Beyond Antagonistic Nonprofit Accountability:
A Case Analysis of Practitioner Responses to the Contracting Regime

Rachel Atkin Christensen

Dissertation submitted to the faculty of the Virginia Polytechnic Institute and State
University in partial fulfillment of the requirements for the degree of

Doctor of Philosophy
In
Planning, Governance, and Globalization

Max O. Stephenson, Jr., Chair
Larkin Dudley
Alnoor Ebrahim
Charles Good

April 19, 2013
Blacksburg, VA

Keywords: nonprofit organizations, nonprofit-government contracting, contracting
regime, reporting, nonprofit accountability, refugee resettlement, agonism

Beyond Antagonistic Nonprofit Accountability:
A Case Analysis of Practitioner Responses to the Contracting Regime

Rachel Atkin Christensen

ABSTRACT

The longstanding framing of accountability in principal-agent terms has encouraged adversarial and oppositional interactions and ways of thinking amongst nonprofit and funding agency practitioners within government-nonprofit relationships. These interactions are deeply rooted in the accountability claims made by government funders and responded to by nonprofit practitioners. This dissertation outlines the implications of nonprofit-government contracting for participating nonprofit organizations and explores various strategies practitioners in those institutions utilize to respond to the challenges raised by their relationship to public funders. To understand the tensions surrounding government accountability claims, I provide an overview of the emergence of the contracting regime and an exploration of the understanding of accountability that has attended its evolution. Through an in-depth qualitative case study, constructed on the basis of interviews, observation, and document analysis and following a grounded theory approach to analysis, I explore various nonprofit manager responses to the norms and pressures of the contracting regime. I chronicle nonprofit practitioners' responses to contracting regime pressures, including accepting those norms, even when arguably inimical to their organization's mission, ignoring them in favor of serving clients, or leaving the employ of organizations altogether. I also explore examples of practitioner efforts to navigate outside of the contracting regime's antagonistic framing and engage both with powerful stakeholders and others in their organizations to negotiate changes. Drawing on the theoretical lens of agonism, I examine the context and characteristics of those responses to provide insights into how nonprofit managers might move beyond antagonistic accountability frames.

DEDICATION

For my boys, who inspire me to keep on keepin' on
to show them, if nothing else, that it is possible

ACKNOWLEDGEMENTS

"At times our own light goes out and is rekindled by a spark from another person.
Each of us has cause to think with deep gratitude of those who have lighted the flame within us."
~Albert Schweitzer

This dissertation has been an amazing journey and, throughout the process, I've been graced by many who have ignited, protected, and fed the flame within me. There are too many people who are dear to my heart and who have inspired, supported, and assisted me along the path to mention all by name. I must trust that you know who you are and that you know how deeply I cherish your gifts. I do, however, want to call out to a few folks specifically.

First, I wish to acknowledge my wonderful mentors. Edith Wharton once shared that "there are two ways of spreading light: to be the candle or the mirror that reflects it." My dissertation chair, Dr. Max Stephenson, is both—his inner flame burns brightly with intellectual curiosity, articulate analysis, and deep compassion, while he simultaneously nurtures and draws out the light in his students. I am immeasurably grateful for his wisdom and care in guiding and accompanying me to this culminating moment of completion. Dr. Alnoor Ebrahim served as my initial guide on this intellectual journey; his support at the beginning made it possible for me to even envision undertaking this work and his scholarship has served as a beacon and a challenge throughout. I will always feel a deep appreciation for his contributions and enthusiasm for my continued graduate work. I was extremely fortunate to have the guidance, encouragement, and support of my other two talented and distinguished committee members, Drs. Larkin Dudley and Charles Good. They each encouraged me throughout the process, while bringing valuable perspectives from their respective fields. I am thankful to two other faculty members, Drs. Joyce Rothschild and JoAnn Carmin, who also served important roles in helping me to engage in this research and in navigating academia. I am filled with appreciation for each of my mentors, who have shared their expertise, modeled the practice of engaging intellectual questions in a meaningful way, and nurtured my own process of discovery. Perhaps most importantly, I am profoundly touched that they supported me as a whole person—their care for my broader life was invaluable.

This work would have been impossible without the generous, forthright, and salient contributions from the participants themselves, all workers in the refugee resettlement field. Through sharing their experiences, questions, insights, and perspectives with me, they have been my teachers.

I also want to give thanks to the often 'unsung' contributors who helped me to navigate sometimes confusing, and often complex, checklists and procedural steps along the way—Janice Austin, Chriss Mattsson-Coon, Lauren Mills, and Krystal Wright.

I further want to give thanks to friends and family across the VT campus and around the country for support, faith and encouragement. My SPIA colleagues and the EDP research group served as a source of ongoing support for which I am deeply grateful. I feel lucky to have traveled this journey with you.

Finally, I find myself without adequate words to express my appreciation to both my husband, lifemate, and intellectual partner, Will, and to my mom for their steadfast belief in my ability to

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

CHAPTER 1

INTRODUCTION

"It ain't fun anymore … with the demands …
and you have to be so prepared for negatives …
that someone is going to try to take you down"
~New Star Services Executive Director
(Personal Interview, May 22, 2008).

Does this quotation sound like corporate America? Or Wall Street? Or nonprofit social services work? The current state of government-nonprofit contracting can create a conundrum for some nonprofit organization practitioners, as they attempt to do good work, while responding to mounting tensions in relation to demonstrating the efficacy of the services they provide. While funders, regulators, the media, and citizens sometimes criticize charitable organizations for their lack of accountability, those organizations' staff members and volunteers often believe that the reporting and monitoring demands they face from government contract officials are detracting from their ability to serve their clients. This dissertation explores the question of how nonprofit practitioners respond to the pressures of the contracting regime as well as what factors lead to those responses. I undertook this analysis to contribute to the larger scholarly and policy conversation concerning different conceptualizations of third sector accountability in government-nonprofit contracting relationships.

While the third sector has long been a vital component of American society, the nation has a complex and conflicted relationship with its organizations nonetheless. Those entities are simultaneously seen as trusted and invaluable contributors to the social fabric of the United States ("Edleman Trust Barometer Exectuve Summary," 2012) and as possible locations of fraud and abuse of funds (Benjamin, 2008; Edwards & Hulme, 1996a; Gibelman & Gelman, 2001;

Hammack, 1995; Quinn, 2006). Indeed, since at least the1980s, as governments came increasingly to rely on third sector organizations for delivery of a range of social services particularly, much analysis of management practice in those entities has concerned the importance of accountability.[1] Some researchers as well as journalists have argued voluntary agencies are insufficiently accountable, while others have contended the reverse; that is, that governments have both mis-targeted and imposed too restrictive a set of claims on their partners in service delivery (Bernstein, 1991; Ebrahim, 2002b; Gibelman & Gelman, 2001; Kearns, 1996; Lawry, 1995; Najam, 1996; Whitaker, Altman-Sauer, & Henderson, 2004). However, the framing of principal-agent accountability, in which the agent answers to one or more principals, provides a framework of incentives that strongly influences how practitioners within the contracting regime behave in practice. And, the tide shows no signs of turning. Furthermore, while there is continuing disagreement among government and third sector practitioners alike concerning what accountability means, to whom organizations should answer, and how responsibility is most appropriately assured, the importance and perceived centrality of nonprofit accountability remains—"accountability is good—there is little disagreement on this point" (Koppell, 2005, p. 94).

This chapter describes principal-agent accountability within the nonprofit-government contracting environment and explores possibilities for breaking out of the norms that prevailing framing creates. I then provide an overview of refugee resettlement in the United States and argue that an exploration of a refugee resettlement nonprofit that contracts with government agencies provides a lens into the dynamics of how staff in service organizations daily navigate

---

[1] I focus in this research on bureaucratic accountability, while acknowledging the existence and importance of other forms of accountability, including legal, professional and political (see Romzek & Dubnick, 1987).

the tensions of accountability in the contracting regime. I next offer an overview of New Star Services,[2] the specific nonprofit organization I explore in this study. Subsequently, I describe practices that contractees have adopted when they accept, and then when they reject the principal-agent model assumptions and expectations that have guided most nonprofit and funder practices since the 1980s. Finally, in the last section of this chapter, I outline the dissertation and sketch its contributions.

Adversarial Accountability and Practitioner Responses in Government-Nonprofit Contracting Relationships

The world of nonprofit social service provision is inextricably linked to public funding and the related norms of behavior associated with this system, dubbed the *contracting regime* by Smith and Lipsky (1993). Nonprofit accountability, a core expression of this relationship, is typically based on a foundational principal-agent frame, which is designed to protect the primary actor (in this case, government) from a risk that the nonprofit could misuse the principal's resources. This framing has led to progressively stronger demands for proof of trustworthiness:

> The diagnosis of a crisis of trust may be obscure; we are not sure whether there is a crisis of trust. But we all agree about the remedy. It lies in prevention and sanctions. Government, institutions, and professionals should be made more accountable. And in the last two decades, the quest for accountability has penetrated all our lives, like great draughts of Heineken, reaching parts that supposedly less developed forms of accountability did not reach (O'Neill, 2002, p. 45).

According to a study of practitioner perspectives on government-nonprofit contracting in the early 1990s, civil society organization staff members described the relationships between government funding organizations and nonprofits as "adversarial" and full of "bad blood" (Bernstein, 1991, p. 42). Behn (2001, p. 216) likewise categorized the government-nonprofit

---

[2] In an effort to ensure confidentiality, I use pseudonyms for individuals, organizations, cities, regions, including the state, and mask other identifying information in this and all remaining chapters.

accountability relationship as "adversarial" a decade later. In the face of more than 15 years of scholarly analysis of and shifts in government mechanisms used to ensure nonprofit accountability, descriptions of the public-nonprofit contract relationship remain adversarial, oppositional, and antagonistic (Behn, 2001; Bernstein, 1991; Smith, 2010). Indeed, the focus of contracting regime accountability mechanisms is to protect against the perceived threat of agents misusing funds or acting against the wishes of principals. As Ebrahim has noted, in this view, "the primary accountability problem … lies in constraining the opportunistic behavior of agents" (2009, p. 886).

Despite nearly two decades of analysis and exploration of the risks of principal-agent focused relationships, many funder-nonprofit accountability mechanisms still rest on an assumption of possible guilt by those agents. While principal-agent accountability does not assume guilt, "what accountability is about, basically, is 'answerability,' the giving of justification, or explanation, even to the precise level of filing a report" (Lawry, 1995, p. 175). Thus, as Ebrahim (2009) has summarized, "accountability is largely a process of oversight and control, rather than an enabling process that can help agents (and principals) better accomplish their goals" (p. 890). Similar to the popular staying power of the widely debunked concept of the politics-administration divide (Lynn, 2001; Rosenbloom, 2008), the primacy of the principal-agent framing of government-nonprofit relationships has remained, despite many scholars calling for more complex descriptors (Christensen & Ebrahim, 2006; Ebrahim, 2003a; Fry, 1995; Najam, 1996; Salamon, 1995; Whitaker, et al., 2004). It may be that politics and popular mythology demand a principal-agent view of accountability, a perspective with which the public "cannot live without" (Rosenbloom, 2008, p. 57).

Nonprofit practitioners, reacting to the pressures of the contracting regime, also often see their choices as dichotomous—accede to the pressures they perceive arising from the government claimant, or rebel against them (Behn, 2001). They can either follow funder prescribed rules as well as the often unspoken norms of the contracting regime to avoid punitive action, or they can engage in other evaluative rubrics to determine and measure their actions, but risk negative consequences for their organization (loss of funding, support, etc.) in so doing. This framing of the contracting regime supports a continued antagonism of either/or choices regarding the various levels and types of accountability between government and nonprofit agency managers. As such, the contracting regime can "turn the timid into cowards and the bold into outlaws" (Behn, 2001, p. 30).

Despite the continuing adversarial claims made on nonprofits in the contracting regime in the name of accountability, the idea of breaking free from this oppositional framing subsists. In the mid-1990s, Fry suggested that "the concept of 'conversation for accountability' poses a pragmatic opportunity for nonprofits in particular to turn the current environment of finger pointing and aggressive monitoring into an enabling organizational practice that benefits both nonprofit members and their clients or constituencies" (1995, p. 181). Fry called for funders/regulators and nonprofit staff members to engage in conversations to create an "alliance around accountability, not a separation of actor and evaluator" (Fry, 1995, p. 193). Even though scholars and nonprofit practitioners have continued to call for alternative approaches, "the wide acceptance of the principal-agent theory perspective has slowed the development of alternative theories and methods that might be able to address important accountability gaps" (Dicke, 2002,

p. 467).[3] This is not to say that there have been no shifts in approaches to nonprofit accountability implementation with nonprofit-government contracting, nor that practitioner responses to this widely adopted stance are monolithic. Rather, the predominant framing of antagonism persists among public officials and nonprofit leaders alike as a guiding force in nonprofit-government relationships and thus warrants further exploration.

Refugee Resettlement

This dissertation examines how nonprofit practitioners navigate the management and organizational tensions created by the dominant control oriented forms of accountability claims in the contracting regime. I explored this question through a multi-year period of in-depth qualitative research of regional offices of a refugee resettlement organization, including interviews with staff members and volunteers and a review of organizational documents. This approach provided an opportunity to examine accountability tensions and practitioner responses in the contracting regime within the context of a long-standing contracting relationship.

The association between the United States Department of State and nonprofits that resettle refugees is one of the longest standing such affiliations in the nation. Refugee resettlement organizations have been in a contracting relationship with national and (via pass-through funding) state public agencies since they began operating formally in the mid-1970s. Refugee resettlement services are provided through a contract relationship between voluntary agencies (VOLAGS) and various federal agencies (including the United States Department of

---

[3] It is important to note that all participants within the contracting regime are subject to the pressures resulting from the neoliberal norms that guide it. While this inquiry explores nonprofit practitioner responses to the demands they perceive arising from the regime, government funders and policymakers experience similar, and similarly strong, pressures from Congress, state legislatures and the general public as well.

State and the Department of Health and Human Services), state government offices, and local refugee resettlement organizations affiliated with national VOLAGS. The Refugee Act of 1980 initiated federal assistance for refugee resettlement via state and voluntary agencies that have contracted formally to provide those services. The Office of Refugee Resettlement in the U.S. Department of State receives more than $630,000,000 annually to provide support for refugee assistance, including resources for voluntary agencies (Office of Refugee Resettlement, 2012).

Ten voluntary agencies utilize both private and government funding to provide refugee resettlement in the United States. More than 450 local affiliated resettlement offices operate alongside those VOLAGS, helping and guiding refugees to become self-sufficient and to adjust to their new country, city, and home. These programs "evolved in tandem with the expansion of the welfare state in the 1960s and early 1970s" (Hamamoto & Torres, 1997, p. 40). The Refugee Act of 1980 authorized the creation of state refugee resettlement coordinating agencies, many of which are 100% federally funded. Due to their longstanding relationship and experience as well as the substantial national funding they receive, an analysis of refugee resettlement organizations can provide important insights into the dynamics of government-nonprofit contracting relationships. Refugee resettlement organizations were part of the, "traditional contracts that were the hallmark of the initial period of widespread government contracting in the 1960s and 1970s" (Smith, 2010, p. 557). These organizations have both long participated in the contracting regime and dealt with the operating and accountability challenges implicit in this way of conducting the public's business.

Refugee Resettlement in Southeastern State

I studied a refugee resettlement agency affiliated with one of the national VOLAGs in a Southeastern State. The state is in the top 15 in the nation in the number of refugees that resettle within it annually and the amount of funding it receives, in consequence, from the State Department's Office of Refugee Resettlement each year ("Office of Refugee Resettlement Annual Report 2008," 2008; "Refugee Arrivals by State of Residence: Fiscal Years 2004 to 2006," 2006). Seven regional associates of national VOLAGs operate in Southeastern State. Of these organizations, thirteen regional affiliate offices of four national VOLAGs provide refugee resettlement services in Southeastern State in conjunction with the Southeastern State Refugee Resettlement Agency (SSRRA).

