Chinese and American Perceptions on Nonprofit Organizational Effectiveness

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Abstract:

Facing growing pressure from multiple constituents to demonstrate nonprofit organizational effectiveness, leaders in the nonprofit field struggle with numerous perspectives and expectations about what organizational effectiveness means and how to improve it. While scholars weigh in on their preferred views of effectiveness, little attention has been paid to what it means to the people who actually manage and govern such organizations. Through qualitative analysis of transcripts from semi-structured interviews with Chinese and American executives, this paper reports findings about similarities and differences between the views of scholars about organizational effectiveness and those of executives.

Key Words: Perspectives, Nonprofit Organizational Effectiveness, Mission-based Effectiveness, Multiple Constituency Satisfaction

The advancement of globalization, the accelerating pace of technological change, and the constraints on public revenues are resulting in growing pressures on nonprofit organizations to shoulder more responsibilities for community problems and to show evidence of their effectiveness in doing so (Phillips, 2012; Al-Tabbaa, Omar, Leach, Desmond J. and March, John, 2013). Governments, foundations, donors and communities are showing an increased interest in nonprofit organizations as vehicles for addressing social problems (Herman and Renz, 2004). Executives of these organizations around the world feel growing pressure to show their organizations' effectiveness to gain public trust and support in times of resource uncertainty. "Support must be earned through hard work, demonstrating clearly what we are doing and how it benefits the community" (Mount, 1996). Salamon (2003) identified the challenge of demonstrating effectiveness as among the top concerns of the field. We are seeing an "outcomes revolution" across the nonprofit sector, stressed Murray (2005), emphasizing the importance of finding ways to show the tangible results that programs and services actually produce.

Facing such challenges, leaders in the field struggle with numerous perspectives and expectations about what organizational effectiveness means and how to improve it. The idea remains one of the most problematic, contested and confusing concepts in the nonprofit sector, leading to extensive debates and investigations (Murray and Cutt, 2000; Herman and Renz, 2004; Dart, 2010). Unfortunately, the results of such efforts remain inconsistent and provide little practical guidance to nonprofit leaders in their efforts to improve the effectiveness of their organizations.

While scholars weigh in on their preferred views of effectiveness, little attention has been paid to what it means to the people who actually manage and govern such organizations (Mitchell, 2013). Their understandings of the idea are crucial to guiding their organizations. Input from research and practice from local nonprofit leaders around the world can guide day-to-day efforts to improve public trust and support and to demonstrate how such organizations can contribute to solving community problems everywhere. While some American writers have addressed this topic, few Chinese scholars have done so, despite a long tradition of NGOs in China. This paper reports the findings from a cross-cultural field study that explored Chinese and American executives' perspectives on nonprofit organizational effectiveness, drawing on extensive interviews with local nonprofit executives in the two countries.

1. SCHOLARS' VIEWS OF ORGANIZATIONAL EFFECTIVENESS

While attention to the concept of nonprofit organizational effectiveness has gained increasing importance from both scholars and nonprofit leaders, there is little consensus about what means and how to measure it. The literature indicates that scholars have emphasized three major approaches.

1.1 Mission-Based Effectiveness

Nonprofit organizational effectiveness, in the most general sense, is the degree to which that organization fulfills its mission and accomplishes intended goals or effects (Cameron, 1985; Holland, T. P., 1988; Alton L. Taylor, 1989). The mission is commonly accepted as the core of the organization, its basic purpose for existing. It is often pursued by a set of goals and carried out through one or more service programs. Therefore, it sets the standard against which one deems the organization effective or not (Piliavin, 1991). Herman and Renz (1997) held that most theorizing about organizational effectiveness reflects criticisms of and the development of alternatives to or modifications of the emphasis on mission and goals.

The mission and goal approach (Campbell, 1977; Price, 1972; and Scott, 1977) considers an organization to be a rational system with a specified purpose (Pfeffer,1982; Scott,1992). A nonprofit organization's mission is to serve a particular community need or public good. This purpose may be operationalized in terms of the number of clients served, the types and quality of services, the efficacy of its programs, and the intended community impacts.

