & Chinnock, K. (2000). *The nonprofit sector: For what and for whom?* Working paper of The Johns Hopkins Comparative Nonprofit Sector Project. The Johns Hopkins Center for Civil Society Studies. Baltimore, MD.
- Sandfort, J. (1999). The structural impediments to human service collaboration: Examining welfare reform at the front lines. *Social Service Review*, 73(3), 314-339.
- Satz, M., & Askeland, L. (2006). Civil rights, adoption rights: Domestic adoption and foster care, 1970 to present. In L. Askeland (Ed.), *Children and youth in adoption, orphanages, and foster care: A historical handbook and guide* (pp. 45-62). Westport, CT: Greenwood Press.
- Savas, E. S. (2000). *Privatization and public-private partnerships*. New York: Chatham House.
- Scarcella, C. A., Bess, R., Zielewski, E. H., & Geen, R. (2006). The cost of protecting vulnerable children V: Understanding state variation in child welfare financing. Washington, D.C.: The Urban Institute.

- Schuerman, J. R., Rzepnicki, T. L., & Littell, J. H. (1995). *Putting families first: An experiment in family preservation*: Aldine.
- Scott, W., & Davis, G. (2007). *Organizations and organizing: Rational, natural, and open systems perspectives*. Upper Sadle River, NJ: Prentice Hall.
- Selden, S. C., Sowa, J. E., & Sandfort, J. (2006). The impact of nonprofit collaboration in early child care and education on management and program outcomes. *Public Administration Review*, 66(3), 412-425.
- Selsky, J. W., & Parker, B. (2005). Cross-sector partnerships to address social issues: Challenges to theory and practice. *Journal of Management*, 31(6), 849-873.
- Shaw, M. M. (2003). Successful collaboration between the nonprofit and public sectors. *Nonprofit Management and Leadership*, 14(1), 107-120.
- Siciliano, J. I. (1996). The relationship of board member diversity to organizational performance. *Journal of Business Ethics*, 15(12), 1313-1320.
- Smith, B. D., & Donovan, S. E. F. (2003). Child welfare practice in organizational and institutional context. *Social Service Review*, 77(4), 541-563.
- Smith, B. D., & Mogro-Wilson, C. (2007). Multi-level influences on the practice of inter-agency collaboration in child welfare and substance abuse treatment. *Children and Youth Services Review*, 29(5), 545-556.
- Smith, S. R. (2004). Government and nonprofits in the modern age: Is independence possible? In P. Frumkin & J. B. Imber (Eds.), *In search of the nonprofit sector* (pp. 3-18). Oxford: Oxford University Press.
- Smith, S. R., & Lipsky, M. (1993). *Nonprofits for hire: The welfare state in the age of contracting*: Harvard University Press.
- Snaveley, K., & Tracy, M. B. (2000). Collaboration among rural nonprofit organizations. *Nonprofit Management and Leadership*, 11(2), 145-165.
- Sørensen, E., & Torfing, J. (2007). *Theories of democratic network governance*. Cheltenham, UK: Edward Elgar.
- Sowa, J. E. (2008). Implementing Interagency Collaborations Exploring Variation in Collaborative Ventures in Human Service Organizations. *Administration & Society*, 40(3), 298-323.
- Sowa, J. E. (2009). The collaboration decision in nonprofit organizations views from the front line. *Nonprofit and Voluntary Sector Quarterly*, 38(6), 1003-1025.

- Stearns, P. N. (2006). *Childhood in world history*. New York: Routledge.
- Stevens, J. M., Wartick, S. L., & Bagby, J. (1988). *Business-government relations and interdependence: A managerial and analytical perspective*. New York: Praeger.
- Stivers, C. (2002). *Gender images in public administration: Legitimacy and the administrative state* (Vol. 2nd). Thousand Oaks, California: Sage Publications.
- Stivers, C. (2008). *Governance in dark times: Practical philosophy for public service*. Washington, D.C.: Georgetown University Press.
- Stoker, G. (2004). Designing institutions for governance in complex environments: Normative, rational choice and cultural institutional theories explored and contrasted (Vol. Paper No. 1): Economic and Social Research Council Fellowship.
- Stratton, L. S., O'Toole, D. M., & Wetzel, J. N. (2008). A multinomial logit model of college stopout and dropout behavior. *Economics of education review*, 27(3), 319-331.
- Suárez, D. F. (2011). Collaboration and professionalization: The contours of public sector funding for nonprofit organizations. *Journal of Public Administration Research and Theory*, 21(2), 307-326.
- Thomas, G. M., Meyer, J. W., Ramirez, F. O., & Boli, J. (1987). *Institutional structure: Constituting state, society, and the individual*. New Park, CA: Sage Publications.
- Thompson, G., Frances, J., Levačić, R., & Mitchell, J. (Eds.). (1991). *Markets, hierarchies and networks: The coordination of social life*. London: Sage Publications.
- Tiffin, S. (1982). *In whose best interest? Child welfare reform in the progressive era*. Westport, CT: Greenwood Press
- U.S. Children's Bureau, &ACYF. (2012). Trends in foster care and adoption - FY 2002-FY 2011 Retrieved July 26, 2012, from http://www.acf.hhs.gov/programs/cb/stats_research/afcars/trends_june2011.pdf
- U.S. Department of Commerce and Labor, & Bureau of the Census. (1905). *Benevolent institutions, 1904*. Washington, D.C.: Government Printing Office.
- U.S. DHHS, & ACF. (2001). *National Survey of Child and Adolescent Well-Being: State Child Welfare Agency Survey: Report*. Washington, D.C.
- United Nations of Statistics Division. (2003). *Handbook of nonprofit institutions in the system of national accounts*. New York: United nations Statistics Division.