Refugees enter the refugee resettlement program in Southeastern State in the same way as they do elsewhere in the United States. Refugee selection follows guidelines designed to manage and process applications in an orderly fashion (U.S. Department of Health & Human Services, 2007). While at a refugee camp, family members undergo a rigorous interview and application process. After an individual or family is granted approval for entry into the United States, VOLAG representatives meet to determine which agencies will assume responsibility for their resettlement. Once approved and placement assured, refugees may still wait a considerable period at a processing site before actually travelling to the United States.

Once the refugees arrive in the United States, a representative of the Department of State's Reception and Placement Program greets them, usually a local refugee resettlement agency employee, at the airport. Then, they are taken to their apartment and assured of essential

services (housing, clothing, food, and referrals to medical and social services) for the first thirty days of their residency in the United States. During that initial period, local nonprofit agency staff members work to link the refugees with longer-term services and support. These include transitional cash assistance, access to health care, and entrée to many social services. During refugees' first month in America the, "primary focus is employment services such as skills training, job development, orientation to the workplace and job counseling" (U.S. Department of Health & Human Services, 2007, p. 3). This attention to employment "leads not only to early economic self-sufficiency for the family, but adds greatly to the integrity of families who seek to establish themselves in a new country and provide for their own needs" (U.S. Department of Health & Human Services, 2007, p. 3). The local agencies affiliated with national VOLAGS, such as New Star Services profiled here, also provide additional support, such as counseling and mental health services, to assist refugees in adjusting to life in the United States.

The SSRRA receives federal money to contract with resettlement agencies to provide services to refugees and oversee services provided to that population in the state. The SSRRA was "responsible for the administration, development and supervision of the Refugee Resettlement Program" in Southeastern State (Southeastern State Refugee Resettlement Agency, 2001, p. 112), including its coordination, planning, implementation and evaluation. As the SSRRA Director shared:

> It is only after that reception period that my office enters the picture. And my office then comes in with contracts and the local refugee resettlement agencies then must go to work finding jobs, providing English as a second language as long as it is associated with work, providing support services such as day care, transportation, translation, interpretation—again, as long as it supports employment, the cornerstone of our program (Personal Interview, May 22, 2008).

The SSRRA's role is to coordinate and oversee all relevant activities in the state "to ensure that … resettlement is effective" (SSRRA Director, Personal Interview, May 22, 2008). National objectives define what constitutes effective resettlement and that generally requires family self-sufficiency. Accordingly, Southeastern State approaches its mission with the goal of "providing effective resettlement through attaining self-sufficiency at the earliest time possible" (Southeastern State Refugee Resettlement Agency, 2001, p. 18).

Overview of New Star Services

The practitioners interviewed for this study were all connected to New Star Services,[4] a refugee resettlement and immigration assistance agency in Southeastern State. New Star Services has served its region for more than 36 years. The agency began operations organically. That is, it began its work before there were official refugee offices:

> there were refugees from Eastern Europe and the State Department would call various [religious organizations] around the country and say, 'hey, we've got four East Germans who escaped from behind the wall … and do you think [you] could resettle them?' And so there was this informal network (Brightstar Regional Director, Personal Interview, December 04, 2007).

Individual volunteers assisted refugees as they arrived, but there were not yet official organizations locally to support such efforts. So, "when Saigon fell and when the State Department began this growth, … [the volunteers and the leader of the parent organization] said, we're beginning with this process and … what would you think about us putting together a formal organization, the office of refugee resettlement?" (Brightstar Regional Director, Personal Interview, December 4, 2007). The Regional Director suggested that refugees were being supported by volunteers before the office was

---

[4] New Star Services has three regional offices: Star Central, Brightstar, and Encircling Stars (See Figure 1 below).

formed—"and so some families got sent here and then they began an office here. It was kind of the cart dragging the horse. The families arrived and then they created an office. But, they had contacts, there were networks already established … that could make this happen" (Brightstar Regional Director, Personal Interview, December 04, 2007).

A registered nonprofit organization, New Star Services (NSS) was created to assist and empower refugees and immigrants, supporting them in a welcoming environment as they establish their new lives (New Star Services Executive Director, Personal Interview, May 22, 2008). Community Board Member 3 observed that "the purpose is to bring people who need the safety, a safe haven, and guide them into settling in to the situation here" (Community Board Member 3/Staff Member 10, Personal Interview, September 27, 2012). Wide-ranging resettlement services provided by NSS include: orientation to U.S. laws, customs and institutions; intensive case management including resource development, transportation, translation and advocacy; early employment placement assistance; English as a Second Language (ESL) instruction; and school liaison services for refugee youth and families. In addition to resettlement services, the organization provided low-cost services to its clients, including counseling assistance with status adjustment, petitioning for relatives applying for asylum and other specific immigration-related issues.

New Star Services was connected to a parent organization, which was religiously affiliated. NSS operated a coordinating office, authorized by its parent organization, that oversaw three regional offices: Star Central, Brightstar, and Encircling Stars (See Figure 1 below). This organization was associated with one of the national VOLAGs. Each of the three regional offices

had its own director and Community Board, which was established to serve in a supportive, advisory role. Until 2011, a separate governing board existed, which was supposed to oversee the operations of all three regional offices. Each entity submitted quarterly and monthly reports to the NSS coordinating office, some of which were compiled into organization-wide reports and sent to the national VOLAG, the parent organization, Southeastern State Refugee Resettlement Agency, and other agencies.

Figure 1. Overview of the New Star Services Structure
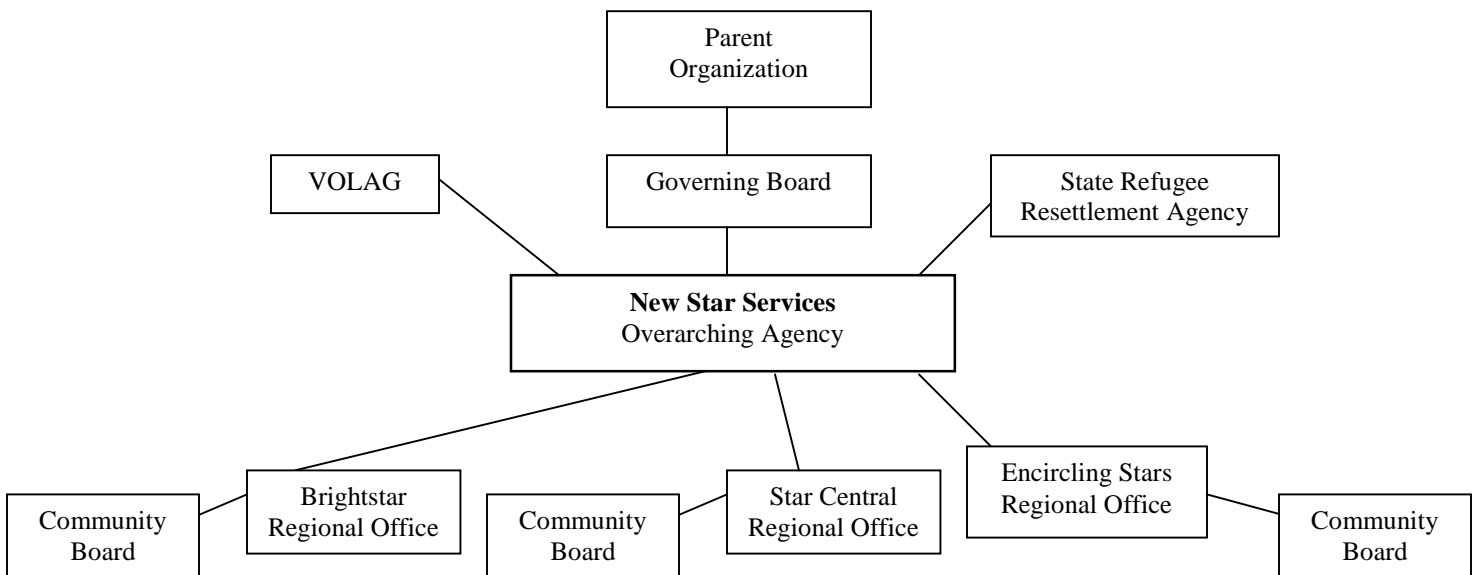
When I began this study, the Regional Governing Board met annually to share ideas, network, and brainstorm.[5] Board meeting attendees usually included regional directors, representatives of the community boards, and statewide coordinating office representatives. This group was also charged with strategic long-range planning for New Star as a whole. The board

---

[5] I explore the formation and eventual dissolution of this board in chapter 4.

did not exercise a typical oversight role. Instead, its members focused on sharing ideas with and among regional office representatives.

Each regional office also had its own Community Board whose members advised it concerning public affairs, resource development, and advocacy. These areas allowed board members to assess key needs of the organization and develop appropriate plans to address them, whether that entailed pursuing appropriate legislation to strengthen the agency or development and implementation of a variety of fund-raising initiatives (Brightstar Regional Director, Personal Interview, March 1, 2002). Although not involved in decision-making for the nonprofit's daily operations, Community Board members provided support for ongoing office functions (such as answering phones when receptionist staff were on vacation or otherwise out of the office), helped to publicize positive outcomes of organization efforts, represented the organization at events, and participated in strategic planning processes. Simply put, when operating as envisioned, the Community Boards provided a connection between Bright Star and the communities the entity served (K. T. Scott, 2000).

New Star Services administered its budget centrally, but supported all three regional offices. Throughout the early 2000s, the organization had an annual budget of between $1.5 and $2 million (New Star Services Anticipated Supporting Grants and Other Revenues, July 2000-June 2001, New Star Services Summary of Income Sources, 2003). The bulk of New Star Services' funding, more than $1 million, came from federal refugee resettlement funds channeled through the Southeastern State Refugee Resettlement Agency (SSRRA) and the VOLAG to which New Star Services is connected (New Star Services Summary of Income Sources, 2003). The

nonprofit supplemented this sum by competing for other grants and foundation funding,

soliciting individual donations and mobilizing volunteer time. For an overview of New Star

Services funding chain, see Figure 2.

Figure 2: Overview of New Star Services' Primary Funding Sources
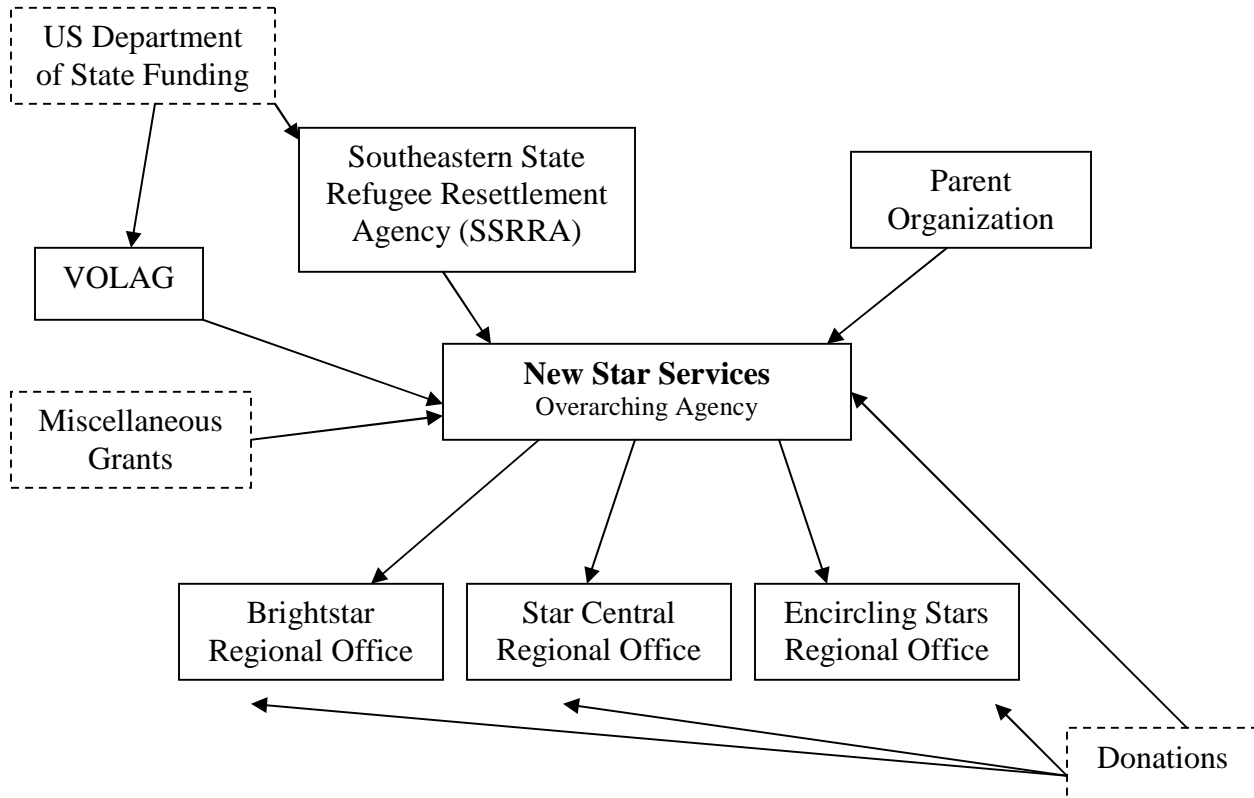
Research Contributions and Organization of the Dissertation

Through an in-depth exploration of New Star Services,[6] a refugee resettlement nonprofit

government contractor, I offer a description of strategies the organizational practitioners adopted

when they accepted, and, at other times, broke out of, typical principal-agent model

---

[6] I focus my attention on the NSS coordinating office and two of the three regional offices, Star Central and Brightstar.

assumptions.[7] While Bernstein's (1991) study of nonprofit organization-funder agency

relationships was groundbreaking, there have not been many significant in-depth studies of

practitioner perspectives and behaviors in the face of contracting regime tensions in the two

decades since. Several identifiable categories of practitioner responses to contracting regime

norms emerged from my analysis. Two categories—acceding to or rebelling against the norms—

highlight the limitations of remaining enmeshed an antagonistic conception of accountability,

while another—labeled transformative—points to the possibility of a new approach. After

outlining these three different reactions to the pressures of the nonprofit-government contracting

system, I examine the context and characteristics associated with each to provide insights into

how government and nonprofit managers and staff might challenge and move beyond the

prevailing conception of accountability relationships within the contracting regime.

To understand the management tensions for nonprofits arising from government

accountability reporting requirements, chapter 2 provides an overview of the emergence and

evolution of the contracting regime. I then turn to an exploration of accountability within that

structure. I close the chapter by reviewing Southeastern State practitioner responses to the

contracting regime. Chapter 3 outlines my methodological approach, which drew on grounded

theory and utilized several qualitative research strategies, including semi-structured interviews

and documents analysis.

---

[7] Throughout the dissertation, I refer to these strategies as 'responses', as I see the NSS
practitioners engaging in various behaviors to respond to the challenges raised by the demands of
their relationship to public funders.

Chapters 4 and 5 examine coping strategies that NSS practitioners employed as responses to the accountability demands of the contracting regime. These chapters outline moments when practitioners operated from a place of internalized acceptance of the antagonistic interactions of the contracting regime. Chapter 4 traces various NSS manager responses that included simply acceding to the norms of the contracting regime, even when some NSS practitioners perceived those as corrosive of organization goals and effectiveness. New Star Services practitioners observed in interviews that they sometimes 'sold out' by deferring attention from their mission, clients, or need to ensure organizational capacity to do whatever was necessary to gain success (read funding), as defined and determined by their supervising principals in the regime.