However，the mission and goal approach has long been criticized by organizational theorists for its shortcomings. Among the criticisms are that (a) only real people have goals (Herman and Renz, 2004); (b) people in an organization may have different goals from those they claim to have, making the goal approach less objective and lacking in impartiality; (c) goals can reflect the values of some people in the organization (e.g. the dominant coalition) and not others (Martz, 2008); (d) furthermore, goal statements often lack specificity, sometimes only contributing to confusion, and organizations often fail to prioritize among goals and do not include unofficial but still important goals (Etzoni, 1960).

Despite the considerable criticisms that have been raised, the mission-based approach still survives. It is evident that an organization's mission is relevant as it embraces the challenge of competition, of sustaining legitimacy, and responding to demands for greater effectiveness. The Letts group (1999) emphasized that the mission must be the basis for building long-term organizational capacity and for sustaining its performance.

1.2 Effectiveness as Accountability to Multiple Constituents

Nonprofit organizations function in a complex and dynamic environment with multiple constituents, including external constituents such as funders, donors, referral agencies, governments at different levels, volunteers, clients or participants, and internal constituents such as officers, staff, and boards of directors. Each of these groups has a stake in the organization and is likely to evaluate the organization's effectiveness in terms of what they define as desirable outcomes of performance, which in turn determine the legitimacy, resources, and long-term sustainability of the organization (Bielefeld, 1992; Gronbjerg, 1991; Herman and Renz, 2004; Connolly, C., Hyndman, N. & McConville, D., 2013).

The multiple constituency approach developed as a modification of the mission and goal approach and views organizations as "intersections of particular influence loops, each embracing a constituency biased toward assessment of the organization's activities in terms of

its own exchanges within the loop" (Connolly et al., 1980: 215). In other words, organizational effectiveness reflects the degree to which an organization is responsive to its constituencies' preferences (Zammuto, 1982).

However, there are difficulties in approaching effectiveness in terms of the expectations of multiple constituents. First, each of an organization's various constituents tends to view organizational effectiveness from their own perspectives (Kendall and Knapp 2000). They apply different criteria against which to assess the organizations' performance. Sometimes, multiple constituents have conflicting expectations of the nonprofit organization. Thus differences in perspectives or frames of reference for assessing effectiveness lie at the heart of the problem of defining effectiveness. Hence, seeking for some universal criterion or set of criteria can be fruitless and ill-advised.

Empirical studies have confirmed that constituents do not judge nonprofit organizational effectiveness similarly, rendering no single criterion as appropriate for assessing organizational effectiveness (Balser & McClusky, 2005). So it is necessary for nonprofit organizations not to merely respond to their environment mechanically but be proactive, making decisions in order to anticipate and balance responsiveness to their various stakeholders. Managers must use their capacities and beliefs to identify appropriate activities that they hope will balance and satisfy multiple constituent interests.

Further complicating this approach is the fact that constituent preferences for judging nonprofit organizational effectiveness are not necessarily stable. Constituent preferences change over time. Regardless of its pace, such changes are common, rather than the exception. As preferences of constituencies change, the criteria against which they employ to judge organizational effectiveness change. In addition, the communities within which organizations operate are dynamic. Nonprofit organizations gain legitimacy to exist through the satisfaction of the wants and needs of a changing community as well as constituencies. Nonprofit leaders are faced with the complexities of dealing with all these changes on a on-going basis, complicating efforts to improve organizational performance.

Another approach that could be considered as a modified multiple constituency approach is labeled as social constructionism. As Herman & Renz (2004) noted, nonprofit organizational reality is created by the beliefs, knowledge, and actions of people. In other words, "Overall nonprofit organizational effectiveness is whatever multiple constituents or stakeholders judge it to be (Herman & Renz, 2004). The multiple constituency approach shares with social constructionism an emphasis on effectiveness as judgments by constituents, but the former treats effectiveness criteria as relationally predictable and somewhat stable. From the perspective of social constructionism, judgments of organizational effectiveness are an outcome of a stream of interactions and negotiations that may change frequently. Balser & McClusky (2005) asserted that social constructionism is akin to an approach to seeing effectiveness in terms of organizations' reputation, where reputation is based on the assessments of multiple evaluators.