- Usher, L., Randolph, K. A., & Gogan, H. C. (1999). Placement patterns in foster care. *Social service review*, 73(1), 22-36.
- Van Slyke, D. M. (2003). The mythology of privatization in contracting for social services. *Public administration review*, 63(3), 296-315.
- Van Slyke, D. M. (2007). Agents or stewards: Using theory to understand the government-nonprofit social service contracting relationship. *Journal of Public Administration Research and Theory*, 17(2), 157-187.
- Vernis, A., Iglesias, M., Sanz, B., & Sanz-Carranza, A. (2006). *Nonprofit organizations: Challenges and collaboration*. Houndsmills: Palgrave Macmillan.
- Wachhaus, A. (2009). Networks in contemporary public administration: A discourse analysis. *Administrative Theory & Praxis*, 31(1), 59-77.
- Waldfoegel, J. (1997). The new wave of service integration. *Social Service Review*, 71(3), 463-484.
- Warren, A. (2001). *We rode the orphan trains*. New York: Houghton Mifflin
- Weinberg, L. A. (2007). *The systematic mistreatment of children in the foster care system: Through the cracks*. New York: The HaWorth Press.
- Weisbrod, B. A. (1988). *The nonprofit economy*. Cambridge: Harvard University Press.
- Weisbrod, B. A. (1997). The future of the nonprofit sector: Its entwining with private enterprise and government. *Journal of Policy Analysis and Management*, 16(4), 541-555.
- Weisbrod, B. A. (2012). The future of the nonprofit sector: Its entwining with private enterprise. In J. S. Ott & L. A. Dicke (Eds.), *The nature of the nonprofit sector* (pp. 348-357). Boulder, CO: Westview Press.
- Weisbrod, B. A. (Ed.). (1998). *To profit or not to profit: The commercial transformation of the nonprofit sector*. Cambridge, UK: Cambridge University Press.
- Williams, P. J. (2001, March 29). A sad cycle of bounces in foster care, *New York Times*, p. E9.
- Winston, P., Burwick, A., McConnell, S., & Roper, R. (2002). Privatization of welfare services: A review of the literature. Washington, D.C.: Mathematica Policy Research.
- Worthy, J. C., & Neuschel, R. P. (1984). *Emerging issues in corporate governance*. Evanston, IL: Northwestern University Press.

- Yang, K., & VanLandingham, G. (2011). How hollow can we go? A case study of Florida's efforts to outsource oversight of privatized child welfare services. *American Review of Public Administration*, 20(10), 1-19.
- Young, D. R. (2002). The influence of business on nonprofit organizations and the complexity of nonprofit accountability. *The American Review of Public Administration*, 32(1), 3-19.
- Young, D. R. (2006). Complementary, supplementary, or adversarial? In E. T. Boris & C. E. Steuerle (Eds.), *Nonprofits & government: Collaboration & conflict* (pp. 37-80). Washington, D.C.: The Urban Institute Press.
- Young, D. R. (2006). Complementary, supplementary, or adversarial? Nonprofit-government relations. In E. T. Boris & C. E. Steuerle (Eds.), *Nonprofits and government: Collaboration and conflict* (pp. 37-79). Washington, D.C.: The Urban Institute Press.
- Young, D. R., & Finch, S. J. (1977). *Foster care and nonprofit agencies*: Lexington Books.
- Young, D. R., & Salamon, L. M. (2003). Commercialization, social ventures, and for-profit competition. In L. M. Salamon (Ed.), *The state of nonprofit America* (pp. 423-446). Washington, D.C.: The Brookings Institution.

APPENDIX A

FULL MODELS: MULTINOMIAL LOGISTIC AND ORDERED LOGISTIC

REGRESSION MODELS

	Charging Fees for Services		Engaging in Marketing Alliances with Businesses		Need to Professionalize Agency		Running My Agency Like a Business
	Occasionally versus Never	Usually versus Never	Occasionally versus Never	Usually versus Never	Neutral versus Disagree	Agree versus Disagree	Ordered Logit
<i>Independent variables</i>	Odds Ratio/(SE)		Odds Ratio/(SE)		Odds Ratio/(SE)		Odds Ratio/(SE)
Influence of the business community index	1.785 (0.670)	2.364** (0.943)	1.217 (0.410)	2.486** (0.967)	1.949* (0.781)	4.850*** (1.941)	1.596* -0.396
Receives funding from businesses	4.450* (3.292)	1.141 (0.940)	0.552 (0.358)	1.857 (1.518)	0.526 (0.356)	0.662 (0.450)	0.598 -0.286
Government control index	0.52 (0.216)	0.331** (0.170)	1.077 (0.391)	1.514 (0.694)	0.887 (0.357)	0.585 (0.238)	0.927 -0.251
Receives funding from government	1.24 (0.939)	0.497 (0.384)	0.289* (0.187)	0.291 (0.248)	4.648* (3.722)	0.957 (0.672)	1.991 -1.039
Nonprofitness index	1.266 (0.403)	0.798 (0.250)	1.204 (0.310)	1.863 (0.706)	0.965 (0.241)	1.294 (0.358)	1.127 -0.235
Receives funding from nonprofits/foundations	0.459 (0.271)	1.762 (1.249)	2.337 (1.328)	0.836 (0.562)	1.049 (0.618)	1.183 (0.677)	0.901 -0.374
Agency's operating budget revenues	1.699* (0.490)	0.824 (0.257)	1.708** (0.437)	1.138 (0.368)	0.574** (0.156)	0.651 (0.174)	1.437* -0.275

Range of services offered	1.344** (0.183)	1.630*** (0.276)	0.856 (0.100)	1.122 (0.174)	1.231 (0.160)	1.307* (0.179)	0.934 -0.086
Offers advocacy service	0.792 (0.459)	1.248 (0.812)	0.616 (0.313)	0.149** (0.113)	0.360* (0.204)	0.353* (0.203)	0.390** -0.162
Business board member	1.084 (0.799)	1.814 (1.613)	1.331 (0.853)	3.549 (3.162)	0.504 (0.326)	0.815 (0.530)	4.752*** -2.402
Government board member	1.447 (0.762)	1.052 (0.671)	0.543 (0.268)	0.708 (0.443)	1.66 (0.886)	0.992 (0.532)	1.058 -0.406
Provides services in rural area	0.568 (0.317)	0.678 (0.430)	0.548 (0.284)	1.96 (1.127)	1.736 (0.882)	1.316 (0.673)	0.504* -0.191
Female	1.331 (0.716)	0.99 (0.622)	0.911 (0.434)	2.167 (1.277)	1.592 (0.802)	1.824 (0.898)	2.302** -0.869
Executive director	1.218 (0.669)	1.314 (0.811)	1.391 (0.710)	0.891 (0.557)	1.68 (0.927)	2.664* (1.461)	0.967 -0.375
Education level	0.296*** (0.136)	0.836 (0.431)	0.441** (0.178)	1.523 (0.753)	0.289*** (0.130)	0.309*** (0.133)	3.395*** -1.117
Worked in a business corporation	0.497 (0.288)	0.585 (0.417)	0.612 (0.338)	0.945 (0.601)	0.393 (0.261)	1.446 (0.787)	1.237 -0.497
Business background and training	1.166 (0.976)	1.518 (1.444)	3.975 (3.621)	3.082 (3.452)	1.138 (1.072)	1.085 (0.863)	4.103** -2.494
Reference category: Never; N=151; $\chi^2=89.068$ ***; Log likelihood full model -109.484		Reference category: Never; N=149; $\chi^2=68.179$ ***; Log likelihood full model= -123.828		Reference category: Disagree; N=163; $\chi^2=72.690$ ***; Log likelihood full model= -141.813		N=148; $\chi^2=62.2$ 77**; Log likelihood full model=- 158.408; Pseudo $R^2=0.164$	
* p<.10, ** p<.05, *** p<.01							