On the other hand, as I outline in chapter 5, NSS practitioners I interviewed also argued that they had sometimes focused completely on the purposes of the organization irrespective of contract claims. Practitioner strategies in this category of responses included ignoring or loosely interpreting rules, completing reporting forms with estimations rather than exact numerical data, and, when necessary, resigning from formal positions within the organization so that they could serve as a volunteer to address more effectively what they deemed to be the core purpose of the organization, serving its clients.

Chapter 6 explores moments in which NSS practitioners moved away from traditional adversarial accountability mechanisms and related interactions with their government overseers to a more generative relationship with those offices. In these instances, there was an opportunity for participants in the contracting regime to approach their interactions discursively. Drawing on the theoretical lens of agonism, I examine the context and characteristics of these responses to

provide insights into how nonprofit practitioners might move beyond antagonistic conceptions of accountability.

Chapter 7 examines the implications of the various NSS practitioner responses to contracting regime norms and the adversarial principal-agent accountability structure. I point to ways in which the contracting regime normalizes certain types of practice in order to ensure accountability, and how, ironically, the metrics widely employed for the purpose in the contracting regime may not necessarily lead to the ends they purport to address. The regime's archetypal antagonistic framing typically leads nonprofit practitioners to choose one of two dichotomous responses, acquiescence or rebellion. Given that the norms underpinning adversarial principal-agent accountability within the regime have proven so durable (Dicke, 2002), I point to ways that nonprofit practitioners and other actors within it can respond to the pressures that regime created through a different lens, that of agonism. I join O'Neill in considering how those involved might reach the following goal: "We need *genuine* rights, *genuine* accountability, *genuine* efforts to reduce deception and *genuine* communication. We are pursuing distorted versions of each of them" [emphasis original] (O'Neill, 2002, p. 19).

CHAPTER 2

NONPROFIT-GOVERNMENT CONTRACTING, ACCOUNTABILITY, & PRACTITIONER RESPONSES

To reconcile their constituents' simultaneous beliefs in less and in more governmental involvement, legislators in the United States have increasingly used contracting. They find people are more accepting of 'government funding and standard setting if nongovernmental organizations deliver the public goods and services.' This reconciliation strategy has inherent conflicts, however, which have created a 'philosophical and administrative mess' that is unlikely to be cleaned up because many groups have vested interests in its maintenance. This 'mess' is characterized by complex questions of accountability.   ~Susan Bernstein (1991, 3)

Chapter 1 sketched the questions that prompted me to investigate accountability in the public-nonprofit organization service delivery system and nonprofit practitioner responses to it. I was curious: why do we simultaneously hear assertions that the level of nonprofit accountability is insufficient to protect against wrongdoing, alongside claims, especially by nonprofit practitioners, that current government accountability demands placed on their organizations are too intense? Furthermore, why does it seem that the accountability dialogue is persistently framed by those parties involved within it as an oppositional relationship between nonprofit organizations and their public sector funders? These questions permeate conversations among scholars and practitioners alike about the nonprofit-government relationship and set up a contested situation. Indeed, Smith (2010, p. 624) has noted: "To date, the public policy discourse on the role of nonprofit organizations in public service delivery tends to be characterized by debates about nonprofit autonomy and independence *versus* government prerogatives and control" [emphasis added]. Ebrahim has suggested similarly that a central tension in nonprofit-government contracting is "the pitting of nonprofit autonomy and independence against government control" (2010b, pp. 628-629).

This chapter provides an overview of the government-nonprofit relationship, and the emergence of the contracting regime. Thereafter, I explore the underlying norms and principles of that relationship, highlighting its guiding norms, framed by neoliberalism, agency theory, and adherence to market forces, and including competition, professionalism, and attention to answerability. Next, I outline nonprofit accountability as a manifestation of those norms. Then, I turn to critiques of that framework. Finally, I briefly explore nonprofit practitioner responses to contracting regime norms and framing to provide a foundation for my exploration of NSS responses and later to suggest possible approaches to resolve the current antagonism.

Nonprofit-Government Relationships

The public service provision environment in the United States is complex and difficult to understand and navigate, even for those who operate within it daily. While many scholars have debated the relative longevity as well as the reasons for the relationship between government and nonprofits in serving the public good (Brown & Troutt, 2004; Kettl, 1987; Milward, Provan, & Else, 1993; Salamon, 2002; Smith & Lipsky, 1993; Wolch, 1990), all agree that nonprofit organizations are increasingly involved in the delivery of public services. As such, many are involved in contracting relationships of various sorts with government agencies. These relationships have been characterized in many ways, as contracting for provision of services (Smith & Lipsky, 1993), 'Government by Proxy' (Kettl, 1987), the 'Hollow State' (Milward, et al., 1993), and Public-Private Partnerships (Salamon, 1995).

Nonprofit organizations and government agencies have been intertwined throughout the history of the United States. Smith and Lipsky (1993) have argued that since the advent of our nation nonprofits have received money from different levels of government to provide services to those in need. Prior to the nation's independence, private organizations offered both health care and assistance for the mentally ill and received financial support to do so from local or colonial governments. Organizations to support children and families were founded in the 1800s and, "these early agencies supplemented the services of the public almshouses and reform schools, providing short-term relief, crisis intervention, and long-term custodial care for orphans and dependent children" (Smith & Lipsky, 1993, p. 47). At that point in history, while nonprofit organizations often received financial support from different public sources, government was not focused on addressing social problems and public support of such initiatives was minimal. Public officials saw nonprofit organizations as providing short-term relief to needy populations. For example, nonprofits were instrumental in providing aid to the needy during the Great Depression, serving "as conduits for public relief" (Smith & Lipsky, 1993, p. 50). Throughout these periods, nonprofit organizations and governments operated largely in separate spheres with limited interaction (Smith & Lipsky, 1993).

The nature of their relationship, however, has changed in recent decades. Since the early 1960s, the government-nonprofit relationship has shifted, as public agencies increasingly have funded nonprofit organizations to provide specific social services (Brinkerhoff, 2002; Najam, 2000). During the latter half of the 20th century particularly, government increased its financial support of nonprofits to such an extent as to create what Salamon (2010) has labeled 'third-party government.' Indeed, as Salamon has suggested: "a classically American compromise was

forged early in the nation's history, but it was broadened and solidified in the 1960s. Under it, nonprofit organizations in an ever-widening range of fields were made the beneficiaries of government support to provide a growing array of services … that Americans wanted but were reluctant to have government directly provide" (2010, p. 77).

This growing partnership has resulted in a proliferation of government contracts with nonprofit organizations, which has led to significant growth in the sector (Trudeau, 2008, p. 2808). Scholars have argued that nonprofit social service organizations and government agencies especially have become increasingly connected (Dicke, 2002; Hall, 2010; Najam, 2000; Salamon, 2010; Smith, 2010; Smith & Lipsky, 1993), even as many such organizations have become more reliant on public funding. This relatively recent deepening of the nonprofit-government relationship has created a new context for public goods provision. Smith and Lipsky have succinctly captured this transition:

> Before the contracting regime was established, newly identified social problems would be confronted, if at all, by voluntary organizations which expected no assistance from government, or, as the welfare state became more firmly established, by governments which would implement programmatic responses directly. Today, in contrast, one may expect demands to address new social problems to be met by government bureaucracies contracting with nonprofit agencies to implement responses (1993, p. 44).

Thus, the environment and position of nonprofit organizations has shifted. And, perhaps more importantly, the idea of the third or civil sector has emerged. As Hall has suggested, "although charitable, educational, and religious organizations are thousands of years old …, the concept of 'nonprofit organizations' as a unified and coherent 'sector' dates back only to the 1970s" (2010, p. 3).

While, in earlier periods of the nation's history, nonprofit organizations and government agencies operated largely in separate spheres, a principal-agent framing now guides association between organizations from the two realms. This paradigmatic change has multiple implications for the ways in which a share of nonprofit organizations function. As the public sector has increasingly provided funding to social service nonprofit organizations, "ensuring accountability in human services contracting [has become] a fundamental responsibility of government agencies that enter into contractual agreements with private, nonprofit human services providers" (Dicke, 2002, p. 455). As Hwang and Powell have noted, "key stakeholders, notably government and philanthropic funders and associations, have led the charge for greater efficiency and accountability in the nonprofit sector" (Hwang & Powell, 2009). Thus, "the character of the relationship [between contracting governments and nonprofits] has changed" (Smith & Lipsky, 1993, p. 9). Smith and Lipsky (1993) have labeled the end result of this sea change a *contracting regime* and I have adopted their descriptor throughout this analysis. I next outline the characteristics of this government-nonprofit service delivery system and explore the values that underpin it.

The Contracting Regime[8]

As widespread government contracting for public services emerged, new modes of interacting, new pressures on funder and service provider practitioners, and new demands for answering for support arose concurrently. During the development of these government-nonprofit relationships for service provision, "across the country, voluntary organizations receiving government grants were shaken and disheveled by the mini tornadoes of contestability,

---

[8] This section explores the contracting regime as an ideal type. Manifestations of any regime or system (and responses to it) are always more nuanced than the normative description.

accountability, the funder-provider split, performance indicators, and the overwhelming and icy winds of managerialism" (Nowland-Foreman, 1998, p. 109). Smith and Lipsky used "the term 'regime' deliberately to indicate a set of stable relationships that reveal assumptions about the way the world works" (1993, p. 43). The contracting regime is "something more than temporary arrangements that change with every shift in power or interests" (Krasner, 1982, p. 186). Instead, this mode of conducting the public's business is guided by rules and regulations, as well as norms that underpin the expectations (Smith, 1996, p. 115) that make interactions among regime participants predictable.

Those rules and regulations are often delimited in contracts, which are designed to ensure that nonprofit organization will act in accordance with the aims of the principal, usually a government funder. The contracting regime approach arises from the belief "that politicians should be the masters of a hierarchically based incentive system, with emphasis on clear goals and means, a monitoring system reporting results, and a connected system of rewards and punishments" (Aberbach & Christensen, 2003, p. 12). As a result, contracts are developed that describe the expectations of principals (usually government funders) and agents (usually nonprofit service providers) regarding what financial support will be provided, what services will be delivered, and what forms of accountability will be employed and how. The contracting regime assumes that "actors think and act strategically to fulfill personal goals and are primarily utility-maximizing individuals" (Aberbach & Christensen, 2003, p. 497). Thus, the purpose of contract-based processes, rules, and regulations is to protect government funders, through "complicated procedures and regulations governing the selection, oversight and monitoring of contract agencies" (Smith, 1996, p. 114).

While most rules are outlined during the contracting process, not all expectations are explicit. Indeed, as Greenleaf (1998) has observed, "coercive power exists because certain people are granted (or assume) sanctions to impose their wills on others. These sanctions may be overt, as when one may be penalized or punished if one does not comply; or the sanctions may be covert and subtle" (Greenleaf, 1998, pp. 82-83). The indirect guidance in the contracting regime arises through its norms. The government-nonprofit contracting regime is based on the idea that "we Americans can create an accountability process that is tidy, linear, and hierarchical" (Behn, 2001, p. 41). Thus, while rules and guidelines play a role in this process, norms are often unstated, but integral—"providing critical guidance for the regime" (Smith, 1996, p. 115). All actors within a regime reproduce or perpetuate its underlying values through enacting embedded and, often unexamined, norms. It is the "taken for granted character" of these underlying principles that allows for social integration (Oliver, 1991, p. 145). Regimes have "normal ways of solving certain problems" and "regularized interactions among different types of entities" (Smith & Lipsky, 1993, pp. 43-44). While rules are explicit, the norms guiding those interactions are taken for granted by the participating parties and ultimately, no longer questioned. Indeed, Harvey has suggested that norms can become, "so embedded in common sense as to be taken for granted and not open to question" (Harvey, 2005, p. 5). They have "pervasive effects on ways of thought to the point where it has become incorporated into the common-sense way many of us interpret, live in, and understand the world" (Harvey, 2005, p. 3). I turn next to describing the customs and values that underpin the contracting regime.

Norms of the regime

Krasner has observed that "norms provide the basic defining characteristics of a regime" (1982, p. 187), and the contracting regime is no exception. Public-nonprofit contracting is guided by market-based approaches and assumptions (competition, professionalism, answerability), rooted in neoliberalism. Neoliberal premises, especially the primacy of the market to organize social interactions, guide almost all contracting interactions. These principles have, as Harvey has observed "become hegemonic as a mode of discourse" and shaped the "way many of us interpret, live in, and understand the world" (Harvey 2005, 3). Furthermore, they are enacted across organizations within the regime, such that there are "similar organizational practices" (Hwang & Powell, 2009, p. 288). Thus, neoliberal doctrine underpins the ways that government managers and nonprofit practitioners operate within the contracting regime.

Neoliberalism is an ideology that champions the market as the primary (and superior) form of social organization. Proponents of neoliberalism claim that "human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade" (Harvey, 2005, p. 2). As such, the contracting regime "presume[s] that markets and market signals can best determine all allocative decisions … that everything can in principle be treated as a commodity" (Harvey, 2005, p. 165). The focus on "commodification presumes the existence of property rights over processes, things, and social relations, that a price can be put on them, and that they can be traded subject to legal contract" (Harvey, 2005, p. 165). Thus, according to Harvey, in neoliberalism, "the market is presumed to work as an appropriate guide—an ethic—

for all human action" (2005, p. 165). Neoliberalism assumes that individuals are self -interested

and make rational (in the sense of utility maximizing) choices (Eisenhardt, 1989).

Market-based approaches. The market-based lens of the contracting regime promotes

efficiency as the primary normative 'good.' The regime epitomizes the neoliberal values that

Harvey (2005) articulates:

> [The regime] values market exchange as 'an ethic in itself, capable of acting as a
> guide to all human action, and substituting for all previously held ethical beliefs,'
> it emphasizes the significance of contractual relations in the marketplace. It holds
> that the social good will be maximized by maximizing the reach and frequency of
> market transactions, and it seeks to bring all human action into the domain of the
> market (p. 3).

The following sections describe the major attributes of the market focus of the contracting

regime (outlined below in Table 1): a reliance on market forces through competition; organizing

to secure maximum efficiency through professionalization, and ensuring answerability through

hierarchy, rules, and reporting. Hwang and Powell have observed that "competitive pressures

have … prompted a more systematic and diligent search for funding, rendering an older model of

informal, volunteer-based charity less viable" (Hwang & Powell, 2009, p. 271).

Table 1. Principles/Norms of the Contracting Regime and Associated Rules/Procedures

Principles/Norms	Rules/Procedures
Competition	Proposals to secure funding Conditionalities attached to funding
Professionalization	Paid, trained specialists versus volunteers Standardized (professional) methods
Answerability	Contractual relationships Hierarchical structures—presence of a Governing Board and structures/procedures within offices Forms, reports, and audits

Competition. Grounded in the premises of neoliberalism, the nonprofit-government contracting system is founded on the idea that "competition—between individuals, between firms, between territorial entities (cities, regions, nations, regional groupings)—is held to be a primary virtue" (Harvey, 2005, p. 65). By requiring organizations to compete with each other, those overseeing the contracting regime believe they will increase the likelihood that agents (nonprofit service providers) will pursue the goals of principals (government funders) (Aberbach & Christensen, 2003, p. 10). As contracting between government and nonprofit organizations has increased, "there are increasing expectations on and requirements for voluntary organizations to behave competitively" (Nowland-Foreman, 1998, p. 114).

