

Why charities focused on the money, not the mission, should listen up

March 7 2024, by Greg Bruno



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Nonprofit organizations (NPOs) have distinct identities: Some are more motivated by mission, others by money. Now, new research from Rutgers University–New Brunswick finds these preferences can affect

an NPO's identity, particularly how receptive it is to feedback.

"For an organization whose utilitarian identity is dominant, in that it emphasizes budgets and the bottom line, leaders might have the intention to listen to ideas but not necessarily to act on them," said J. Sophia Fu, an assistant professor at the Rutgers School of Communication and Information and lead author of the [study](#) published in the journal *Communication Research*.

"By contrast, normative or mission-driven NPOs not only have the intention but often the desire to build a culture to actualize the suggestions they receive," Fu said.

Organizational listening is the practice of soliciting and implementing input from stakeholders—such as employees, donors, [board members](#), and volunteers—when making policies or decisions that shape the direction of a charity. Good listening practices, Fu added, involve both learning stakeholders' needs through dialog and demonstrating a willingness to act on what is learned.

Despite the value of organizational listening, past research has shown that NPOs tend to listen infrequently and poorly.

To help understand why, Fu and colleagues conducted a mixed-method national study drawing on Internal Revenue Service data for medium-sized and large nonprofit organizations in the United States. In the first phase, 122 NPOs from 36 states completed surveys related to their organizational listening practices.

Nonprofit sectors included education, arts and culture, environment, human services, and health. Survey questions focused on listening motivation, culture, and information collection, analysis, and integration.

During the second phase, virtual interviews were conducted with leaders from 38 of the NPOs. Questions were designed to understand how participants' views on organizational listening related to NPO identities and shaped [organizational changes](#).

Based on the responses, utilitarian and normative identity scores were calculated for each NPO. These two values were further evaluated to assess how likely an organization was to implement organizational listening results.

Fu and colleagues found that NPOs with a stronger utilitarian identity generally acknowledged the importance of listening, but the recommendations usually weren't implemented because decisions were often made through a top-down process to address bottom-line needs.

By contrast, NPOs with a stronger normative identity made decisions about their programs or services primarily based on stakeholder inputs and interests, even if they knew doing so wouldn't directly contribute to their financial health.

Nonprofit organizations are multidimensional and manage dual identities composed of contradictory elements, said Fu. But these values don't have to be mutually exclusive.

"NPOs are the motors of progress and social change, and organizational innovation is the driver of broader societal progress," said Fu. "For any leader of an NPO, you can't only focus on social impact—you must invest efforts in your financial health. Fortunately, the two identities can be mutually reinforcing and synergistic."

More information: Jiawei Sophia Fu et al, Navigating Multiple Identities for Positive Change Through Organizational Listening, *Communication Research* (2024). [DOI: 10.1177/00936502241227380](https://doi.org/10.1177/00936502241227380)

Provided by Rutgers University

Citation: Why charities focused on the money, not the mission, should listen up (2024, March 7)
retrieved 3 May 2024 from

<https://phys.org/news/2024-03-charities-focused-money-mission.html>

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