APPENDIX B
PEARSON'S CORRELATION

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1. Collaboration Frequency																
2. The influence of the business community	.108															
3. Government control	.213*	.411*														
4. Nonprofitness	.243*	.254*	.075													
5. Collaboration effects on service quality	.182*	.076	-.131	.304*												
6. Collaboration effects on administration Quality	.049	.043	-.168	.310*	.778*											
7. Receives funding from businesses	.257*	.080	-.106	.221*	.292*	.215*										
8. Receives funding from government	.208*	.183*	.507*	-.124	-.113	.169*	.041									
9. Receives funding from nonprofits/foundations	.208*	-.024	-.041	.190*	.328*	.192*	.567*	.107								
10. Experienced a decline in government financial support	.171*	.228*	.377*	.060	-.184*	-.114	.098	.324*	.122							
11. Experience an increase in services demanded	.158	.256*	.113	.182*	-.007	-.026	.095	.098	.067	.083						
12. Business board member	-.088	-.030	.117	.034	.019	.010	.142	.020	.183*	.136	.025					
13. Government board member	.055	-.076	-.054	.000*	-.041	-.005	.082	.064	.256*	-.085	.115	.241*				
14. Nonprofit board member	.161	.050	-.069	-.015	.001	.055	-.009	.082	.019	-.012	-.039	.052	.273*			
15. Agency's operational budget size	.244*	.108	.325*	-.050	.016	.041	.208*	.429*	.134	.162*	.107	.255*	.067	.057		
16. Agency age	.150	-.030	.053	.030	.059	-.003	.261*	.147*	.253*	-.016	.022	.144	.121	-.019	.471*	

*p< .05

APPENDIX C

LIST OF HYPOTHESES AND WHETHER SUPPORTED

Hypotheses	Supported
1. Higher levels of identification with non-profitness will likely increase the collaboration frequency with other nonprofits.	Yes
2. Greater pressures to conform to the influence of the business community will likely decrease the collaboration frequency with other nonprofits.	No
3. Higher levels of government control will likely increase the collaboration frequency with other nonprofits.	No
4. A positive impact on service quality from past collaborations will likely increase the collaboration frequency with other nonprofits.	Yes
5. A positive impact on administrative quality from past collaborations will likely increase the collaboration frequency with other nonprofits.	No
6. Receiving funding from outside sources will likely increase the collaboration frequency with other nonprofits.	Partial
7. Decreases in government financial support will likely increase the collaboration frequency with other nonprofits.	Yes
8. Increases in services demanded will likely increase the collaboration frequency with other nonprofits.	Yes
9. Having board members from each sector will likely increase the collaboration frequency with other nonprofits.	Partial
10. Older and larger nonprofits will likely collaborate more frequently with other nonprofits.	No

APPENDIX D
SURVEY INSTRUMENT

Q1 Consent Form: The Governance of Child Welfare Agencies

To Whom It May Concern:

I am a doctoral student under the direction of Professor Thomas Catlaw in the Department of Public Affairs at Arizona State University. The title of my dissertation research is “The governance of child welfare agencies: Managers’ views of the dynamics of today’s nonprofit sector.” I am conducting a research study on how child welfare managers and their agencies are meeting the needs of their clients and communities in today’s challenging climate.

I will be conducting an online national survey of experts like you who are determined to provide quality services to children and their families. I am inviting your participation, which will involve completing an online questionnaire. This survey will take approximately 15 minutes of your time. Your participation in this study is voluntary and you can choose not to participate or to withdraw from the study at any time; there will be no penalty. However, to show my gratitude for those who do complete the survey, I will conduct a raffle and give away four \$25 VISA gift cards.

Your response to this survey will be used to help better understand the current state of child welfare agencies and the role agencies similar to yours play in providing services to children and families. I know that your time is very valuable and the work you do is vital for children, their families, and our society as a whole. Your contributions and insights will be used to inform management practices and to help understand child welfare agencies are striving to accomplish their missions and further serve children. Your expertise can be used to inform other managers regarding their agency’s operations and management practices, and in turn, their experiences may be beneficial to you and your agency. I hope to bring greater awareness to the role agencies like yours play in child welfare services as well as speak to the broader implications of current child welfare policies.

Results from my dissertation will only be shared in the aggregate. Findings may be used in reports, presentation, or publications. All responses will be confidential and therefore your name and your agency’s name will not be known. There are no foreseeable risks to your participation. The responses will be kept in an Excel database where identifying markers such as names and phone numbers will be removed for statistical analysis. If you have any questions concerning the research study, please contact the research team at: Thomas Catlaw [Thomas.catlaw@asu.edu] or Robbie Robichau [Robbie.robichau@asu.edu or call at 409-363-1266].

If you have any questions about your rights as a subject/participant in this research, or if you feel you have been placed at risk, you can contact the Chair of the Human Subjects Institutional Review Board, through the ASU Office of Research Integrity and

Assurance, at (480) 965-6788. Completion of the questionnaire will be considered your consent to participate.

Sincerely,
Robbie Waters Robichau
Doctoral Candidate

Q2 In this study **nonprofits agencies** serve a *charitable or public purpose*, often receiving 501(C)(3) status from government; and when profits are earned, they are returned back to the organization and not to individuals or board members. In contrast, **businesses** are profit-seeking agencies that *do* return profits to investors and board members. Lastly, the terms **government and public child welfare agencies** refers to state and local agencies (e.g., Child Protective Services) that directly or indirectly provide public services and *does not* speak to the role of elected officials or legislatures.