Advocates of contracting claim that the competition it creates will decrease the costs of government services, increase efficiencies, and improve the quality of service provision (Smith, 1996). In exploring the implications of neoliberal practices, Harvey has contended that these claims are central to arguments for the contract regime, noting that "competition, it is claimed, eliminates bureaucratic red tape, increases efficiency and productivity, improves quality, and reduces costs, both directly to the consumer through cheaper commodities and services and indirectly through reduction of the tax burden" (2005, p. 65).

Professionalization. Professionalization has increased among contracting nonprofit organizations. In civil society, professionalization "refers to a shift away from amateur or personalized responses to needs or problems" (Abramson & McCarthy, 2002, p. 343). To respond to social challenges, nonprofit organizations both hire professional, trained staff and

follow more standard (professional) methods. Thus, these organizations have moved from soliciting the efforts of volunteers to employing trained individuals with expertise in grant writing, monitoring, and related areas (Milward, et al., 1993; Smith & Lipsky, 1993). Smith and Lipsky have highlighted this trend and observed that, "in the contracting regime, nonprofit service organizations have been changing. Under pressures to secure and maintain funding and in response to the oversight demands of government agencies, they are professionalizing and becoming more businesslike" (1993, p. 45). As Hwang and Powell have remarked, "The professionalization of the nonprofit sector occurs in the context of a broad change in the external environment … accompanied by the expansion of formal organization, which has moved into many domains in society that were previously more informal" (2009, p. 288).

Nonprofit organizations involved with contracting are increasingly hiring professional staff rather than relying on volunteers to carry out organizational responsibilities (Nowland-Foreman, 1998; Smith & Lipsky, 1993). This is due in part to the sets of skills that the regime requires organizations to obtain, such that "the organization buys the skills it needs by employing professionally qualified staff" (Nowland-Foreman, 1998, p. 110). However, hiring professional staff can change the nature of nonprofit organizations, shifting their orientation from volunteer-provided service provision to professionally specialized staff program offerings.

In addition to the shift from volunteers to paid staff, there is another aspect of professionalization aligned with the contracting regime—the standardization of practices (Abramson & McCarthy, 2002; Kearns, 1996; Salamon, 1995). As the sector has professionalized, organizations within it have increased their attention to routinized responses

and technical approaches to needs or problems (Abramson & McCarthy, 2002). As this focus has grown, so has the development and dissemination of "best practices, effective training methods … and [approaches to] organizational effectiveness" (Abramson & McCarthy, 2002, p. 344).

Answerability. The ability to answer for actions taken and resources spent is at the core of contracts between government funders and nonprofit service providers. Building on the assumption that the market is the most appropriate sphere for decisions of all types, the contracting regime assumes that behavior can be controlled through market incentives. Agency theory, which emerged concurrently with the contracting regime in the mid-to-late 20th century (Eisenhardt, 1989; Smith & Lipsky, 1993), summarizes the role of the contract in ensuring principal control when governments delegate and fund activities to be undertaken by nonprofit agents: "Strategic plans, independent financial audits, and quantitative program evaluation … locate rationality inside the organization" in order to implement methods for planning and evaluation of organizational actions" (Hwang & Powell, 2009, p. 272). Ideally, the system minimizes the risk that an agent's behavior will deviate from a principal's desires.

The principal-agent framing in the contracting regime leads to expectations that agents will answer to principals via hierarchical relationships. Dicke and Ott (1999) have succinctly captured the current approach to accountability in the government-nonprofit contracting regime: "It has been widely assumed that reporting relationships, personnel systems, and decision-making processes in public hierarchies provide—are the essence of and the model for—accountability" (p. 510). Many practices and processes within the contracting regime are founded on implicit and explicit assumptions about hierarchy within organizations. As such,

organizational processes that conform to hierarchical norms are most likely to be affirmed and reinforced within the regime. Put differently, the predominant assumption for principals is that nonprofit organizational answerability can be better ensured through a process in which requests/commands flow downward and answers proceed upward, that is, via hierarchy.

Government contractors employ hierarchical reporting structures to ensure appropriate actions are undertaken by nonprofit organizations. Governing boards, although in existence long before the emergence of the contracting regime, play key roles within it. Ideally, nonprofit governing boards serve as both a strategic guide (to determine efficient use of resources) and the ultimate answerer for nonprofit organizations. As such, they have central responsibility for accountability in the contracting regime. According to Ebrahim, "the premise is that boards are responsible not only for policy direction, but also for oversight of internal controls and that failures within an organization are reflective of failures of guidance and oversight at the board level" (2009, p. 887). Governing board roles within the contracting regime are shaped by deeply entrenched values: hierarchical responsibility, rules, and ensuring efficient use of resources (Behn, 2001; Bovens, 1998). Government officials view board members as possessing ultimate authority and responsibility to answer for the actions of their organizations. Therefore, within the contracting regime, "donors and the wider public expect boards to hold organizations to account for the quality and effectiveness of their work" and boards "are expected to provide the public with trust and confidence" in the organization (Hudson, 2005, p. 181). Based on a principal-agent relational model, board members are charged with providing oversight—to ensure that the agent (the nonprofit organization they oversee) is accountable to its principals (primarily funding agencies). Furthermore, the board has the ultimate responsibility for the agent's fiduciary

accountability. Contracting government officials view nonprofit governing boards as sitting atop

an organizational hierarchy. As such, boards are expected to serve as the ultimate arbiters of

organizational actions while ensuring that public resources are used in the most efficient and

effective way possible within their organizations (Ingram, 1999, p. 10; Miller-Millesen, 2003,

pp. 522, 528; Stone & Ostrower, 2007, p. 417).

The hierarchy assumption implicit in the contracting regime is also manifest throughout

the organizational structure within contracting nonprofits. Bovens (1998) has examined the

complex question of responsibility in institutions and argued that public organizations rely on

hierarchy to ensure responsibility to superiors and rules. Ianello has also analyzed the social

dynamics of hierarchy in organizations and contended that "hierarchy's benefits include

providing the necessary structure for what is perceived to be efficient management" (1992, p.

18). Hierarchy relies on a basic, pyramid structure with "no organization members receiv[ing]

orders from more than one superior … [and] no superior should have more subordinates than can

be overseen" (Iannello, 1992, p. 16). This structure ensures that "all routine matters are handled

by subordinates, so that the superior is free to deal with 'exceptional' situations" (Iannello, 1992,

p. 16). Furthermore, "the flow of information up and down the pyramidal structure forms an

important aspect of power, privilege, and authority relationships" (Iannello, 1992, p. 16).

Organizations within the contracting regime rely on hierarchy such that the individuals at the top

of each pyramidal structure (institution) are ultimately responsible and can answer for their unit's

activities. A nonprofit governing board is supposed to oversee its organization, and especially its

executive director, providing top-down direction concerning operations; the director then passes

information to the staff, while overseeing their activities. Simultaneously, staff members are

expected to answer to the director, who in turn is responsible to the board as the ultimately accountable agent for the organization.

In addition to hierarchical structures, principals (funders and oversight agencies) rely on monitoring, auditing, and reporting activities to ensure that agents act in accordance with their wishes (Bernstein, 1991; Edwards & Hulme, 1996a; Kearns, 1996; Najam, 1996). These are designed to minimize the possibility that nonprofit practitioners will misuse resources or otherwise act outside of the funder's desires while also ensuring that organizations can demonstrate results.

Answering for the efficient use of resources has become a primary concern for nonprofit managers who want to ensure their organizations' continued success. In order to decrease the risk of being denied future funding, civil society organization practitioners often concentrate on being able to answer to current funders, in an environment that depends on after-the-fact answerability. In the current contracting context, "one is called to account after the event and either held responsible or not" (Bovens, 1998, p. 27). That is, the question becomes, "why did you do it?" Thus, in addition to the complexity of managing the changing and multifaceted rules, the attention to after-the-fact answering also raises the question: "What is the purpose of holding an actor to account for its behavior? Is it simply to enforce rule-following behavior, or is it linked to a larger view of public interests" (Ebrahim, 2005, p. 61). And, in order to meet the requirements of after-the-fact answerability, "there are increased transaction costs for both voluntary organizations and the government funding bodies as more specification, supervision, and reporting is required" (Nowland-Foreman, 1998, p. 114). I turn to an overview of traditional

contracting regime methods for ensuring nonprofit accountability to illustrate these characteristics of the contracting regime.

Principal-Agent Guided Nonprofit Accountability System

The literature suggests that accountability relationships are principal-agent focused in the contracting regime, with increased attention given to powerful stakeholders (particularly funders and regulators). The interactions between principals and agents are characterized by after-the-fact reporting; guided by rules and conditionalities established by the principal. These are linked to punishment if requirements are not met and give primacy to financial transaction efficiency and transparency (Behn, 2001; Bernstein, 1991; Bovens, 1998). Accountability, in the contracting regime, is seen as "a problem of poor oversight or inadequate representation, amenable to correction through stringent regulation, enhanced regimes for disclosure, monitoring, and enforcement" (Ebrahim, 2009, p. 886).

Principal-agent relationships are framed by the underlying neoliberal values of the contracting regime (as illustrated in Figure 3). Competition is ensured by requiring nonprofit organizations to respond to calls for proposals from government agencies to secure funding and by imposing a range of conditionalities on award of any funding. Standardized practices and the increase of trained, paid staff (professionalization) are a typical consequence of these incentives for participating nonprofit organizations. And, finally, strongly hierarchical reporting structures and the use of detailed contracts, reports, and audits illustrate the regime's control and answerability focus.

Figure 3. Relationship Between Neoliberalism & the Principal-Agent Accountability System

Neoliberalism

Norms
Principles

Contracting Regime

Rules
Procedures

Principal-Agent Accountability System
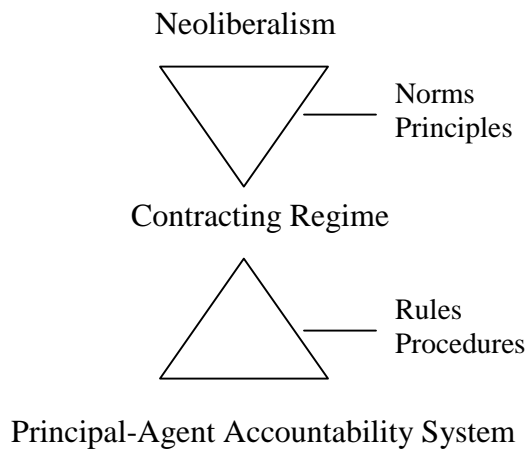
Holding nonprofits responsible in the contracting regime follows "traditional approaches

to accountability [that] are unidirectional. One party—usually a nonprofit—is thought of as

accountable to the other—usually government—in a hierarchical relationship" (Whitaker, et al.,

2004, p. 123). Consequently, accountability is "generally interpreted as the means by which

individuals and organizations report to a recognized authority … and are held responsible for

their actions" (Edwards & Hulme, 1996b, p. 8). For example, presume that principal A wants

agent B to perform some service. The principal agent model assumes that agent B is seeking

his/her own self-interest and that orientation will lead to the organization shirking its

responsibility to A in order to maximize its economic gain with the least amount of effort/output.

Therefore, principal A must protect against that assumed certainty and must create methods or

strategies (mechanisms) to ensure that its agent (B) utilizes resources only as desired. The

framing is such that "some individuals (principals) attempt to have their agendas carried out by

other individuals (agents)" (Ebrahim, 2003b, p. 196), and receive a guarantee that the desired

agenda has, in fact, been carried out as envisaged. Indeed, as Koppell has noted, "the dominant

conception of accountability revolves around *control*" [emphasis original] (2005, p. 97). The question is always: "Did the organization do what its principal … commanded?" (Koppell, 2005, p. 97)

Accountability, while often touted as a way to ensure responsible action, has now been linked in contracting to the risk of punishment as an incentive for good behavior (Behn, 2001). Proponents of this view assume that the fear of retribution provides a motivation for practitioners to focus on defending past actions. Behn (2001) has described this type of accountability relationship from the point-of-view of those being targeted: "When they do something good, nothing happens. But when they screw up, all hell can break loose. … Accountability means punishment" (2001, p. 3). Under this system, accountability is defined as passive responsibility, where "one is called to account after the event and either held responsible or not" (Bovens, 1998, p. 27). The current approach to government-nonprofit accountability within the contracting regime nurtures oppositional interactions and adversarial ways of thinking. However, the structure and dynamics of these relationships are complex, and as Bovens has remarked, "holding natural persons accountable in accordance with a strictly hierarchical scheme is therefore sometimes a little like trying to grab hold of a piece of soap in a bathtub" (Bovens, 1998, p. 89). Put differently, it is by no means clear that the current control-centered accountability structure and reporting scheme of the government-nonprofit contracting regime is accomplishing what its proponents designed it to do.

Critiques of the Current Accountability System

> *Perhaps the culture of accountability that we are relentlessly building for ourselves actually damages trust rather than supporting it. Plants don't flourish when we pull them up too often to check how their roots are growing: political, institutional, and professional life may not flourish if we constantly uproot it to demonstrate that everything is transparent and trustworthy (O'Neill, 2002, p. 19).*

Renz has observed that the nonprofit sector is riddled with "a host of competing values and tensions" (2010a, p. 803). These conflicting values and tensions are often quite pronounced in the antagonistic, adversarial accountability context of the contracting regime. These relationships routinely result in claims by funders and their overseers that there is not enough accountability in the contract regime and that recipient nonprofit organizations are not behaving or expending resources appropriately. Paradoxically and often simultaneously, these supposed concerns are set against claims of too much accountability and that nonprofit managers and leaders are overwhelmed by reporting requirements and grant conditionalities that limit their capacity to concentrate on organizational mission attainment. Funder "efforts to prevent abuse of trust are gigantic, relentless and expensive; [and] their results are always less than perfect" (O'Neill, 2002, p. 8). Simultaneously, nonprofit "managers describe situations in which aspects of the management of contracted services conflict with reality" (Bernstein, 1991, p. 22).

Smith (1996) has highlighted the implications for nonprofit organizations of routinely required accountability-related data:

> Service providers are asked to submit mounds of information on their operations, even though government agencies do not have the capacity for reviewing the information. Further, some of the requested information is not germane to evaluating programme quality. For many nonprofit agencies, especially smaller community organizations, programmatic regulations can lead to major changes in mission, services, and clients. Service costs also rise because compliance with

these regulations requires contract agencies to add administrative staff and
develop new internal monitoring systems (p. 121).

In the end, neither government funders nor nonprofit practitioners involved in contracting

relationships are satisfied with the circumstances in which they find themselves (Behn, 2001;

Bernstein, 1991; Fry, 1995; O'Neill, 2002). It follows that "we need to worry that the aggressive,

adversarial" approaches to accountability may be harming service organizations (Behn, 2001, p.

217).

No Universally Accepted Definition

Scholars note there is no uniformly accepted definition of accountability for nonprofit

organizations (Alexander, Brudney, & Yang, 2010; Cnaan, 1996). This lack of a shared

understanding is a longstanding problem. In the mid-1990s, Cnaan expressed concern that there

was "no clear and well-accepted definition of accountability" (Cnaan, 1996, p. 222). And, in a

2010 symposium regarding accountability, "all the articles refer to accountability, implicitly or

explicitly," while "none of them offers a clear definition of the term" (Alexander, et al., 2010, p.

569). Despite many attempts to define nonprofit accountability (Behn, 2001; Bovens, 1998;

Christensen & Ebrahim, 2006; Ebrahim, 2003a; Najam, 1996), a broadly accepted definition has

eluded researchers and practitioners alike and may be impossible to attain.

The lack of a common operational conception of accountability is problematic for

nonprofit practitioners as they attempt to navigate the complexity of contracting regime claims

imposed on their organizations in its name. Indeed, as Koppell has observed: "Lack of

conceptual clarity [regarding the many forms of accountability] presents more than a rhetorical

problem. The many meanings of accountability suggested by the varied use of the word are not

consistent with each other: that is, organizations cannot be accountable in all of the senses

implied by this single word" (2005, p. 95). Consequently, due to the structure of the nonprofit

funding environment, the view of accountability as answerability to the most powerful principal

(read: largest funder) tends to prevail and to define what the term means for contracted

nonprofits.