1.3 Sustainability as an Open System

A system is a set of interdependent but interrelated components comprising an integrated whole. An open system is one in which exchanges of matter and energy are carried out with its environment (von Bertalanffy,1968). As Boulding (1956) noted, an open system has the property of self-maintenance, the goal of survival, and the ability to maintain its existence by adapting to its environment. Thus, an open system approach to assessing organizational effectiveness proceeds in terms of the entire system and its balance and sustainability within its environment (Martz, 2008).

This approach focuses on the organization's success in transforming inputs into outputs and maintaining the processes required to make that happen. An effective nonprofit organization maintains itself as a social system (Georgopoulos & Tannenbaum, 1957), capable of acquiring scarce and valued resources on a continual basis in an environment of uncertainty and transforming them into outputs valued in the environment (Balduck & Baleens, 2009). This approach often uses financial variables as the indicators of effectiveness: do the services produced by the organization generate sufficient income to sustain it? If so, it is effective.

Although maximizing system resources serves as a main criterion for measuring organizational effectiveness, the system approach does not necessarily disregard other variables that have influence on the organization. Steers (1976. p. 59) identified several groups of such influences on an organization as a system: "organizational characteristics, such as structure or technology; environmental characteristics, such as economic and market conditions; employee characteristics, such as level of job performance and job attachment; and managerial policies and practices."

Among scholars who study nonprofit organizational effectiveness, something of a consensus has emerged: effectiveness and the criteria for it need to be multidimensional (Herman and Renz, 2008). Although each approach has contributed to a deeper understanding of the construct of nonprofit organizational effectiveness, there is no single silver bullet for organizational success. However, none of these scholars have examined how managers in various cultures actually understand organizational effectiveness. Do managers in other countries share the views of the scholars? The present study sought to explore how Chinese and American executives understood nonprofit organizational effectiveness, asking whether Chinese executives define effectiveness in the same manner as American executives. Do they share similar viewpoints? How do those views compare with those of scholars? What are the similarities and differences among them?

2. STUDY METHODOLOGY

We used a qualitative, grounded theory approach to identify and explain key themes in the perspectives of Chinese and American executives. From October 2012 to May 2013, we invited executives of 25 nonprofit organizations to participate in the study (10 from American

and 15 from China). We conducted semi-structured, open-ended interviews with these executives. Interviews ranged in time from one hour to an hour and a half, with additional interaction by telephone and email where necessary. In America, our interviews were conducted in Athens, Georgia. Athens is an ideal site for the study of effectiveness of nonprofit organization because of its rich array of such organizations, having more than 500 of them. The participating organizations included a diversity of sizes, ages, and fields, including education, health care, foundations, and social services. Interviews with Chinese top-level nonprofit managers were conducted in several cities including Changsha, Zhuzhou and Yongzhou by a group of 5 graduate students from Central South University, under the supervision of the senior author.

Interview questions were semi-structured and open-ended (McCracken 1988), focusing on respondents' views about organizational effectiveness and their activities intended to improve it. We sought executives' responses to questions about his or her viewpoints on the topic in their own and other organizations and about their efforts to improve the performance of their organizations. We asked them questions such as, "What is an effective nonprofit organization? "What factors influence effectiveness? "What have you done to improve the effectiveness of this organization?"

All interviews were recorded and subjected to content analysis. We examined the interview transcripts from executives of nonprofit organizations, looking for viewpoints specifically relating to organizational effectiveness in their own and other organizations. We used qualitative analysis methods to examine these transcripts (Glaser and Strauss, 1974; Klemp and McClelland, 1986; Strauss and Corbin, 1990; Miles and Huberman, 1984; Yin, 1984). We read and re-read to discover thematic groups or 'open code clusters' (Strauss and Corbin, 1990). Coding of transcripts was open, in the sense that it proceeded from the 'bottom up' from the data rather than 'top down' from a priori concepts from the literature. Once open coding was complete, categories were grouped into major themes.

Our analysis of the transcripts and notes were supplemented by other print and web materials provided by the respondents, leading to a composite picture of effectiveness in American and Chinese perspectives. Quotations in this report were taken directly from the recordings.

Our sample should not be taken as representative of all executives as our respondents had consented to participate on the basis of their interest in being part of the study. Hence, the sample is biased in the direction of those already interested in organizational effectiveness. Such samples are desirable for identifying good practices but inappropriate for drawing generalizations (Holland, 2002).