Q3 AGENCY CHARACTERISTICS

Q4 Which of the following best describes your agency? (Please select one)

- Nonprofit organization (1)
- Nonprofit foundation (2)
- Business (3)
- Other (4) _____

Q5 Does your agency have 501 (C)(3) status?

- Yes (1)
- No (2)

Q6 Does your agency plan to file for 501 (c)(3) status this or next year?

- Yes (1)
- No (2)

Q7 Please select which types of service(s) your agency provides? (Please select all that apply)

- Foster care placement (1)
- Adoption (2)
- Family preservation & reunification (3)
- Residential treatment or congregate care (4)
- Case management (5)
- Crisis or emergency care (6)
- Counseling, therapy, or mental health services (7)
- Foster parent recruitment & support (8)
- Adoptive parent recruitment & support (9)
- CPS investigation or assessment (10)
- Advocacy for children & families (11)
- Independent living (12)
- Mentoring programs for children (13)
- Other (14) _____

Q8 Please answer the following questions:

	Yes (1)	No (2)
Does the state require your agency to be accredited in order to provide services to children and families? (1)	<input type="radio"/>	<input type="radio"/>
Is your agency accredited by an accreditation body? (2)	<input type="radio"/>	<input type="radio"/>
Is your agency considered a branch office of a larger agency? (3)	<input type="radio"/>	<input type="radio"/>
Is your agency religiously based? (4)	<input type="radio"/>	<input type="radio"/>

Q9 Approximately, what was the total annual operating budget revenues for you agency in the last fiscal year?

- Less than \$100,000 (1)
- \$100,000 - \$499,999 (2)
- \$500,000 - \$999,999 (3)
- \$1 million - \$4,999,999 million (4)
- \$5 million - \$9,999,999 million (5)
- Greater than \$10 million (6)

Q10 What year did your agency first begin providing services to children and families in the child welfare system? _____

Q11 Did your agency receive funding from the following sources in the last fiscal year?

	Yes (1)	No (2)
Government (state legislature or public child welfare agencies) (1)	<input type="radio"/>	<input type="radio"/>
Individual donations (2)	<input type="radio"/>	<input type="radio"/>
Business grants and/or donations (3)	<input type="radio"/>	<input type="radio"/>
Fees for services rendered (e.g., client-paid or insurance reimbursement) (4)	<input type="radio"/>	<input type="radio"/>
Other nonprofits or foundations (5)	<input type="radio"/>	<input type="radio"/>
Business subsidiaries of your agency (6)	<input type="radio"/>	<input type="radio"/>

Q12 Which of the following provides the largest portion of your agency’s operating budget revenues? (Please check one)

- Government (state legislature or public child welfare agencies) (1)
- Individual donations (2)
- Business grants and/or donations (3)
- Fees for services rendered (e.g., client-paid or insurance reimbursement) (4)
- Other nonprofits or foundations (5)
- Business subsidiaries of your agency (6)

Q13 If your agency stopped receiving governmental funds, how would this affect daily operations? (Please select one)

- The agency does not receive government funds (1)
- It would have no impact on my agency (2)
- The agency would have to substantially cut its services and capacity (3)
- The agency’s scope and mission would change significantly (4)
- The agency would have to be shut down (5)

Q14 AGENCY’S ENVIRONMENT & RELATIONSHIPS

Q15 Please indicate how frequently your agency engages in the following activities to provide its services:

	Never (1)	Yearly (2)	Quarterly (3)	Monthly (4)	Weekly (5)
Collaborates or partners with <i>nonprofits</i> to provide services to families and children (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Collaborates or partners with <i>businesses</i> to provide services to families and children (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Collaborates or partners with <i>public child welfare agencies</i> to provide services to families and children (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interacts or communicates with the state legislature regarding programs or services (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q16 In what state is this agency located?

<input type="radio"/> AL (1)	<input type="radio"/> GA (11)	<input type="radio"/> MD (21)	<input type="radio"/> NJ (31)	<input type="radio"/> SC (41)
<input type="radio"/> AK (2)	<input type="radio"/> HI (12)	<input type="radio"/> MA (22)	<input type="radio"/> NM (32)	<input type="radio"/> SD (42)
<input type="radio"/> AZ (3)	<input type="radio"/> ID (13)	<input type="radio"/> MI (23)	<input type="radio"/> NY (33)	<input type="radio"/> TN (43)
<input type="radio"/> AR (4)	<input type="radio"/> IL (14)	<input type="radio"/> MN (24)	<input type="radio"/> NC (34)	<input type="radio"/> TX (44)
<input type="radio"/> CA (5)	<input type="radio"/> IN (15)	<input type="radio"/> MS (25)	<input type="radio"/> ND (35)	<input type="radio"/> UT (45)
<input type="radio"/> CO (6)	<input type="radio"/> IA (16)	<input type="radio"/> MO (26)	<input type="radio"/> OH (36)	<input type="radio"/> VT (46)
<input type="radio"/> CT (7)	<input type="radio"/> KS (17)	<input type="radio"/> MT (27)	<input type="radio"/> OK (37)	<input type="radio"/> VA (47)
<input type="radio"/> DE (8)	<input type="radio"/> KY (18)	<input type="radio"/> NE (28)	<input type="radio"/> OR (38)	<input type="radio"/> WA (48)
<input type="radio"/> DC (9)	<input type="radio"/> LA (19)	<input type="radio"/> NV (29)	<input type="radio"/> PA (39)	<input type="radio"/> WV (49)
<input type="radio"/> FL (10)	<input type="radio"/> ME (20)	<input type="radio"/> NH (30)	<input type="radio"/> RI (40)	<input type="radio"/> WI (50)
				<input type="radio"/> WY (51)
				<input type="radio"/> Other (52)

Q17 How well do the following statements characterize the working environment of your agency?

	Strongly Disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
It is now more challenging to maintain program independence (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
There is a need to develop diverse revenue streams (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Larger nonprofit service providers are becoming more influential (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Managers are using more business approaches (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is more challenging to maintain mission focus (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Large donors are gaining more influence over programs and services (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
There is greater competition with businesses for government contracts and funding (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
There is a need to	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

replace volunteers with professional staff members (8)							
There is pressure to generate commercial revenues and fees-for-services (9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
There is an emphasis on bringing communities together to solve social problems (10)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
There are pressures to provide services government and businesses cannot or does not offer (11)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q18 Does your agency primarily serve clients in rural, suburban non-metropolitan, or metropolitan areas? (Please check all that apply)

- Rural (less than 2,500 urban population) (1)
- Suburban, non-metropolitan (2)
- Metropolitan (3)

Q19 Thinking specifically about your agency's relationship with **public child welfare agencies** in general, what effect has this relationship had on the following areas of your agency?