Government: The powerful principal in the regime

The contracting relationship rests on a simple premise. In nonprofit-government

contracting, government "is the principal and nonprofit organizations are the agents"

(McDonald, 1997, p. 52). This basic foundation becomes more complex in practice as

government plays the role that Smith and Lipsky identify when they note that regimes "tend to

be sponsored and ultimately directed by a relatively powerful agent" (1993, p. 44). Nonetheless,

government funders always enjoy disproportionate power in their relationship with contracting

nonprofits. As a result, nonprofit organization leaders sometimes feel vulnerable and unable to

affect change.

Despite the fact that government agencies and nonprofit organizations are mutually

dependent, "government tends to be the more powerful in the relationship … [and] nonprofit

organizations are often in the position of being forced to accept or follow the norms and policies

of government," as the primary funder (Smith, 2010, p. 560). In consequence, nonprofit

organization practitioners often perceive that they have few choices in their relationships with

government funders. Scholars and practitioners have long noted that civil society organization

staff members rarely feel at liberty to question funders (Bernstein, 1991; Ebrahim, 2003a;

Salamon, 2002; Smith, 2010). Bernstein has highlighted this tension by observing, "another problem in contracting with the city is that you're not truly contracting with them as two equal parties. The city says, 'This is the game. If you want to get in it, sign our contract'" (1991, p. 152). Put differently, through the power of funding, nonprofit organizations become significantly dependent upon and responsible to government agencies, however those may define what accountability means in the resulting relationship.

While agents (nonprofits receiving funding) are dependent on government and other grantors, the power in the relationship is not entirely one-sided. Principals know that the transaction costs in ending relationships with agents are high (Sabatier, 1986). As a result, there are also incentives for principals (funders) to maintain current relationships with agents. These are stronger when governments have few alternatives to which to turn to deliver desired services. That is, the higher the perceived costs of replacing a contractor, the greater a government's incentive to negotiate, rather than dictate, accountability claims. Nonetheless, as a matter of perceived experience, the nonprofit managers with whom I spoke often experienced their contract relationship with government as one in which they were dependent on a funder with significant authority over them.

This layered and uneven relationship has multiple potential implications for nonprofit organizations. First, their own goals can become secondary to the demands and requirements of those of their sponsoring organizations. As Nowland-Foreman has observed, "there is an increasing emphasis on the initiative coming from government-determined priorities and a diminution in the importance of the initiative of voluntary organizations" (1998, p. 114). This

attenuation of social services nonprofit discretionary possibility is tied to a greater problem—that

such practitioners are hindered not only in the actions they can undertake vis-à-vis individual

funding sources, as is the case with conditionalities attached to funding, but also because they

begin to think about their work through a lens of limitations and expected behaviors. As Smith

has suggested, "the implications of the contracting regime for nonprofit management are

profound. Managers of nonprofit agencies receiving government contracts are not free agents,

but are linked in an ongoing relationship with government, which at once constrains their

behavior as well as provides certain incentives for managerial action" (2010, p. 560).

       Simplifications. Under the reporting focus of the contracting regime, nonprofits tend to

be led to address accountability mechanisms that are the "easiest to implement," rather than

those most appropriate for ensuring organizational responsibility (Salamon, 1995, p. 31).

Ebrahim has noted that,

> the information requirements of funders impact [organizations] not only by
> placing demands on their attention, but also by promoting positivist and easily
> quantifiable valuations of success and failure. This is not an intended effect, but a
> systemic one that emerges from reporting and budgeting protocols that favor
> 'product' data over 'process' data (Ebrahim, 2003c, p. 78).

This concentration on easiest to implement and measure mechanisms has not developed in a

societal vacuum. In the search for truth, some philosophers, scientists, and social scientists have

focused on ascertaining facts that are unquestionable and uniformly accepted (Harding, 1986;

Longino, 2002; Lyotard, 1984; Scott, 1998). This search for undeniable truths has long been

characterized by an attempt to separate social and rational knowledge, with highest standing

accorded rational knowledge. Other forms of knowledge, meanwhile, are relegated to secondary

status. The penchant to favor supposed verifiable "rational data" in efforts to secure nonprofit

accountability mirrors this long term tendency in research and philosophy (Longino, 2002) as well as longstanding tensions between efforts to standardize knowledge focusing on abstractions while devaluing situated, local knowledge (Lyotard, 1984; J. C. Scott, 1998). By attending primarily to numerical data for reporting purposes and providing a narrow lens through which staff members and managers report after-the-fact about their work, accountability practices within the contracting regime are rooted in the rational knowledge tradition. Additionally, even when other mechanisms are introduced to get a broader picture of the work of nonprofit agencies, the predominant experience is that of performance measurement predicated on easily measurable and reportable data.

Longino (2002) has explored the multiple ways that power is exercised in relation to knowledge, including by controlling the discourse of a subject, creating and/or defining standards of normalization, and claiming/defending those actions as objective. Longino has also questioned why objectivity must exclude sociality and vice versa and argued that the "implicit acceptance [of these claims] has driven much history and philosophy of science" (2002, p. 16). In the government-nonprofit contracting regime, accountability demands from powerful public sector principals, both funders and regulatory agencies, typically center around service-related statistics and other *simplifications* [emphasis original] (J. C. Scott, 1998). Historically, these heuristics have provided a way for the "state ... [to get] a handle on its subjects and their environment" (J. C. Scott, 1998, p. 2) while these constructions, "represent(ed) only that slice of [the actual activity of society] that interested the official observer" (J. C. Scott, 1998, p. 3). Nevertheless, and despite their simplified character, such measures and data come to be viewed by all parties as an appropriate representation of the whole. These sorts of formulations hold

risks for nonprofit staff members who may find that essential needs and services are not included in these categorizations.

Indeed, through attempts to standardize measurement, contracting regime requirements can bring many drawbacks to nonprofits. Such organizations can give markedly increased attention to "monitoring and reporting such information as the number of clients served, the quantity of services, programs, or activities provided, the number of volunteers or volunteer hours contributed, and the amount of donations received" (Morely, Vinson, & Hatry, 2000, p. 1). This information is important, but does not necessarily assist managers in assessing progress toward organizational goals. Smillie & Hailey (2001) have highlighted these concerns, "documents and reports often 'dwell' on targets achieved, rather than on the processes used or the lessons learned, [due in part to] the ubiquitous donor demands for standard indicators of performance and quantifiable measurements of achievement" (pp. 85-86).

Other layers of accountability. Established contract regime accountability mechanisms are skewed toward powerful stakeholders. The norms and rules of the contracting regime focus on upward accountability, often without emphasizing other forms (Behn, 2001; Ebrahim, 2003a, 2009; Lawry, 1995). While there are direct paths for funders and other principals to demand accountability from nonprofit organizations, "another key stakeholder group—clients—is largely without authority to hold an organization to account" (Chisolm, 1995, p. 147). Accordingly, the "emphasis on stronger and stronger [nonprofit organization] accountability toward government funders, which is also frequently associated with contracting, subtly shifts responsibility away

from the voluntary organization's board, and non members, and other stakeholders" (Nowland-Foreman, 1998, p. 117).

Meanwhile, the scholarly focus on accountability has been on expanding understanding of the phenomenon beyond simply ensuring accordance with a principal's claims or desires (Ebrahim, 2002a; Edwards & Hulme, 1996a; Kearns, 1996; Najam, 1996) as well as on how practitioners have navigated mechanisms designed to control or influence their behavior (Behn, 2001; Bernstein, 1991; Christensen & Ebrahim, 2006; Ebrahim, 2002a). As Edwards & Hulme have argued, nonprofits "have multiple accountabilities—'downward' to their partners, beneficiaries, staff, and supporters; and 'upward' to their trustees, donors, and host governments" (1996a, p. 8). However, the contracting regime is based on internalized norms and practices that privilege the act of answering for use of resources through market-based approaches. This is true, even if the mechanisms of accountability change.

In such circumstances, the modes of thinking and framing among the actors involved may not change or shift as rapidly. Therefore, if the antagonism innate to the contracting regime is to be reconsidered and shifted to a new pose, new ways of thinking and avenues for interaction among those involved need to be explored, developed, and supported (Behn, 2001; Bovens, 1998; Ebrahim, 2009; Smith, 2010). Krasner, for example, has argued that "regimes and behavior are inextricably linked" (1982, p. 185). Building on this view in the following section, I explore practitioner responses to contracting regime demands and context.

Practitioner Responses to the Principal-Agent Accountability System

Given the various pressures of the accountability environment, "it is no surprise that nonprofit agencies find themselves devoting scarce resources to juggle multiple, and sometimes irreconcilable, performance and accountability expectations" (Ebrahim, 2010b, p. 629). As a result of these complexities, "the critical challenge for nonprofit leaders," indeed, for all nonprofit practitioners, "lies in finding a balance between upward accountability to their patrons while remaining true to their missions" (Ebrahim, 2010a, p. 118). So, the relevant empirical question is how can (and do) nonprofit practitioners respond to the embedded antagonism of the contracting regime's principal-agent accountability assumptions?

I have already addressed the pressures that contracting regime norms can exert on nonprofit organization practitioners. Managers of such units attempting to secure and/or remain in good standing with funders will likely mimic the procedures and practices supported by the regime, including behaving competitively, professionalizing, and managing through hierarchical structures. There are, however, other drivers.[9] As Ebrahim has noted, "in the end, accountability is both about being held to account by external actors and standards and about taking internal responsibility for actions" (Ebrahim, 2010a, p. 117). For practitioners guided by internal responsibility, a service perspective (Whitaker, et al., 2004, p. 127) may influence their decisions and behaviors such that they assign the needs of clients higher priority, even if the necessary activities to meet those requirements do not fit within the standardized and approved practices of

---

[9] Oliver has identified multiple factors that influence actors' strategic responses to their organization's institutional environment including, among others, perceptions of organizational legitimacy, the number of constituents and the complexity of their claims on the organization, dependence on stakeholders, the level of control the organization's actors have over organizational practices, and the uncertainty of the organizational context (Oliver, 1991). Further to my findings, I present a dichotomy of reactions rooted in either antagonism (sell out or rebel) or agonism (transformational), rather than a spectrum of potential responses.

their principals. Similarly, Bovens (1998) has described circumstances in which staff members were guided by active responsibility that centered around what must be done to meet organization mission rather than on answerability for past actions.

The contracting regime's antagonistic frame "creates expectations on which we are *judged*, but not necessarily ones on which we *act*. Our actions results from a deeper acceptance of responsibility, or *felt responsibility*" [emphasis original] (Fry, 1995, p. 183). Thus, nonprofit practitioners have to develop responses to the rules and procedures enacted by principals that embody the antagonism embedded in their relationship. Bernstein (1991) discussed the various ways that managers operate in the contracted services environment. She described the system as a game that nonprofit practitioners simply have to learn to play to minimize their costs while maximizing their chances of winning. Behn (2001) has contended that the system is framed so as effectively to present many nonprofit practitioners with two choices: "turn the timid into cowards and the bold into outlaws" (Behn, 2001, p. 30). Each of these perspectives arises from "thinking that looks to cope," as Burns has accurately dubbed it:

> If you are like me, this is what happens when you can't find your umbrella. You first dart around to all the obvious places—closet, front door, kitchen—exclaiming peevishly, 'Where could I have left it?' As the mystery deepens you think of other possibilities—in the car, in the bathroom?—and become a little paranoid. Someone must have 'borrowed' it. What you do not do, if you're like me, is sit down and ask why, when, and where you last had the umbrella. There is a simple reason why you rush around rather than stop and reconstruct. Thinking is difficult, as it calls not only for recall, but also for patient analysis. It means questioning assumptions and considering alternatives. … You have to step back for a moment and see possibilities in a wider view. Quite the opposite happens when, instead, you desperately rush about. Your horizons narrow as you focus on immediately finding that darn umbrella. You lose possession not only of your umbrella, but [also] of your perspective, reacting so obsessively that you become a victim of the situation. … Of a qualitatively different nature is thinking that looks not to cope with things but to alter them. It, too, is in a sense reactive, but it

is a considered response to deep and fundamental needs and it seeks solutions—changes—that go to their roots, that are significant and lasting. To think this way is to think transformationally (Burns, 2003, pp. 51-52).

While a significant volume of work exists that explores different approaches to accountability and nonprofit-government relationships within the contracting regime (Behn, 2001; Benjamin, 2008; Bernstein, 1991; Bovens, 1998; Dicke, 2002; Ebrahim, 2003a, 2010a; Fry, 1995; Koppell, 2005; Lawry, 1995; Najam, 1996; Renz, 2010d; Salamon, 1995; Smith, 2010; Whitaker, et al., 2004), there is a dearth of empirical studies of nonprofit practitioner responses to the oppositional accountability system of the contracting regime. In this dissertation, I explore three key questions related to this lacuna:

1. What are practitioner responses to the accountability related assumptions and requirements of the contracting regime?

2. If/when there are responses that seem to operate outside of the 'thinking that looks to cope' that Burns (2003) identifies, what are they?

3. How can those responses deepen our developing understanding of nonprofit accountability, nonprofit-government contracting, and the contracting regime?

To explain how I undertook to explore these questions, I now provide an overview of my methodological approach—from identifying my questions, to engaging in data collection, and then to analysis.

CHAPTER 3

RESEARCH DESIGN AND METHODS

Success is a journey, not a destination.
~ Ben Sweetland

Psychologist Ben Sweetland's observation about life applies equally to research. Inquiry is a journey, not a destination. Investigation is a process, a voyage of exploration and discovery, and its success inheres in both how one develops one's arguments and how effectively one shares that process with others. This chapter outlines how I navigated a complex course full of twists and turns to explore a significant question of nonprofit theory and practice.

At the start, I was interested in making sense of the seemingly competing claims so evident in our public dialogue that the nation both has too much and not enough nonprofit organization accountability. I wanted to learn more about why nonprofit practitioners perceive that their organizations are under so much accountability pressure and why such demands are such an integral part of their daily work lives. As I began to explore these questions, I was struck by the fact that even with the pressures nonprofit practitioners articulate in relation to the rules of the contracting regime, the news media nonetheless periodically publishes stories regarding purported nonprofit fraud, inefficiency and malfeasance. Indeed, as Gibelman and Gelman have observed, "An accumulating number of cases around the world of alleged and substantiated wrongdoing on the part of these [nongovernmental] organizations suggests that these are not isolated events in particular countries" (2001, p. 49). In order to both discourage future instances of reported and perceived wrongdoing and to minimize the potential for 'wasting' public funds, funders and regulators began increasing their accountability demands of nonprofit organizations

during the latter part of the 20th century. This led me to wonder how practitioners navigate these requirements as well as how the sector might more effectively reach its goals of ensuring quality outcomes without placing unnecessary burdens on practitioners.

To explore these questions, my research was guided by a constructivist-interpretive philosophy (Charmaz, 2006; Denzin & Lincoln, 2003). I sought to understand how nonprofit practitioners responded to the pressures of the contracting regime, and if possible, what led to those responses. Thus, a constructive perspective, in which researchers, "study *how* –and sometimes *why* –participants construct meanings and action in specific situations" [emphasis original] (Charmaz, 2006, p. 130) was appropriate. I sought to understand the experiences, perspectives, and opinions of study participants as "constructivism assumes the relativism of multiple social realities, recognizes the mutual creation of knowledge by the viewer and the viewed, and aims toward interpretive understanding of subjects' meanings" (Charmaz, 2003, p. 250). Through a case study of a refugee resettlement nonprofit agency, utilizing grounded theory strategies for data analysis, I engaged in in-depth qualitative research, using multiple data collection strategies, including interviews and document analysis (Charmaz 2006, Creswell 1998, Merriam 1998, Stake 1995, Yin 2003). My goal was "to see beyond the obvious" and follow a "path to reach imaginative interpretations" (Charmaz, 2006, p. 181) regarding nonprofit managers' responses to the contracting regime.