3. FINDINGS: EXECUTIVES' VIEWS

The analysis and transcripts of the interviews revealed five key concepts that were emphasized by the executives of nonprofit organizations. The first of these was mission or purpose, and the

second was programs and services. The third was accountability to and satisfaction of multiple constituencies. The fourth was about reputation, and the fifth was revenue to sustain the organization.

3.1 Effectiveness is Associated with Clearly-Defined Mission, Vision or Purpose

Our respondents in both countries most often began with emphasizing that an organization's effectiveness was linked to its mission, vision, or purpose. They made it clear that without concise mission statements and clear vision and purpose, it would be impossible for them to lead their organizations and to make sure the right things happen at the right times. They believed that the mission serves as a guide, helping them to stay focused on the organization's highest priorities. All of them emphasized that a clear mission was essential to obtaining adequate support for their day-to-day operations. Shared mission and vision brings staff and volunteers together, motivates donors and other outside stakeholders to support their organizations with passion, and builds a sense of community inside and outside their organizations, thus helping to create an environment in which both people and their organizations can grow and develop.

When asked to define what an effective nonprofit organization was, one Chinese respondent's answer was typical. He stated, "an effective organization has a clearly-defined mission for all of its stakeholders, such as donors, investors, staff and so on. Everybody connects activities with the mission. From the program level, it is how you are meeting that mission and continuing trying to meet it".

Participating executives were certain that the mission and purpose provided strong guidance and motivation for organizational survival and sustainability in a competitive and changing environment. They were quite sure that an effective organization is one with a clear and ambitious purpose that guided all activities throughout the organization. In this regard, their views were largely consistent with those scholars who have emphasized this perspective.

3.2 Effectiveness Means Having Good Programs and Services

Many of our respondents in both countries focused primarily on programs and services when discussing organizational effectiveness. They equated organizational effectiveness with the quality of its services and their benefits to clients. One Chinese executive said, "An effective organization is one that provides programs that carry out its purposes." An American executive said, "The effectiveness of a nonprofit organization depends on whether the organization puts most of its money directly into programs rather than for administration. An effective organization is one that puts its resources into programs that are actually satisfying human needs."

The effectiveness of programs and services were described in terms of three dimensions. The first was the extent to which the nonprofit organization was successful in bringing about desired impacts on clients or results in the quality of life in the community. Were there positive

impacts on the lives of clients, desirable changes in their behaviors, cognitions, skill levels, alterations in social status, or modifications in undesirable environmental or social conditions?

An American executive whose organization provides scholarships for low-income women expressed the most appealing aspect for her career was reading the stories of clients and hearing feedback from those who received the financial assistance. What inspired her were reports of the actual impacts the scholarships had for them and their families. She summarized by saying that client success was her best evidence of organizational effectiveness.

The second dimension was the extent to which nonprofit organizations successfully make use of effective methods and techniques in delivering their programs and services. The quantity aspect was the most pervasive, such as a school that focused on how many students were recruited, while a foundation focused on how many grants provided. The quality aspect of programs and services was more complicated. It could be measured against standards set by the organization, models used in other organizations or developed in the professional literature, or those promulgated by regulatory bodies. Accessibility, timeliness, consistency, humaneness, and technical proficiency of services were examples of the indicators of the quality of programs and services.

The third dimension was concerned with how clients assess the quality or impact of the programs and services received. That means assessment of program effectiveness comes down to the judgment of clients. In addition to direct feedback from clients, our executives inferred program quality from indicators such as attendance rates, premature terminations, reapplications for services, and related types of data. Some carried out surveys of client satisfaction with the services they received.

3.3 Accountability to and Satisfaction of Multiple Constituencies

Our respondents frequently mentioned accountability to multiple constituents as a key indicator of nonprofit organizational effectiveness. Our respondents in both countries stated that accountability means that one is responsible for one's actions, is answerable to some higher authority, and can give an accounting of the appropriate use of resources. When asked, "How would you assess the effectiveness of a nonprofit organization?" almost all of our participants emphasized the importance of nonprofit organization accountability and constituency satisfaction.