	It's made it much worse (1)	It's made it somewhat worse (2)	It's made it neither better or worse (3)	It's made it somewhat better (4)	It's made it much better (5)
Agency transparency (i.e., openness, communication, & accountability) (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ability to respond to community needs (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Doing paperwork (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Outside oversight and monitoring (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accountability to clients (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Relationship with other nonprofits (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall financial outlook (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Development of new programs (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Development of long-standing programs (9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ability to serve children and families well (10)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ability to meet key agency performance outcomes (11)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q20 Thinking specifically about your agency's relationship with **nonprofit agencies** in general, what effect has this relationship had on the following areas of your agency?

	It's made it much worse (1)	It's made it somewhat worse (2)	It's made it neither better or worse (3)	It's made it somewhat better (4)	It's made it much better (5)
Agency transparency (i.e., openness, communication, & accountability) (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ability to respond to community needs (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Doing paperwork (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Outside oversight and monitoring (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accountability to clients (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Relationship with other nonprofits (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall financial outlook (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Development of new programs (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Development of long-	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

standing programs (9)					
Ability to serve children and families well (10)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ability to meet key agency performance outcomes (11)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q21 In regards to the nonprofit sector in general, how well do the following statements describe its role in society?

	Strongly Disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagreed (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
Act as an alternative to government by protecting and promoting individual and community values and interests (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Experiment or be innovative in programs, processes, and service delivery (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Drive social change (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Serve poor, under-represented, or disadvantaged individuals (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promote causes and policies on behalf of clients and communities (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bring communities together and develop social trust (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Provide or supplement services government and businesses cannot or does not offer (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
---	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

Q22 AGENCY'S OPERATIONS

Q23 How well do the following statements describe the work environment of your agency?

	Strongly Disagree (1)	Disagree (2)	Neither Agree nor Disagree (3)	Agree (4)	Strongly Agree (5)
My agency is very production oriented. A major concern is with getting the job done. People aren't very personally involved. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My agency is a very personal place. It is an extended family. People seem to share a lot of themselves. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My agency is a very dynamic and entrepreneurial place. People are willing to stick their necks out and take risks. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My agency is a very formalized and structured place. Rules and procedures generally govern what people do. (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q24 In the last fiscal year, has your agency experienced the following?

	Yes (1)	No (2)
Decline in government financial support (1)	<input type="radio"/>	<input type="radio"/>
Increase in services demanded (2)	<input type="radio"/>	<input type="radio"/>
No or slow growth in private giving (3)	<input type="radio"/>	<input type="radio"/>

Q25 In regards to your agency in particular, how well does the following statements describe your agency's work?

	Strongly Disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
Act as an alternative to government by protecting and promoting individual and community values and interests (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Experiment or be innovative in programs, processes, and service delivery (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Drive social change (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Serve poor, under-represented, or disadvantaged individuals (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promote causes and policies on behalf of clients and communities (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bring communities together and develop social trust (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provide or supplement services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

government and businesses cannot or does not offer (7)							
--	--	--	--	--	--	--	--

Q26 Rank the effectiveness of your agency in accomplishing its core mission, with 1 being not effective at all and 10 being extremely effective:

- 1 (1)
- 2 (2)
- 3 (3)
- 4 (4)
- 5 (5)
- 6 (6)
- 7 (7)
- 8 (8)
- 9 (9)
- 10 (10)

Q27 Please indicate how frequently your agency does the following in providing services and programs:

	Never (1)	Occasionally (2)	Frequently (3)	Usually (4)
Innovates and experiments in processes and programs (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Uses volunteers to help agency operate (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Receives private fees-for-services (e.g., client-paid services or insurance reimbursed services) (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Outsources one or more of your services to other agencies (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Strategically markets your agency to attract volunteers and/or clients (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Actively seeks out clients to provide services to (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Engages in entrepreneurial activities to generate revenue (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Uses cause-related marketing alliances with businesses to market an image, product, or service for mutual benefit (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q28 Does your agency have a board of directors?

- Yes (1)
- No (2)

Q29 What industry are your board members from? And, approximately how many are from each industry?

- Government (1) _____
- Business (2) _____
- Nonprofits (3) _____
- Community members (4) _____

Q30 How much influence did the following have on how your agency operated in the past fiscal year?

	No influence at all (1)	A little influence (2)	Some influence (3)	A strong influence (4)	A very strong influence (5)
Changes in the agency's financial outlook (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Changes in reimbursement rates (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Efforts to streamline agency operations (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pressures related to financial risk (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staying abreast of best practices (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Analysis of data regarding agency performance/outcome achievement (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
State Child and Family Services Review findings and your state's Program Improvement Plan (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Keeping ahead of other agencies (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
State regulations (9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Changes in the needs of children and families (10)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Advice from experts and researchers (11)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Feedback/input from families and clients served (12)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q31 How well does your agency's collect adequate data to assess performance regarding its services to children and families?

- Poorly (1)
- Fairly (2)
- Average (3)
- Well (4)
- Excellently (5)

Q32 Does your agency have a contract with government (state and/or county) to deliver any of the following services?

	Yes (1)	No (2)
Child abuse prevention services (primary prevention)/family support (1)	<input type="radio"/>	<input type="radio"/>
CPS investigation or assessment (2)	<input type="radio"/>	<input type="radio"/>
Family preservation/in-home services (3)	<input type="radio"/>	<input type="radio"/>
Family reunification services (4)	<input type="radio"/>	<input type="radio"/>
Foster care placement services and licensing (5)	<input type="radio"/>	<input type="radio"/>
Residential treatment or congregate care (6)	<input type="radio"/>	<input type="radio"/>
Adoption services (7)	<input type="radio"/>	<input type="radio"/>
Foster parent recruitment (8)	<input type="radio"/>	<input type="radio"/>
Adoptive parent recruitment (9)	<input type="radio"/>	<input type="radio"/>
Independent living services (10)	<input type="radio"/>	<input type="radio"/>
Counseling, therapy, or mentoring programs (11)	<input type="radio"/>	<input type="radio"/>
Case management (12)	<input type="radio"/>	<input type="radio"/>

Q33 How has your agency been reimbursed in the last fiscal year? (Please check all that apply)

- Fixed rate including case or flat rate (1)
- Cost-reimbursement rate (2)
- Performance-based rate (3)
- Other (4)

Q34 If your agency has a contract with a public child welfare agency to deliver the service, is the contract performance-based? That is, does your agency receive additional revenue for meeting goals tied to client outcomes or other benchmarks?