Grounded Theory Approach

Grounded theory emerged in the late 1960s in response to the deeply entrenched belief in the social sciences that quantitative approaches represented the only option for rigorous research

(Charmaz, 2003). While the fields of sociology and anthropology had contributed ethnographic approaches to the social sciences, by the mid-1960s, quantitative methods had nonetheless been elevated to the status of preferred bases of analytic study, due to their supposed foundation on "scientific assumptions of objectivity and truth [that would] further the quest for verification through precise, standardized instruments and parsimonious quantifiable variables" (Charmaz, 2003, p. 253). Several things happened in the social sciences as positivism as a framing paradigm increased in prominence. First, fieldwork came to be seen as a first stage in research, a step that would lead later to the theory-testing work of quantitative researchers. Second, and as a direct result, the division between theory development and empirical inquiry also increased.

These trends created interest among scholars to reinvigorate the role of qualitative inquiry. Barney Glaser and Anselm Strauss (1967), for example, sought to bridge this divide and laid out systematic processes for a qualitative approach to gathering and analyzing data that could also result in theory building. Their work challenged the idea that theory and research were necessarily separate and that qualitative investigation represented only an exploratory step before other scholars engaged in 'rigorous' quantitative analyses of the concerns such analysts had treated. Glaser and Strauss confronted disciplines whose dominant perspective was that qualitative research was not systematic, data collection and analysis were separate, and qualitative inquiry could only lead to descriptive case studies (Charmaz, 2003, p. 253).

However, even as Glaser and Strauss sought to challenge this consensus, there was hardly unanimity among researchers concerning their effort. Many scholars argued that positivist and objectivist assumptions permeated Glaser and Strauss's book, while others contended that,

despite their best efforts, these scholars had not defended the legitimacy of qualitative

approaches successfully. Despite the passage of nearly 50 years, this controversy has not

dissipated among social science researchers. In 1990, Anselm Strauss and Juliet Corbin sought to

expand on Glaser and Strauss's pioneering work by clarifying the essential premises of the

grounded theory approach and focusing on precise procedures and methods. They aimed to

defend the research strategy against claims that it lacked validity and reliability (Strauss &

Corbin, 1990). Glaser critiqued this new effort as, "forcing data and analysis through their

preconceptions, analytic questions, hypotheses, and methodological techniques" (Charmaz,

2003, p. 254). Glaser argued that constant comparison of data gathered in the research process, in

which the analyst considers the information and organize or codes it systematically into broader

conceptual categories or themes (Charmaz, 2006; Glaser, 1992), is sufficient to ensure

conceptual rigor. He also contended that by means of this systematic process, "categories emerge

upon comparison and properties emerge upon more comparison. And that is all there is to it"

(Glaser, 1992, p. 43)

Different claims abound about what constitutes 'real' grounded theory. Indeed, there are

grounded theory scholars who follow a prescriptive approach, one that mimics that presented in

Glaser and Strauss's (1967) original book, *The Discovery of Grounded Theory*. At the same time,

there are others, such as Kathy Charmaz (2003), who employ a constructivist approach that uses

grounded theory techniques of sampling, data collection, and analysis. As Charmaz has

suggested,

> The power of grounded theory lies in its tools for understanding empirical worlds.
> We can reclaim these tools from their positivistic underpinnings to form a revised,
> more open-ended practice of grounded theory that stresses its emergent,

constructivist elements. We can use grounded theory methods as flexible,
heuristics strategies rather than as formulaic procedures (2003, p. 251).

Charmaz has outlined a constructivist analytic strategy in which grounded theory strategies can

be adopted without tying oneself to the positivist framings of the conceptualization's original

theorists, nor requiring that one be prescriptive or positivist in one's research.

I have crafted my research methodology in accord with Charmaz's arguments (2003,

2006) and her constructivist approach to grounded theory. Ebrahim has called on nonprofit sector

scholars to explore and describe how accountability operates, noting, "if analysts have a

grounded sense of how nonprofit organizations and their clients are affected by the current

accountability climate, then they may help researchers reframe accountability problems and their

solutions in ways that meaningfully reflect practice" (2009, p. 891). Accordingly, my research

employs a grounded theory approach that works to "move each step of the analytic process

toward the development, refinement, and interrelation of concepts" (Charmaz, 2003, p. 251).

Grounded theory research is organized around a core category: "At the center of this model is the

central phenomenon, the central category around which the theory is developed" (Strauss &

Corbin, 1990, p. 116). Rather than attempting to prove or disprove an existing perspective, I

aimed first to explore the implications of accountability practices within the contracting regime

for nonprofit practice. I set out to understand better how the contracting regime affects

practitioners working in nonprofit organizations that contract with government agencies. Second,

I identified categories of behaviors[10] that nonprofit practitioners engaged in to respond to the

expectations of the contracting regime, including its guiding norms and perceived pressures.

---

[10] These behaviors are called 'responses' to the contracting regime throughout this dissertation.

Finally, I analyzed the data to present a new framing that may contribute to meeting the goals of government-nonprofit contracting more effectively.

Case Study

Recognizing that I could integrate both case study and grounded theory approaches (Stake, 1995) to explore my research questions and that "grounded theory methods specify analytic strategies, not data collection methods" (Charmaz, 2003, p. 257), I have drawn from traditional case analysis approaches to guide my data collection process. Case studies serve researchers well when "'how' or 'why' questions are being posed" (Yin, 2003, p. 1). Stake has suggested that researchers should utilize this approach when they "have a research question, a puzzlement, a need for general understanding, and feel that we may get insight into the question by studying a particular case" (1995, p. 3). As I was curious about nonprofit service provision, government funding, and accountability, I undertook a case analysis of relevant processes and dynamics in a refugee resettlement organization to explore those questions. Refugee resettlement organizations have been in a contracting relationship with national and state public agencies since they began operating formally in the mid-1970s. To understand more fully the implications of and responses to the contracting regime, I chose an analytical or instrumental case study approach in which "a particular case is examined mainly to provide insight into an issue" (Stake, 1995, p. 137). In the end, this New Star Services case study provides the opportunity for analytical generalization (Yin, 2003) concerning nonprofit practitioner responses to the contracting regime.

I initially planned to interview practitioners in multiple refugee resettlement agencies in order to conduct a comparative analysis of their responses to the contracting regime. However, both practical and theoretical considerations led me instead to conduct in-depth research of one refugee assistance nonprofit organization. First, as a practical matter, when I began this study, I had multiple contacts within various organizations and agencies connected to refugee resettlement in Southeastern State and anticipated gaining access to as many as six such local organizations for initial consideration. As my research progressed, however, the landscape of refugee resettlement in Southeastern State shifted due to an unexpected rise in refugee arrivals, changes in contract renewal processes and reporting requirements with increases in the amount of program-related reporting required, and decreased funding which resulted in reduced staffing of individual organizations. These shifts increased stresses on nonprofit organizations and their managers, as organizations and individuals felt increasingly vulnerable. As a result and in a short period, several contacts informed me they would no longer be able to participate in my inquiry. One director, for example, who had previously communicated with me directly and given me open-ended and unrestricted access to her agency and staff members, asked one of her staff to inform me that the organization was now confronting a period of critical changes and would no longer be able to participate in my project.

Simultaneously, I was able to continue to investigate deeply one regional refugee resettlement organization. As I explored that nonprofit's operations, through further interviews and documents analysis, I concluded that an investigation of practitioner experiences within one organization could provide insights into the implications of and responses to the contracting regime in a different and possibly richer way than a broader comparative study might. This

approach to sampling echoes Charmaz's claim that "theoretical sampling is *emergent*" [emphasis original] (Charmaz, 2006, p. 104). In keeping with my original purposive/instrumental sampling approach (Charmaz, 2003, p. 2006; Creswell, 1998), I looked to one regional refugee resettlement organization to provide detailed insights into nonprofit organization practices and responses to contracting regime norms. Through a comprehensive analysis of that organization, I was able to describe its salient organizational activities in detail and explore the rationales and nuances of different managerial practices within it, thereby maximizing the "opportunity to learn" about my research questions (Stake, 1995, p. 152). By interviewing some of the practitioners multiple times and analyzing both historical interactions as well as ongoing experiences, I was able to clarify the central implications of the contracting regime for individuals within the organization as well as identify the tensions among competing accountabilities inherent in the government-nonprofit relationship. All of my participants were practitioners within one regional refugee resettlement organization to which I have given the pseudonym New Star Services. As I noted in chapter 1, in an effort to ensure confidentiality, I use pseudonyms for individuals, organizations, cities, regions, including the state, and I mask other identifying information. The organization is affiliated with a national VOLAG in Southeastern State. The umbrella institution[11] for New Star Services has been involved in refugee resettlement in Southeastern State since the mid-1970s and resettles the largest number of refugees per year in that state of any VOLAG so engaged. As Stake (1995, p. 208) has argued, "a single case … is selected precisely *because* the research wishes to understand the particular in depth." The case of New Star Services serve to illuminate both the context of nonprofit-

---

[11] One of the national voluntary agencies.

government long-term contracting, the pressures that arise in this situation, and nonprofit practitioner responses to it. [12]

Data Collection

I employed multiple data collection strategies, but relied primarily on interviews and document analysis, in order to explore the nature of nonprofit accountability and practitioner responses within the contracting regime (Charmaz, 2003, 2006; Creswell, 1998; Merriam, 1998; Stake, 1995; Yin, 2003). I conducted more than 25 interviews and engaged in numerous personal communications with 22 directors, staff members, state agency representatives, volunteers, and board members associated with New Star Services, for a total sample of respondents that falls within the preferred range of participants for a ground theory study that Creswell has identified.[13] I conducted interviews both in person and via telephone.

Initially, as part of my Master's degree research, I interviewed the director and staff members in one of the regional offices of NSS (see Table 2, Phase One Interviews). Then, incorporating and building on that effort, I engaged in two additional phases of data collection (see Table 3, Phases Two and Three Interviews). For the second and third stages of my investigation, I utilized chain or snowball sampling by asking "each participant … to refer [me] to other participants" (Merriam, 1998, p. 63; Miles & Huberman, 1994) who could provide information and insights into the questions I was exploring. I conducted interviews until I reached both saturation of content and perspectives as well as to the point at which I received no

---

[12] With that said, New Star Services practitioner responses were echoed by managers at other refugee resettlement organizations in Southeastern State in initial conversations with them. Thus, the study may be treating behaviors characteristic of the subsector of refugee resettlement organizations and not merely of New Star Services. This question deserves additional exploration.

[13] "I recommend that a grounded theorist interview 20 to 30 individuals" (Creswell, 1998, p. 122).

new suggestions for individuals to interview. I analyzed data from all three phases of data

collection for this research.

Table 2. Phase One Interviews[14]

Interviewee	Type of Interaction	Dates
Brightstar Regional Director	Personal Interview	March 1, 2002
	Personal Communication	March 1, 2001 February 8, 2002
Staff member 1, Brightstar	Personal Interview	March 1, 2002
Staff member 2, Brightstar	Personal Interview	February 22, 2002
Staff member 3, Brightstar	Personal Interview	February 22, 2002
Staff member 4, Brightstar	Personal Interview	February 22, 2002
Staff member 5, Brightstar	Personal Interview	March 1, 2002
Staff member 6, Brightstar	Personal Interview	February 22, 2002
Staff member 7, Brightstar	Personal Interview	February 25, 2002
Caseworker 1, Brightstar	Personal Interview	March 1, 2002
Caseworker 2, Brightstar	Personal Interview	March 1, 2002
Caseworker 3, Brightstar	Personal Interview	March 1, 2002

---

[14] Phase one of my research was associated with my Master's degree research. Those interviews were conducted in 2002. Data from those conversations was incorporated into this inquiry. Further research built on questions that emerged from this phase of data collection and analysis.

Table 3. Phases Two and Three Interviews[15]

Interviewee	Type of Interaction	Dates
Brightstar Regional Director	Personal Interview	December 4, 2007
	Personal Communication	October 21, 2005 (telephone) April 1, 2008 (telephone) May 12, 2010 (email) July 9, 2012 (telephone)
Director, State Refugee Resettlement Agency	Personal Interview	May 22, 2008
New Star Services (NSS) Executive Director	Personal Interview	May 22, 2008
	Personal Communication	April 18, 2008 (telephone)
Governing Board Member 1, New Star Services (also Staff Member 8, Star Central)	Personal Interview	May 23, 2008 October 20, 2008
Governing Board Member 2, New Star Services	Personal Interview	October 20, 2008
Star Central Regional Director	Personal Communication	July 19, 2012 (telephone)
	Telephone Interview	July 23, 2012
Staff member 9, Star Central	Telephone Interview	September 26, 2012
Community Board Member 1, Brightstar	Telephone Interview	July 17, 2012
Community Board Member 2, Brightstar	Telephone Interview	July 24, 2012
Community Board Member 3 (and Staff Member 10), Brightstar	Telephone Interview	September 27, 2012
Community Board Member 4, Star Central	Telephone Interview	August 1, 2012
Community Board Member 5, Star Central	Telephone Interview	September 19, 2012

---

[15] Individuals sometimes served in multiple roles at different points during their tenure with New Star Services (i.e., governing board, staff member, etc.). For categorization purposes here I chose the title that seemed to best represent the role that they explored during their interview(s).

By engaging in data collection during an extended period, I was able to talk with practitioners about incidents and experiences at different moments in the organization's life, thus adding richness and depth to the analysis. As Charmaz has argued, "we researchers cannot produce a solid grounded theory through one-shot interviewing in a single data collection phase" (2003, p. 266). The bulk of my interviews took place in three different phases and each stage yielded additional insights concerning information and participants missing from the story: "initial grounded theory coding can prompt you to see areas in which you lack needed data. Realizing that your data have gaps –or holes –is part of the analytic process" (Charmaz, 2006, p. 48).

The interviews were guided by semi-structured instruments designed to gain an understanding of accountability demands and processes, individual and organizational responses to those claims and related management decisions and actions. The interview protocol was designed to, "ask the participant to describe and reflect upon his or her experiences in ways that seldom occur in everyday life" (Charmaz, 2006, p. 25). I followed the norms of constructing semi-structured interview instruments in that mine had a common core of questions and topics. Specific queries were tailored to the individual's role in the organization and evolved during the conversation to build on previous questions or to delve more deeply for clarity. Appendix A contains a generic interview protocol.[16]

As I began the interview process, I employed standardized, but open-ended questions with key informants. As my research progressed, however, I tailored interviews more closely to

---

[16] For information on the informed consent process I employed and related concerns to protect participants, please see the section "Ethical Concerns" later in this chapter.

individual interviewees as I sought to draw out their specific understandings, experiences or interpretations of organizational events or concerns. I conducted further interviews with two individuals, both we did not have sufficient time for them to share their experiences and reflections during our initial conversation, and as I perceived I needed to obtain further information or clarification on concerns we had discussed. I also re-interviewed participants when I believed they could contribute to a deeper understanding of one of my "emerging analytic categories" as the research progressed (Charmaz, 2006, p. 4). I digitally recorded all interviews and transcribed each verbatim to allow for in-depth analysis of their content. I saved all of the digital recordings and transcriptions in password protected files on my personal computer and also secured in an online storage service, Dropbox.[17] I also conducted informal field observations of agency staff meetings and other staff interactions.