Most of our respondents thought that being accountable involved how well they carried out their missions and kept them foremost in every aspect of their work. As for approaches to accountability, most of American executives included financial accountability and financial health of the organization as a major indicator of organizational effectiveness, linking this issue to our later discussion of effectiveness in terms of generating sufficient income to sustain the organization.

To whom are nonprofit organizations accountable? Our respondents insisted that it was extremely important to identify their different constituents and to understand the expectations of each group. Several said that expectations can be interpreted in many ways; therefore, the best way to judge an organization's effectiveness was overall constituent satisfaction. Other respondents identified several key constituents, including government and foundation funders, individual and corporate donors, community service partners, the general public, clients, and staff.

The three most important constituents American executives focused on were donors, clients and staff. The most frequently mentioned constituents by Chinese executives were government agencies, then staff and clients. While American executives described their relationship with donors in considerable detail, our Chinese counterparts emphasized the importance of dealing well with government representatives at different levels. A few Chinese executives in grass-roots organizations spoke about recognizing donors, especially for-profit corporations, as their primary constituent. Both Chinese and American executives emphasized the importance of client satisfaction and staff satisfaction.

One American executive emphasized that there was strength in transparency and honesty, being straightforward with people. He said, "When an organization is less transparent or does something illegal, everyone suffers. We think we are an organization that is thinking about the whole community of nonprofits as well… We have several lines of communication in our relationships with constituents. We focus on building transparency and honesty, and try to build trust with the community. We take that extremely seriously."

Some Chinese respondents noted that client satisfaction was an important influence on staff, saying that staff satisfaction is closely linked to how well the organization met its clients' needs. One Chinese executive believed that "client satisfaction and organization effectiveness were related to the degree that employees and their supervisors work collaboratively and that supervisors encourage staff development". Another Chinese executive went further in detail about developing high staff morale and sound working environment. One of them suggested making sure staff are accountable. "We started by hiring people who care about what they do, so all our staff members really care about our mission and about what we do, and care about our work we believe in."

Several of our respondents added that satisfying all their constituents was a great challenge, since donors, clients, and staff often wanted money to be spent on different things. In the words of one American executive, "This is a tenuous balancing act among so many preferences and interests."

3.4 A Positive Reputation in the Community Means Effectiveness

Organizational effectiveness was seen by our respondents in terms of having positive reputations or esteem among stakeholders, peers in other organizations in the community, and the general public. They focused on cultivating community interest, acceptance, popularity and

public trust. One Chinese executive said, "An effective nonprofit organization is one which integrates itself to the community and establishes a positive reputation. If an organization is accepted and highly appreciated by our community, it can be considered to be effective. We work hard to let people know who we are and what we do."

Almost all our respondents in both countries were very concerned about their organizations' reputation across the community. As one American executive said, "We have a good reputation because we serve a true need in the community. We filled an important gap in available services, providing something people really need. We serve that need productively, and in doing so we often exchange favors with other organizations. You do them favors and they do you favors". Several American executives emphasized the importance of having the esteem of other nonprofits, and they encouraged their board members to be active in the community in order to extend that esteem.

Executives reported putting considerable energy into cultivating positive views from others. Chinese executives noted that the effectiveness of any nonprofit depends on how well the organization fits into the community, but only American executives mentioned working with other organizations. One American executive said, "I think it is important for me as an executive director and my staff to be involved in different groups in the community and to be working with the staff of other organizations. So if they are talking about what we are doing and working with other organizations, they will really understand what we are doing and value it. I am the chair of a coalition of similar organizations. My staff and I go to those meetings and we are involved with case managers and other agencies once a week at least." The ability to establish meaningful, effective relationships, to work well with other organizations, and to be esteemed by others in the community were viewed as indicative of a nonprofit organization's success.

Positive reputation was seen as having many beneficial results for an organization, said our Chinese respondents. People are more willing to become involved with the organization and contribute to it in time and money. Reputation affects donors' willingness to give, volunteers to invest their time, clients to use services, grantmakers to award funds, and staff to be full of passion.