	Yes (1)	No (2)
Child abuse prevention services (primary prevention)/family support (1)	<input type="radio"/>	<input type="radio"/>
CPS investigation or assessment (2)	<input type="radio"/>	<input type="radio"/>
Family preservation/in-home services (3)	<input type="radio"/>	<input type="radio"/>
Family reunification services (4)	<input type="radio"/>	<input type="radio"/>
Foster care placement services and licensing (5)	<input type="radio"/>	<input type="radio"/>
Residential treatment or congregate care (6)	<input type="radio"/>	<input type="radio"/>
Adoption services (7)	<input type="radio"/>	<input type="radio"/>
Foster parent recruitment (8)	<input type="radio"/>	<input type="radio"/>
Adoptive parent recruitment (9)	<input type="radio"/>	<input type="radio"/>
Independent living services (10)	<input type="radio"/>	<input type="radio"/>
Counseling, therapy, or mentoring programs (11)	<input type="radio"/>	<input type="radio"/>
Case management (12)	<input type="radio"/>	<input type="radio"/>

Q35 These questions ask more specifically about the effects of contracts:

	Yes (1)	No (2)	Unsure (3)
Do performance indicators affect your ability to innovate? (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Is your agency's performance being evaluated using the right outcomes or contractual indicators? (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Was your agency involved in creating outcomes or contractual indicators? (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q36 RESPONDENTS'S EXPERIENCES

Q37 On a day-to-day basis, how important are the following in informing your decision-making?

	Not important at all (1)	Slightly important (2)	Moderately Important (3)	Important (4)	Extremely Important (5)
Improving the quality of services to clients (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Advocating on behalf of those I serve (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Being accountable to my clients (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Running my agency like a business (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pursuing our mission (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Being accountable to my funders (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pressures to do more with less (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Commitment to agency's goals (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pursuing funding (9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Making financially-sound decisions and saving costs (10)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q38 Would you take government funding if you did not need it?

- Yes (1)
- Maybe (2)
- No (3)

Q39 How involved are the following stakeholders in holding your agency's operations accountable?

	Less than I would like (1)	About right (2)	More than I would like (3)
Board of directors (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Public child welfare agencies (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Clients and their families (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Community members and donors (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
State legislatures (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q40 Do these issues present a challenge for your nonprofits agency's ability to effectively provide services?

	No challenge (1)	Minor challenge (2)	Moderate challenge (3)	Major challenge (4)	Very severe challenge (5)
Increases in services demanded (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Businesses providing child welfare services (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Strong governmental influence over agency operations (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Competition with other agencies over funding (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Large donors or corporations influencing management or programs (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Decreases in funding streams (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q41 RESPONDENT'S CHARACTERISTICS

Q42 What is your current position in this agency?

- Executive Director / President (1)
- Chief Executive Officer (2)
- Chief Financial Officer (3)
- Program director or administrator (4)
- Board member (5)
- Founder (6)
- Other (7)

Q43 Which best describes the field of your professional background and training?

- Family and child studies (1)
- Social work (2)
- Business (3)

- Nonprofits (4)
- Public administration (5)
- Criminal justice (6)
- Psychology (7)
- Other (8) _____

Q44 How many years have you worked with children and families in the formal child welfare system? _____

Q45 Have you worked in the following industries and for approximately how many years?

- Your current agency (1) _____
- Other nonprofit agencies (2) _____
- Government agencies (3) _____
- Business corporations (4) _____

Q46 What is your highest level of education received?

- Less than a BA or BS degree (1)
- BA or BS degree (2)
- Master's degree (3)
- PhD or Doctorate (4)

Q47 What is your gender?

- Male (1)
- Female (2)
- Rather not answer (3)

Q48 What is your age?

- 30 years and younger (1)
- 31-40 (2)
- 41-50 (3)
- 51-60 (4)
- 61-70 (5)
- 71 years and older (6)

Q49 OPEN-ENDED RESPONSES: These questions allow you to provide any specific thoughts you may have in response to the survey. When you click next, you will be directed to enter into the raffle drawing.

Q50 What do you think makes your agency distinctive from public child welfare agencies?

Q51 What do you think makes your agency distinctive from businesses?

Q52 What are the biggest challenges facing your agency today that would prevent it from providing services?

Q53 How has the entrance of business into child welfare services influenced your agency's operations?

Q54 Are there any additional thoughts that you would like to share?

¹ By 1800 America had only seven orphanages (London, 1999). Most of the established orphanages in the nineteenth and early twentieth century helped white children although some institutions for the black community did exist (e.g., the Reed Home and School in Georgia) (Askeland, 2006).

² The last orphan train sent from NY CAS to the west occurred in 1929 (Creagh, 2006). For more reading on the orphan trains see (Cook, 1995; Holt, 1992; Warren, 2001) and for specifics on Charles Loring Brace and CAS see (Brace, 1894; O'Connor, 2001).

³ The break-down of those housed in some form of institutional care are as follows: “74,000 children in orphanages, 15,000 were in reformatories, 5,000 in institutions for the feebleminded, 4,500 in institutions for the deaf, and 1,5000 in institutions for the blind” (Lindsey, 2004, p. 13).

⁴ The U.S. Department of Commerce and Labor (U.S. Department of Commerce and Labor & Bureau of the Census, 1905) report on funding and listings of all benevolent institutions in the United States by agency name, type, service, and governmental support levels.

⁵ Of the private institutions receiving half of their funding from the state, there were four Catholic, three protestant, and one Hebrew Institution and of those receiving more than half of their support from government there were ten Catholic, five Protestant and two Hebrew institutions (Bremner, 1971, p. 281). The cost to raise a child in a private Northern U.S. family was speculated to be more than \$100 per child (Bremner, 1971).

⁶ Five years later there were over 33 similar organizations in the U.S. with most rescuing children and animals (Mangold, 1999, p. 1304).