I reviewed and analyzed an array of documents from New Star Services, New Star Services Parent Organization, and Southeastern State Refugee Resettlement Agency. These sources included newsletters, reports, meeting minutes, handbooks and manuals (See Table 4 for a complete list of items I reviewed and analyzed). In examining this data, I utilized a coding process similar to that I employed for the interviews, coding first by line, then clustering into themes, and finally grouping into categories.

---

[17] Available at https://www.dropbox.com/.

Table 4. Overview of Documents Reviewed

Document Source	Document Type
Southeastern State Refugee Resettlement Agency	SSRRA Employment Program Manual
	SSRRA Requests for Proposals (RFPs)
	SSRRA website
	State Refugee Resettlement Handbook
New Star Services	Annual Reports
	Brochures
	Community/Advisory Board Meeting Minutes
	Formation/Charter Documents
	Grant/Funding Proposals
	Governing Board Meeting Minutes
	Job Descriptions
	NSS Newsletters
	NSS Strategic Objectives
	NSS Task Force Report
	NSS Website
	Staff Evaluation Forms
NSS Parent Organization	NSS Parent Organization Newsletters
	NSS Parent Organization Website

Throughout my study, I sought to explore the regional office's connections to local

agencies, as well as its ties to the SSRRA and other key stakeholders. Through conversations

with practitioners, review of agency documents, reading relevant nonprofit scholarly literature,

and via observation, I developed a deeper understanding of the context of New Star Services'

work and its roles in public service delivery to refugees in its service area. Even as I sought to

understand how the academic literature had portrayed the contracting regime, I simultaneously

began to frame observations concerning the dynamics of such relationships at New Star Services

through interviews with its staff members concerning their experiences and responses to the

regime. I then used those interviews to formulate categories of nonprofit managers' behaviors in

response to the contracting regime (and more specifically to the accountability demands it

imposes).

Data Analysis

Qualitative research scholars have argued that data analysis is ongoing throughout a research project (Charmaz, 2003, 2006; Stake, 1995). Analyzing information "is a matter of giving meaning to first impressions as well as to final compilations. Analysis essentially means taking something apart … giving meaning to the parts" (Stake, 1995, p. 71). While there may be periods of time set aside for analysis, it "should not be seen as separate from everlasting efforts to make sense of things" (Stake, 1995, p. 72).

In attempting to understand the impact of strictures regarding accountability for the contracting nonprofit refugee resettlement organization I studied, I first developed an overview of those practices as they affected New Star Services operations. As I created rich descriptions of government accountability claims and nonprofit practitioner responses, I attempted to make sense of the data and to glean broader themes from it by identifying patterns in practitioner behaviors among interviewees and coding data into themes and categories (Attride-Sterling, 2001; Charmaz, 2006; Creswell, 1998; Maxwell, 1996; Miles & Huberman, 1994; Stake, 1995).

My analysis involved direct interpretation of interviewees' reporting of specific events/instances as well as categorical aggregation that allowed examination of grouped instances of different accountability practices and practitioner responses (Stake, 1995). After each interview, I took notes and recorded my thoughts in writing concerning possible future questions for interviewees, connections to the literature that had arisen in their comments, and themes that had emerged in their remarks. I continually reviewed interview transcripts, notes, and documents, to maintain familiarity with the details of the case throughout the research

process (Creswell, 1998). I also employed memoing techniques to record ideas and concepts and relationships among them, as they emerged (Charmaz, 2003, 2006; Creswell, 1998; Merriam, 1998; Miles & Huberman, 1994). Charmaz (2006, p. 188) provides an overview of memo-writing as a "pivotal intermediate step in grounded theory between data collection and writing drafts of papers. When grounded theorists write memos, they stop and analyze their ideas about their codes and emerging categories." Accordingly, I used memos to delve into my theoretical and conceptual ideas. I explored different theoretical frames, especially as I worked to clarify the emergent relationship of my chapters to my broader conceptual contribution. Memos often served as a place for me to interact with quotations from my data and relevant literature, allowing me to work out how they were related: "Memos catch your thoughts, capture the comparisons and connections you make, and crystallize questions and directions for you to pursue. Through conversing with yourself while memo-writing, new ideas and insights arise during the act of writing" (Charmaz, 2006, p. 72).

To develop theoretically relevant categories regarding the contracting regime as well as implications for nonprofit organization and practitioner responses, I followed grounded theory strategies for coding data (Charmaz, 2003, 2006; Creswell, 1998). I began by reading each interview transcript several times. Then, I initiated the coding process by taking each line/sentence of each interview and writing one to two words in the margin that captured the significance or meaning of it (Charmaz, 2006; Creswell, 1998). This line-by-line coding "helps us to remain attuned to our subjects' views of their realities, rather than assume that we share the same views and worlds" (Charmaz, 2003, p. 259). My codes often used the actual words of my informants, and throughout the process I sought to maintain a direct connection among the

language my informants used, the codes I developed, and the sections and chapters of my written analysis.

After the line-by-line coding, I began the aggregation process by categorizing the one-to two-word codes into themes, noting repeating patterns in the data and relating categories to each other. At this stage, having "established some strong analytic directions through [my] initial line-by-line coding," I used those results to "sift through [a] large amount of data" (Charmaz, 2006, p. 57). I looked for ways that the codes were related (Creswell, 1998). For example, I sought to determine whether practitioners evidenced multiple responses to the accountability pressures of the contracting regime. Then, I clustered responses into categories. At that point, I also began to consider how those behaviors could be connected (Creswell, 1998). To increase the robustness of my themes, I also reexamined the literature multiple times during different stages in the development of my analysis. In addition to interviews, I reviewed newsletters, handbooks, funding reports, task force reports, websites, fundraising letters, meeting minutes, and newspaper articles to which New Star Services staff referred me in order to understand particular situations better. Throughout the process, I returned to the interviews and field observations to check that my evolving codes bore direct relevance and connection to the words and actions of my study's key informants.

I used an open source coding software, Weft QDA[18], to organize and sort my data. I also utilized paper and pencil methods to conduct the line-by-line coding as well as the clustering and grouping (aggregating) of themes throughout the process. I used Weft QDA as a tool for storing coded interviews and documents. I entered all of my written data into the software program.

---

[18] Available at http://www.pressure.to/qda/.

Additionally, I was very aware that, as Charmaz has noted, "part of interpretive work is gaining a sense of the whole—the whole interview, the whole story, the whole body of data" (2003, p. 268). Thus, I wanted to maintain tangible connections to my data separate from the software I used to sort and store it.

I used a continual cyclical analysis process of inductive and deductive approaches as I consulted the literature on nonprofit organizations and accountability and returned to the language of the interviews and other field data. At several points during the process, I conducted additional interviews to check my interpretations (Charmaz, 2006), as I analyzed the seemingly competing claims that governments simultaneously desire too much, but nonetheless secure insufficient nonprofit accountability. I followed Charmaz's advice that "we should interact with our data and pose questions to [it]" (2003, p. 258) by employing a constant comparative approach that sought to analyze information I had gathered while making sense of it via insights developed through previous scholarship. By engaging in constant comparisons between practitioner responses to the requests, norms, and pressures that result from contracting with government funders, I began to develop "tentative categories that are compared to each other and to other instances. Comparisons are constantly made within and between levels of conceptualization until a theory can be formulated" (Merriam, 1998, p. 159). As the categories emerged—ignoring accountability pressures, acceding to those claims, or responses that were somehow outside of the accept-reject dichotomy—it became clear that my groupings followed Merriam's call that "categories should reflect *the purpose of your research*. In effect, categories are the *answers* to your research question(s)" [emphasis original] (Merriam, 1998, p. 183).

Research Quality

In any research, the goal is to have people perceive your results as legitimate. Creswell has argued that qualitative researchers can begin to address that concern by asking themselves "Did we get it right?" (Creswell, 1998, p. 193). In qualitative case study research, according to Stake, the researcher puts his or her interpretation forward:

> It is my integrity as a researcher that I beg to be recognized, that my interpretations be considered. In my analysis … I seek to make sense of certain observations of the case by watching as closely as I can and by thinking about it as deeply as I can. It is greatly subjective. I defend it because I know no better way to make sense of the complexities of my case (1995, pp. 76-78).

In this research, in order to provide the highest quality analysis possible, I utilized the following strategies. First, I attempted to provide thorough descriptions of the individual and organizational responses to the contracting regime, providing "opportunity for vicarious experience" (Stake, 1995, p. 86). Through a detailed account of the case I examined, I have endeavored to provide the material needed for the reader to develop his or her own generalizations or conclusions based on personal or sympathetic experiences. Furthermore, I have utilized rich, thick description (Geertz, 1973) to provide contextual meaning for the actions and responses of practitioners to the contracting regime. Through textured descriptions of the experiences of nonprofit practitioners, I have provided information for readers to make decisions regarding the transferability of this research to other settings (Appleton, 2002; Creswell, 1998; Geertz, 1973; Maxwell, 1996; Merriam, 1998).

A second strategy I employed to demonstrate the value of this research was to engage in reflexivity in analysis and interpretation (Creswell, 1998; Maxwell, 1996). I viewed subjectivity as "an essential element of understanding" in quality case study research rather than as a "failing

needing to be eliminated" (Stake, 1995, p. 45). Thus, my inquiry presents my interpretations of how one nonprofit organization's managers responded to the public funder and regulator accountability claims they confronted. By grounding my research in the words of my respondents, I followed methods, such as line-by-line coding, that "[contained] correctives that reduce the likelihood that researchers merely superimpose their preconceived notion on the data" (Charmaz, 2006, p. 51). However, I also recognized, "analysis is a matter of giving meaning to first impressions as well as to final compilations" (Stake, 1995, p. 71). As such, I did not attempt to ignore my initial thoughts regarding the nonprofit practitioner experiences, but, instead, sought to reflect on those interpretations, integrating additional information as my knowledge of the case deepened, constantly revising and developing my understanding.

A final strategy for ensuring quality in case study research is data source, investigator, and methodological triangulation (Creswell, 1998; Maxwell, 1996; Merriam, 1998; Stake, 1995). Through multiple data collection strategies and sources, I "look[ed] to see if the phenomenon or case remains the same at other times, in other spaces, or as persons interact differently" (Stake, 1995, p. 112). I provided copies of all transcribed interviews to the informants and asked them to share any factual clarifications or additional comments with me. After reviewing the transcripts, two participants provided clarifications to two of their responses.

In the end, "the quality and utility of the research is not based on its reproducibility but on whether or not the meanings generated, by the researcher or the reader, are valued" (Stake, 1995, p. 135). Returning to Sweetland's sentiment with which I began this chapter, the success of this research surely lies partly in whether, to what extent, and how the findings resonate with

and contribute to the work of nonprofit organization contract practitioners and interested scholars.

Ethical Concerns

Researchers must ensure that their research projects are conducted ethically, which "requires balancing the value of advancing knowledge against the value of noninterference in the lives of others" (Neuman, 2003, p. 119). I used an informed consent process (Neuman, 2003) in this inquiry that included email and telephone exchanges with interviewees before each interview. In these, I shared the rights and responsibilities of participants in the study and answered any questions that potential interviewees raised. The interviewee and I signed the informed consent form prior to the start of their interview. At that time too, I offered another opportunity for participants to ask questions about the research or process. I received Virginia Tech Institutional Review Board approval for the research.

Having outlined my methodological approach, I now turn to the first category of responses that NSS practitioners evidenced—that of accepting the claims of adversarial contracting regime accountability and acceding to its associated demands.

CHAPTER 4

SOLD MY SOUL TO THE CONTRACTING REGIME

I've sold my soul. I'm a prostitute.
~Executive Director, New Star Services
(Personal Communication, April 18, 2008)

Chapter 2 provided an overview of nonprofit organizations, accountability, and the contracting regime, outlining the oppositional context in which civil society organization practitioners are operating in these relationships. The neoliberal principles (especially the primacy of the market to organize social interactions) that underpin the contracting regime have, "in short, become hegemonic as a mode of discourse. It [neoliberalism] has pervasive effects on ways of thought to the point where it has become incorporated into the common-sense way many of us interpret, live in, and understand the world" (Harvey, 2005, p. 3). The next two chapters outline possible outcomes when the norms of the contracting regime are "so embedded in common sense as to be taken for granted and not open to question" (Harvey, 2005, p. 5). Managerial decisions that align with the norms of the contracting regime, sometimes subconscious and other times conscious choices, provide evidence of the ways that practitioners are operating within an adversarial framework, where submission or defiance often appear as the only options.

Decisions to submit to the norms and to follow the guidelines of funders and regulators are often driven by a desire to ensure organizational survival, especially through securing and retaining funding. Financial support is imperative for nonprofit organizations, but the path to secure it as well as the resulting demands arising from conformity to government demands can be detrimental to them, both explicitly, as with increased levels of paperwork and implicitly, as

with the adoption of market-based values, such as professionalism and answerability (in order to protect the interests of principals). This chapter explores the first of the Janus-like strategies between which NSS practitioners often felt compelled to choose in the current nonprofit-government contracting culture: accede to the norms. In each of the following examples, contract regime norms shaped the choices nonprofit managers made.

This chapter tells the story of times when New Star Services practitioners made decisions to embrace and carry out the normalized practices that the principal-agent system holds as appropriate and necessary. First, I examine how NSS focused on securing and maintaining organizational funding within a competitive environment, even when a share of the decisions taken to ensure that financial support led to additional organizational effort and staff time. Next, I explore the ways in which New Star Services practitioner choices adopted the contracting regime's professionalization norms as it transitioned from using volunteers for many roles to hiring professional staff to provide direct services to clients, even though some in the organization believed that more volunteer-heavy service delivery models might have served the organization's clients more effectively. Finally, I share the story of the evolution of the NSS governing board. The group was initially created to provide legal protection for the parent organization. While the existence of a governing board mimicked the hierarchical formal structure often assumed by proponents of the contracting regime, board members never fully understood the governance role they should play and therefore failed to assume the responsibilities typically assigned to boards. New Star Services managerial decisions to rank securing funding over demands on staff time and resources, move away from voluntarism as a central organizational characteristic and to create a governing board whose members did not

fully understand their roles were made with the foremost goal of keeping the organization fully funded in its contracting regime relationship. As Oliver has suggested, "when an organization anticipates that conformity will enhance social or economic fitness, acquiescence will be the most probable response to institutional pressures" (1991, p. 161)

The Pressures of Competition

Government funding of nonprofit organizations has shifted through the years. During the 1960s and 1970s, contracting between government and nonprofit organizations was less competitive and more focused on reimbursing organizations for the costs they incurred in delivering a service (Smith, 2010). Now, however, "the current contracting environment is much more competitive. Contracts are increasingly performance-based, with government specifying contract goals and priorities that nonprofits are required to meet in order to receive reimbursement for their services" (Smith, 2010, p. 558). This is certainly true for refugee resettlement in Southeastern State where the SSRRA Director claimed in an interview, "we believe strongly in competition" (Personal Interview, May 22, 2008). Competition and a belief in the efficacy of the market guided the selection of nonprofit partners by the SSRRA. Participation in a competitive proposal process to receive funding from the state agency has become routine for refugee resettlement organizations in Southeastern State.

Securing and retaining funding has become significant for nonprofit organization managers. When I asked New Star Services' Executive Director an open-ended question: "What do you find stressful," her response was, "Money. [laughter] Money" (Personal Interview, May 22, 2008). A common claim among nonprofit leaders is that available resources are shrinking.