An important component of reputation is the behavior of peer organizations' that results from their perceptions and images of a given organization. As with individuals, if peer organizations regard a nonprofit organization as accountable and trustworthy, they would in turn support that organization whenever possible and talk positively about it to others. They welcome opportunities to collaborate with an organization with a positive reputation. Likewise, businesses are more likely to engage in partnership with highly regarded nonprofit organizations.

Our American executives frequently discussed organizational effectiveness in terms of positive feedback from other organizations, including businesses, other nonprofits, foundations, and

local community leaders. In contrast, Chinese executives saw organization effectiveness to be demonstrated by positive feedback and sound relationships with governments at different levels. One executive noted, "Sound relationship with governments and government officials is vital to the success of any nonprofit organization." A few leaders of grassroots organizations emphasized feedback from founders or partner for-profit corporations and media, because "they provide adequate economic support and help establish positive organization image. Most Chinese grassroots organizations leaders admitted that they could not keep close relationship with governments, and they expressed that they needed to develop good relationship with governments to be effective.

While almost all the executives in both countries expressed the importance of their organizations' connections and esteem in the community, Chinese executives and American executives showed somewhat different views of how this was carried out. Most American executives paid more attention to specific local needs than the Chinese executives did. Chinese executives frequently mentioned the organization's contributions to the wider community or society. They tended to pay more attention to general public interests, acceptance and popularity, but with a greater degree of ambiguity than their American counterparts did.

3.5 Effectiveness as Generating Revenue to Sustain the Organization

Many of our respondents pointed to revenues as a good indicator of organizational effectiveness. A strong organization is one that generates income that enables it to carry out its programs and to expand and improve them. Without steady income, the whole enterprise falls. In the words of one, "If there's no money, there isn't any point to the mission."

All of our respondents regarded generating revenue as one of their major responsibilities. They realized that it's their responsibility to make sure that the organizations' revenue was steady or growing and that they had adequate resources needed to carry out their programs. One American executive said, "Finance is extremely stressful here, but fortunately we have been able to grow in revenue at almost the same rate as the demand. Last year we posted a loss. I think it had a lot to do with the economy. This year we were able to cultivate several new sources of revenue. Now we're back on track with our effectiveness."

Our respondents in both countries emphasized the importance of wise use of funds. They confirmed that thoughtful application of the organization's resources helps ensure that the organization's programmatic goals are achieved and the mission is fulfilled, therefore serving as good indicators of organizational effectiveness. One Chinese executive distinguished allocations of money to programs rather than to administration: "It is not just how much money we are bringing in. It is the proportion of our money we are allocating to services, how we use our funds that really determines our success."

Another aspect of revenue many of our respondents stressed was the vital importance of financial honesty and avoidance of fraud. Nonprofit organizations rely on financial honesty and transparency to build trust with constituencies. In the words of one American respondent, "If a

nonprofit organization wants to get the funds to operate successfully, there is only one way to reach that goal: letting people know what you are doing and taking transparency seriously, being open and honest about how the money is being used." A few Chinese executives admitted that it was hard for them to make wise decisions about how best to use revenue. In the words of one, "We have limited money and I cannot do everything that I wish, nor can I do everything that my staff want me to do … I have to make decisions about how much money is spent in the big picture and what is the best way to look forward the future. Those difficult decisions are necessary to ensure our effectiveness".

While Chinese executives shared the same idea about generation and wise use of revenue to sustain their organization, only a few Chinese counterparts of grassroots organizations mentioned financial transparency.

4. CONCLUSIONS

There were a number of similarities between the views of scholars about organizational effectiveness and those of executives, and there were some important differences. Our respondents most often emphasized that organizational effectiveness was primarily defined by how well it was carrying out its mission and goals. This is very much like the predominant view of scholars. Likewise, satisfying multiple constituencies was mentioned by many of our respondents, echoing a similar emphasis in the literature. However, many of our respondents held that strong programs, generation of revenue, and positive reputations were important indicators of organizational effectiveness, views not often advocated by scholars. None of our respondents mentioned concepts from the scholars' theory of open systems. While it may be argued that generating revenue is a key component of this latter theory of organizational effectiveness, none of our respondents used words or ideas drawn from it.