⁷ The Sheppard-Towner Act was contested by some states as an invasion of their rights and they chose to opt-out of the grant funding. Opponents of the act included the American Medical Association and some women’s groups. By 1922, 41 states were receiving grants from the federal government. When Massachusetts filed suit with the Supreme Court against the legislation in 1922, the Supreme Court dismissed the suit a year later for review see Lemons (1969).

⁸ For more discussion on the debates between public and private agency services see (Tiffin, 1982).

⁹ Tiffin further notes that “while exact figures are not available, it is estimated that somewhere between 18.4 and 21 percent of the country’s dependent and neglected children were under government control, as compared with 10 percent at the turn of the century” (1982, p. 205).

¹⁰ The definition of a dependent child was given under the law, section 406, as “a child under the age of sixteen who has been deprived of parental support or care by reason of

the death, continued absence from the home, or physical or mental incapacity of a parent, and who is living with his father, mother, grandfather, grandmother etc...”

¹¹ Following World War II, social workers did change their stance on unwed white mothers as ‘curable’; however, they did not extend this graciousness to unwed black mothers (for discussion see Creagh, 2006).

¹² Other strong criticisms of child welfare services were that the system was failing to “insure permanency planning, inability to prevent placement, failure to place children in need of protection, inherent racism and classism, antifamily bias, violation of parents’ and children’s rights, arbitrary decision-making procedures, incompetency and inefficiency of its staff, high costs, and mismanagement” (McGowan, 2005, p. 29).

¹³ Curtis (1999) notes that it is a common societal misinterpretation to think that child protective services remove children from their households; rather, judges are the only ones who can choose to have a child removed from their home permanently.

¹⁴ Hegar (1999) finds a link between informal care and poverty: “In 1990 as many as half of the children in the care of relatives received AFDC because they were eligible in the homes of their biological families. Ten percent of the 7.7 million children receiving AFDC did so in the homes of relatives other than their parents” (p. 23). At least, implicitly there does seem to be some relationships between kinship care, child welfare services, and poverty. Moreover, including gender into this conversation, Courtney and Maluccio (1999) recognize that typical kinship caregivers are often single women and frequently grandmothers. The concern here is who will provide care to children as more women choose or are forced to enter the labor force rather than stay at home with their children; and in some cases, working women may be less likely to raise foster children even when they are paid for it (Courtney & Maluccio).

¹⁵ For complete federal legislation timeline see <http://www.childwelfare.gov/pubs/otherpubs/majorfedlegisdlink.cfm>.

¹⁶ The effects of PRWORA were especially difficult for poor women and children. In her book *Backlash against welfare mothers: Past + present*, Reese (2005) integrates how and why states placed stringent restrictions on welfare recipients that inevitably led to multiple negative impacts on welfare mothers and their children. Reese incorporates the role racism and the rise of corporatism played in the backlash against certain mothers who were often labeled as “welfare queens.” Reese argues that despite the lack of national data on the number of women who lost custody of their children due to welfare reform and their poverty-stricken conditions, state data alone reflects a significant number of women abandoning their children. She states “far from promoting ‘family values,’ welfare reform has torn many poor families apart” (p. 17). From reading her work, one can implicitly tie links between the rise in U.S. poverty, single mothers, and foster care services.

¹⁷ Cahn (1999) does a thorough job explaining the race and systemic problems between poverty, minorities, and foster care. For example, “poor and African-American families are disproportionately more likely to be charged with child neglect. . . Today, it is 22 times as likely that abuse or neglect will occur in families with incomes less than \$15,000 per year than in families with incomes greater than \$30,000 per year” (p. 1198).

¹⁸ Rosenthal (2000) provides a literature review of the privatization of children’s services between the 1950s through the 1970s, while explaining the dynamic relationship between private charities who were sometime religious, and government.

¹⁹ Kamerman and Kahn (1998, pp. 8-9) explain the forms of privatization as including the allocation of public functions to the private sector, deregulation, asset sales, vouchers, franchising, and contracting.

²⁰ In a study of foster alumni, who were provided services by different organizations such as those in the Washington and Oregon state system with those in the Casey foster care programs, Pecora et al. (2010) uncover some important outcome measures. These outcome measures for alumni are mental and physical health, their educational achievements, employment and finances, and their relationships and social supports.

²¹ The National Council of Public-Private Partnerships (2011) claims that government’s choice of using public-private partnerships stems back over 200 years.

²² For some exceptions, see (Heinrich & Fournier, 2004; Moulton & Eckerd, 2012; Weisbrod, 1988).

²³ Frumkin creates a chart that describes the challenges of taking any of these four purposes of the sector to an extreme: for service delivery it is vendorism, for social entrepreneurship it is commercialism, for civic and political engagement it is polarization, and for values and faith it is particularism (2005, p. 165)

²⁴ The effects of PRWORA were especially difficult for poor women and children. In her book *Backlash against welfare mothers: Past + present*, Reese (2005) integrates how and why states placed stringent restrictions on welfare recipients that inevitably led to multiple negative impacts on welfare mothers and their children. Reese incorporates the role racism and the rise of corporatism played in the backlash against certain mothers who were often labeled as “welfare queens.” She states “far from promoting ‘family values,’ welfare reform has torn many poor families apart” (p. 17). From reading her work, one can implicitly tie links between the rise in U.S. poverty, single mothers, and foster care services.

²⁵ The NTEE and NTEE-CC code for major activities for this research on foster care is P32.

²⁶ The NTEE classification system can be messy. The IRS does not assign their own codes and their coding methodology is not always consistent; however, their codes do designate whether nonprofit and voluntary agencies offer child and family services. Thus, organizations like the Urban Institute have created a similar coding structure (i.e., NTEE-CC) to try to overcome challenges with the NTEE coding structures (Durnford, 2011). The sample in this research capitalizes on both coding structures that classified organizations as foster care agencies.

²⁷ Of the 184 individuals that participated in this research, 148 completed the survey (80%) and 36 partial completed the survey (20%).

²⁸ The National Quality Improvement Center on the Privatization of Child Welfare Services is conducting one-of-a kind research in the area of privatization of child welfare services. In 2011, they developed and implemented the National Survey of Private Child and Family Service Agencies (McBeath, et al., 2011). Their work, funded by the Children's Bureau since 2005, provided much of the inspiration for my research and survey design.

²⁹ Available case analysis, more specifically Dummy Variable Adjustment, is used in the models to handle missing data in the independent variables and thereby prevents losing observations at the case level when a question is not answered. For review of the method see Cohen & Cohen (1985). Thus, it helps preserve a larger portion of the sample which is especially important when creating factor scores since missing one answer from a series of questions means that all other responses are dropped from the analysis. Models were run before including the Dummy Variable Adjustment technique and no statistically significant differences were found.

³⁰ The eigenvalues-greater-than-one rule or the *Kaiser criterion* is the "most widely used procedure for determining the number of factors" (Fabrignar & Wegener, 2012, p. 55).

³¹ Some may speculate as to why I did not include some type of board level variable as an ownership measure of publicness. In the nonprofit and voluntary sector, boards are stewards rather than owners of agencies and thus are responsible for how organizations conduct themselves but not in the same way for-profit boards have ownership and hold firms accountable (Frumkin, 2005, p. 6).

³² I did run the test of parallel lines assumption (i.e., proportional odds assumption) to see whether these variables did in fact have an ordinal relationship. The assumption is violated for charging fees for services (significance 0.0004), using cause-related marketing alliances with business (significance 0.0026), and professionalizing agency (significance 0.0917); therefore, the null hypothesis is rejected and dependent variables are determined not to be ordinal. The multinomial logistic model is preferred to using an improperly specified ordinal logit model (Liao, 1994, p. 50).

³³I did estimate these models using ordered probits, ordered logistic, and ordinary least squares analysis. Even though these models are not the best fit for this data set, the results were very similar reflecting the robustness of the chosen models.

³⁴The NTEE and NTEE-CC code for major activities for this research on foster care is P32.

³⁵ The NTEE classification system can be messy. The IRS does not assign their own codes and their coding methodology is not always consistent; however, their codes do designate whether nonprofit and voluntary agencies offer child and family services. Thus, organizations like the Urban Institute have created a similar coding structure (i.e., NTEE-CC) to try to overcome challenges with the NTEE coding structures (Durnford, 2011). The sample in this research capitalizes on both coding structures that classified organizations as foster care agencies.

³⁶ Of the 184 individuals that participated in this research, 148 completed the survey (80%) and 36 partial completed the survey (20%).

³⁷ The National Quality Improvement Center on the Privatization of Child Welfare Services is conducting one-of-a-kind research in the area of privatization of child welfare services. In 2011, they developed and implemented the National Survey of Private Child and Family Service Agencies (McBeath, et al., 2011). Their work, funded by the Children's Bureau since 2005, provided much of the inspiration for my research and survey design.

³⁸ Exploratory factor analysis is used for all scales in this paper but sum scores are used in the final regression because they have more meaningful interpretations. Combined, these measures have a high eigenvalue score of 4.31 and a Cronbach's alpha of .91, thus, indicating a consistent measure of an underlying concept of *nonprofitness*.

³⁹ The corresponding eigenvalue is equal to 1.53 and the Cronbach's alpha of .67. Both of these scores indicate that the index is capturing the underlying construct of what I have termed the influence of the business community.

⁴⁰ The reported eigenvalue from this scale is 1.52 and the Cronbach's alpha is .67.

⁴¹ These questions were taken from a survey administered by The National Quality Improvement Center on the Privatization of Child Welfare Services. In 2011, they developed and implemented the National Survey of Private Child and Family Service Agencies (McBeath, et al., 2011).

⁴² The *service quality* construction had a reported eigenvalue of 2.48 and a Cronbach's alpha of .86 and the *administrative quality* had a eigenvalue 3.36 with a Cronbach's alpha of .87.

⁴³ This methods helps preserve a larger portion of the sample which is especially important when creating scaled measures since missing one answer from a series of questions means that all other responses are dropped from the analysis. Models were run before including the Dummy Variable Adjustment technique and no statistically significant differences were found.

⁴⁴ For some exceptions, see (Heinrich & Fournier, 2004; Moulton & Eckerd, 2012; Weisbrod, 1988).

⁴⁵ The NTEE and NTEE-CC code for major activities for this research on foster care is P32.

⁴⁶ The NTEE classification system can be messy. The IRS does not assign their own codes and their coding methodology is not always consistent; however, their codes do designate whether nonprofit and voluntary agencies offer child and family services. Thus, organizations like the Urban Institute have created a similar coding structure (i.e., NTEE-CC) to try to overcome challenges with the NTEE coding structures (Durnford, 2011). The sample in this research capitalizes on both coding structures that classified organizations as foster care agencies.

⁴⁷ Of the 184 individuals that participated in this research, 148 completed the survey (80%) and 36 partial completed the survey (20%).

⁴⁸ The National Quality Improvement Center on the Privatization of Child Welfare Services is conducting one-of-a kind research in the area of privatization of child welfare services. In 2011, they developed and implemented the National Survey of Private Child and Family Service Agencies (McBeath, et al., 2011). Their work, funded by the Children's Bureau since 2005, provided much of the inspiration for my research and survey design.

⁴⁹ Accountable to funders or donor is placed with the *mission-based decision-making* for two reasons. Theoretically, funders and donors are important stakeholders of NPO that help hold them accountable for achieving their mission. Additionally, exploratory factor analysis suggested that this measure is more similar to pursuing mission and agency goals.

⁵⁰ The Cronbach's Alpha's for *client-based priorities* is .80, for *mission-based priorities* is .71, and for *financially-focused priorities* is .72. Scores closer to one are considered to have more reliability and internal consistency.

⁵¹ By standardizing the variable the scores are rescaled to have a mean of zero and a standard deviation of one. Pearson's correlation coefficients between these dependent variables are as follows: client-focused and mission-focused ($r=.52$), client-focused and financially-focused ($r=.29$), and mission-focused and financially focused ($r=.45$). The positive correlation indicates that these priorities are not necessarily competing priorities with one another.

⁵² Exploratory factor analysis is used for all scales in this paper but sum scores are used in the final regression because they have more meaningful interpretations. Combined, these measures have a high eigenvalue score of 4.31 and a Cronbach's alpha of .91, thus, indicating a consistent measure of an underlying concept of *nonprofitness*.

⁵³ The reported eigenvalue from this scale is 1.52 and the Cronbach's alpha is .67.

⁵⁴ The corresponding eigenvalue is equal to 1.53 and the Cronbach's alpha of .67. Both of these scores indicate that the index is capturing the underlying construct of what I have termed the influence of the business community.