Our Chinese respondents as well as their American counterparts were in agreement that an effective organization has a clearly defined and appropriate mission or purpose that inspires staff, board members, volunteers and other constituents. Likewise, they were similar in their emphases that an effective organization provides high-quality programs and services that carry out its mission, serve the community and satisfy its clients and its constituents as well. They agreed that an effective organization is accountable to multiple constituencies for what it does, and sustains a careful balance among many preferences and interests. Respondents in both groups offered that an effective organization has a positive reputation among constituents, peers in other organizations, and the general public. Lastly, an effective organization generates sufficient income to enable it to carry out its mission and keep itself thriving. We developed a conceptual model of nonprofit organizational effectiveness from the perspectives of nonprofit leaders in both countries (see Figure 1).
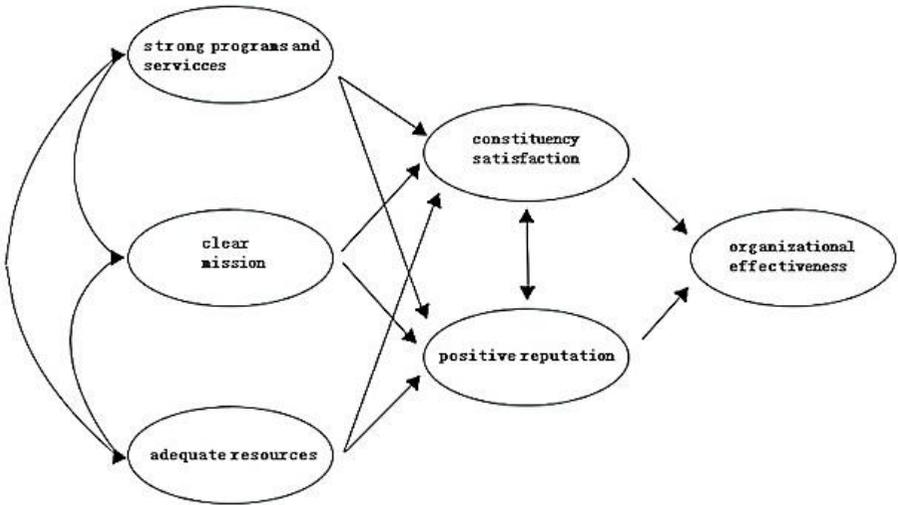
Figure 1：conceptual model of nonprofit organizational effectiveness

These patterns of responses suggest that scholars are on the right track in defining this concept in terms of mission and constituency satisfaction, but they appear to miss the importance of program quality, reputation, and revenue in their considerations. The latter are clearly important to those who are in the front lines of leading nonprofits and suggest oversights that should be given greater consideration in the future by scholars who address the concept.

There were some important differences between views of American executives and Chinese counterparts. In describing constituent satisfaction, Chinese executives emphasized a somewhat different audience than did the Americans. The most important constituents American executives identified were donors, clients, and staff. However, most of our Chinese executives put government agencies the first place, then staff and clients. They explained that Chinese nonprofits rely primarily on governments at several levels not only for funds, but also for legitimacy. In their eyes, organizational effectiveness is closely tied to positive feedback and sound relationship with vertical government agencies and their representatives, rather than being directly associated with positive feedback and involvement from other peer organizations horizontally, including businesses, other community organizations, foundations, and local community leaders. There were only a few leaders of Chinese grass-roots organizations whose responses were consistent with the Americans' emphasis on the importance of positive organizational reputations in the views of peers, founders, businesses, and media. The majority of our Chinese respondents seldom considered collaboration with other organizations as an indicator of organizational effectiveness, compared with the importance of the views of governmental representatives.

In addition, there were somewhat different views regarding mission-based effectiveness. That is to say, most American executives were inclined to emphasize how well an organization directly addressed and met specific needs of its local community. In contrast, most Chinese executives

saw effectiveness in terms of organizational contributions to the wider community or society, rather than the specific locality. Finally, Chinese executives seldom mentioned financial transparency as an indicator of organizational effectiveness. These differences may indirectly reflect the fact that most Chinese nonprofit organizations are quite young and still refining their perspectives. They hope for greater independence as well as support from different levels of governments.

While further research is needed to enhance our understanding of the concept of organizational effectiveness and its applications, these widely-held views can be of help to leaders of nonprofits internationally in their efforts to improve their organizations' performance.

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