Scholars, too, note that funding for many of the government programs that fueled the growth of many nonprofits in the last three decades is decreasing or changing in character (Salamon, 2002; Smith, 2010). The NSS Executive Director emphasized in an interview that "the pots of dollars that we have to work with are shrinking also. It's very discouraging!" (Personal Interview, May 22, 2008). In addition to fewer total available funds, service providers are also confronting increased competition for remaining resources. Indeed, Community Board Member 1 noted, "I think it is, in a lot of ways, a shoestring agency. A lot of the finances came from government and grants, and all. … There were a lot of things that had government funding …, so you had to do things the way the government wanted them done" (Brightstar, Personal Interview, July 17, 2012). This situation increases the likelihood that organizations will accept funding-related conditionalities and the related costs they entail, even if they materially impair operations in some way. Froelich has described the situation that some New Star Services practitioners also articulated: "Managers felt like underdogs in the contracting game, with little power and no decision-making role other than to sign the agreements" (1999, p. 257).

While managers recognize the potential heavy costs of grant funding, they often accept them because they want to ensure that their nonprofit organization has sufficient support to maintain its programs and to retain its staff members. Noting that the acceptance of grant funding can be fraught with tension, Smith has observed, "many existing nonprofit agencies were initially reluctant to accept government contracts due to concern that government funding might undermine the mission and autonomy of private agencies" (2010, p. 555). In the case of New Star Services, when a new funding program was initiated that required detailed record keeping, including counting delimited individual items in each refugee's home, the nonprofit's Executive

Director was hesitant to participate in the initiative. As she observed in an interview, "At first, I did not accept Match in 1984. 'I'm not going to count spoons,' I said." However, as time passed and other funding sources dried up, she saw how the funding would help the organization; so, she gave in. Reflecting on her decision, she said: "I've sold my soul. I'm a prostitute" (New Star Services Executive Director, Personal Communication, April 18, 2008). The importance of securing grant funding did not stop with just the large Match grant. As a former Star Central Regional Director confirmed, "from my perspective, we went after just about anything we could, regardless of the size or complexity" (Personal Interview, July 23, 2012).

Competing for Grants, Doing More With Less

Refugee resettlement organizations in Southeastern State receive funding through a competitive granting process overseen by the State Refugee Resettlement Organization: "We develop a request for proposals, and then let folks apply for the money and we subsequently negotiate and execute contracts" (SSRRA Director, Personal Interview, May 22, 2008). Even if organizations receive funding in one granting cycle, future support depends on past and current performance. New Star Services staff daily felt the tensions regarding the granting process and related reporting requirements: "A threat is that they say, we will give you less money, but we want more services and we do it. It is a cycle. The reports demonstrate that we are doing more with less funding," even when the organization's staff are overworked to obtain such results (Brightstar Regional Director, Personal Interview, March 1, 2002). Brightstar's Regional Director, shared more about the pressures of accepting grants, even when funding amounts decrease:

> Southeastern State Refugee Resettlement Agency says to us, you know, we're
> going to give you less money, but we expect the same number of services. And

so, we do it. They say, guess what, we want more services for even less money. Or, the same services for even less money. There it goes. And ... it's always a threat (Brightstar Regional Director, Personal Interview, March 1, 2002).

Another NSS regional director echoed this experience: "and then you'd hear, do more with less, do more with less, do more with less" (Former Star Central Regional Director, Personal Interview, July 23, 2012). The New Star Services case illustrates how refugee resettlement agencies know they must compete to secure and retain funding. As they compete for support, NSS has frequently been pressed to accomplish more with fewer resources and its managers have demonstrated their willingness to try, even when the perceived costs to their staff of doing so were high.

To maintain their desirability as fundees, nonprofit organizations sometimes over-commit and accept insufficient resources in order to maintain support. As the New Star Services Executive Director shared in an interview, "I have argued with our national agency, and I'm sure the Brightstar Regional Director must have told you this, about how inadequate the resources are to do the job" (Personal Interview, May 22, 2008). Funders consistently counter that other agencies say they can make it work and question why New Star Services cannot: "If you all can't do it on this money, well maybe we should just admit fewer refugees" (NSS Executive Director, Personal Interview, May 22, 2008). This places pressure on the organization's staff members, who are guided by a desire to assist as many refugees as possible. The NSS Executive Director further argued that this "makes us sound that we're not truly humanitarian; more people are going to die overseas because we're saying we need more money. So once again we suck it up" (Personal Interview, May 22, 2008).

While nonprofit managers, such as the NSS Executive Director, might want to negotiate more concerning the amount or type of funding needed to support resettlement efforts, they are aware that public agencies are under intense pressure themselves to keep funding levels as low as possible. So, rather than possibly forego all support, NSS routinely accepted what was offered in order to move forward. As staff member 6 observed:

> There's never enough money. We've been fighting for more money for I don't know how many years. It's a piddly amount. And, when they raise it, they don't raise it by that much. But, we do all this good work, and we can provide all these services, and we're kind of shooting ourselves in the foot, because, you know, we're more or less saying with this little bit of money that we can do all this. So, they're figuring out, well, we don't need to give them any more money. … Damned if you do, damned if you don't" (Personal Interview, February 22, 2002).

In addition to doing more with less, nonprofit staff members in contracting scenarios grow wary over time about questioning too deeply any components of a contract. Indeed, New Star Services' staff members articulated similar concerns to those that Smith has identified, "if they resist the renegotiation of a contract, many other agencies are likely to be eager to take the contract on the terms stipulated by government" (2010, p. 563). Therefore, despite the fact that some of the conditions seemed out of touch or inappropriate to the larger needs of clients, New Star Services engaged in accounting and recording activities that offered almost no return for their work of resettling refugees. One grant required that some refugees receive "pocket money" which, according to one NSS practitioner, caused a lot of tension, as other refugees asked:

> So why are you giving him play money and not giving us play money? And the restriction is they can't be forced to use it for necessities like to pay utilities or something. So, that's to me a horrible thing and the most difficult thing as I said was because the refugees will say you're not fair, you know. You obviously like him better, because he's a different ethnicity or he's right handed or he's left handed he's taller or he's shorter. The way we picked people was based on need or they had more kids or because we could make more match and bring more money in or if they have volunteers. It was very painful and remains painful, they never got rid of that rule. … So, pocket money is something I truly hate (NSS Executive Director, Personal Interview, May 22, 2008).

Another grant required an accounting of each item or volunteer hour donated to refugees, but there were considerable provisos and conditions on the gifts: "You can only count spoons now if they are given after 30 days. And the spoons you count have to be spoons that make them self-sufficient. So, really, spoons wouldn't be countable, but you could say an overcoat because you need your overcoat to go to work, or a television set because that's going to help you learn English for employment.   So it's … more and more restricted and limited" (New Star Services Executive Director, Personal Interview, May 22, 2008).

Nevertheless, New Star Services managers deemed this grant funding necessary. NSS staff seemed willing to do whatever they perceived necessary to keep funders satisfied, even when the conditions attached to grants seem unreasonable. Bernstein reported a similar dynamic in her study when she described service providers

> who are drowning, who are trying to go after every penny we can find in terms of services for people … we're running in place and we're using all our energy spinning our wheels. Because government contracts are where the money is. If that's what the government's demanding, that's what we do. If they want us to stand on our heads, we stand on our heads (1991, p. 32).

Indeed, the SSRRA Director noted that many refugee resettlement practitioners across the state felt the tension of "how the money is getting less and less and the challenge to do more and more" with fewer resources (Personal Interview, May 22, 2008). This struggle was illustrated by the following example: "the state is monitoring them, and [asking if] they have shades at all the windows [in refugee housing]. And, [the practitioners respond] 'they don't even give us enough money [to provide the basics] and then they expect shades on the windows'" (Personal Interview, May 22, 2008).

Even though the recognition of these tensions was fairly universal among NSS staff, as a group it seemed clear they perceived themselves unable to do much to change the situation. Thus, while many practitioners pointed to the problem of consistent underfunding and/or undue stipulations accompanying grants, they often chose to seek grant funding anyway for want of other options and then, even when they experienced the pressures resulting from the limitations of that funding, they nonetheless continued with the contract. They worried that because funders seemed to have all of the power, any attempt at (re)negotiation would have drastic "implications for staff layoffs and shrinkage of the agency" (Smith, 2010, p. 561). This catch-22, continuing to provide the same or increased services while resources are decreasing, was a constant source of tension for New Star Services' practitioners.

Making the situation even more complex was the fact that refugee resettlement agencies felt obligated to remain competitive in the eyes of the State Refugee Resettlement agency staff, even when they were seeking funding from other sources. The SSRRA ensured agency compliance in the expenditure of all refugee resettlement funds. Thus, that office's staff monitored funding for refugee resettlement agencies from other sources as well as from grants it provided. In Southeastern State, the SSRRA Director saw her office as playing a key role in ensuring effective and efficient use of refugee resettlement funds, whatever their source: "the state refugee coordinator's job is to ensure that resettlement is effective, and I do have a say even over the funding that does not come through my office" (Personal Interview, May 22, 2008). The office served as "the

long arm of the law," so to speak, as it related to the state's contract refugee nonprofit organizations (SSRRA Director, Personal Interview, May 22, 2008).

Constraining Capacity Through Burdensome Paperwork

In addition to accepting conditionalities and agreeing to operate programs without sufficient funding, the New Star Services managers also accepted grants that increased paperwork/reporting requirements disproportionate to available staff time to address them. The bulk of New Star Services' funding, more than $1 million, came from federal refugee resettlement funds channeled through the Southeastern State Refugee Resettlement Agency and the VOLAG with which New Star Services was affiliated (New Star Services Summary of Income Sources 2003). And, in keeping with Gronbjerg's (1993) argument, the demands of grants were seen as intense: "Preparing grant applications takes a considerable amount of time. … Grants each have their own reporting requirements, some more complex and extensive than others" (New Star Services Task Force Report, December 22, 2008, p. 10). In fact, the reporting requirements of some grants were considered so demanding that a NSS review recommended that "the reporting cost/financial benefit relationship should be evaluated when deciding which new grants to apply for. In general, small grants have a disproportionately high cost / benefit ratio and should be avoided" (New Star Services Task Force Report, December 22, 2008, p. 10).

Before nonprofit organization practitioners complete reports to grantors, they need to be fully aware of the rules, requirements and specific processes connected to each of the grants their organization receives. In general, refugee resettlement nonprofits must be familiar with hundreds of pages of guiding documents generated at the federal and state level in order to ensure they are

following appropriate policies and procedures in their government funded work. In 2010, I conducted a quick review of policies, regulations, and other related documents that guide refugee resettlement efforts. On the federal level, the Immigration and Nationality Act of 1952 is more than 100 pages long, and the Refugee Resettlement Act of 1980 consumes approximately 20 pages. The Office of Refugee Resettlement (the national agency with authority to regulate refugee resettlement practices and procedures in the United States) has augmented these statutes with an additional 35 pages of regulatory strictures addressing refugee resettlement and the Cuban/Haitian Entrant Program. Moreover, the federal Office of Refugee Resettlement produces approximately 50 pages per year of policy guidance in the form of State Letters. In addition to the more than 200 pages of existing federal materials with whose details practitioners needed to be intimately familiar, Southeastern State has developed its own state plan of 85 pages and program manual of 110 pages to guide nonprofit contractor operations. Each of these documents explicitly or implicitly demands certain activities and behaviors of nonprofit contractors.

Thus, each refugee resettlement practitioner, before considering any specific programs, needed to integrate information contained in more than 400 pages of policy and procedure guidance from state and federal granting sources in order to ensure they were acting according to relevant laws, policies and rules in their work. In addition, there were 300 pages of overview material regarding refugee resettlement and more than 200 pages of grant-specific instructions per year, when considering responses to annual requests for proposals (RFPs), in order to stay current with new guidelines and prepare reports concerning annual expenditures at the state and federal levels (not including program-specific funding). The total amounts to almost 1,000 pages of specific guidance and rules governing the contract relationship without integrating program-

specific funding into the mix (for example, health education, school liaison, or volunteer training programs) that fall outside of regularly supported areas. Clearly, government funding and oversight organizations provided voluminous guidance to help refugee resettlement nonprofit organizations expend and account for their funds in acceptable ways. The irony is that with all of this detailed written guidance, the landscape for refugee nonprofit practitioners was increasingly uncertain. As Smith has contended:

> Political, economic, and organizational trends are creating much greater uncertainty for nonprofit organizations receiving contracts: competition for contracts is growing; many governments are reducing funding (sometimes quite drastically); policymakers are expecting much higher levels of performance and accountability from nonprofits; and citizens are demanding more choice and responsiveness from nonprofits providing contracted services (2010, p. 554).

Funding and regulatory agencies monitored nonprofit organizations utilizing various strategies. According to the Brightstar Regional Director, New Star Services' funders had, "systems set up to monitor us, including audits, reports, and monitoring visits" (Personal Interview, March 1, 2002). Gronbjerg (1993) explored the impacts on nonprofit organizations of having multiple funding sources for organizations. She suggested one way to evaluate the impact of this situation is to balance the relative certainty of an organization's receipt of funds against the demands the administration of each places on the institution. Gronbjerg (1993) argued public funding was relatively stable, but it also demanded much of an organization in terms of reporting while also limiting organizational autonomy in decision-making. Indeed, New Star Services managers experienced funder accountability mechanisms as very time consuming. As the NSS Executive Director noted: "The bottom line is: it's painfully burdensome. … There's no paperwork reduction act in the refugee resettlement program. Everything is onerous" (Personal Interview, May 22, 2008). Other staff members also suggested that reporting demands had

expanded: "I would say the paperwork did intensify when we started with the Match grant program" (Staff Member 9, Personal Interview, September 26, 2012). And, Staff 7 confirmed that "the state put on just a ton more paperwork, so it's burdensome. It's really burdensome" (Personal Interview, February 25, 2002).

When a New Star Services Task Force assessed the practices of their organization in 2008, the members of the group traced an evolution of growing paperwork demands in the name of accountability claims for the nonprofit's workforce:

> Over the years the record keeping requirements imposed by the federal government and even private grantors have grown progressively more voluminous and complex. This has dramatically increased the amount of time management and staff must spend on paperwork. … Time and again Taskforce members heard that the paperwork and detailed reporting requirements associated with grants have become a major time-consumer for staff (New Star Services Task Force Report, December 22, 2008, p. 7).

A former Star Central Regional Director reflected on the change in requirements as time has passed by observing, "As time went on, program managers, or regional directors, I guess, were more and more involved with paperwork. … Little by little, the accountability just continuously increased so that the paperwork, by everybody, went up over the years" (Former Star Central Regional Director, Personal Interview, July 23, 2012). These pressures for performance and accountability-related paperwork were felt throughout the organization. As Governing Board Member 1, also a former staff member, shared, "sometimes we wanted to kill [NSS Executive Director], because she would go after all these small grants, and it would end up that we were dealing [with] 10, 12 grants, and the administration of these grants got to be overwhelming, especially for the directors of the offices. …We were drowning in the administrative parts of the grants" (Personal Interview, May 23, 2008). However, the NSS Executive Director felt the

pressure of keeping the organization financially viable and therefore made what she felt were the necessary choices. In the end, she felt keenly the fact that organizational survival depended on the "ability to acquire and maintain resources" (Pfeffer & Salancik, 1978, p. 2). Thus, as the NSS Executive Director reflected in an interview: "I said I don't want to do that, I don't want to have our folks counting spoons; if they think a program's worth doing, give us some money to do it and we'll do it. Well, one of our grants got cut, so [while] I thought it was prostitution … we quickly fell into counting spoons. … So that was kind of discouraging" (Personal Interview, May 22, 2008).

Even though the pressures were intense, New Star Services promised to do more with less and to complete complex reports with the little staff time available, possibly compromising organizational capacity in order to garner funding. New Star Services practitioners came to realize that reporting that looked good was fundamental to organizational survival: "federal dollars are shrinking and paperwork requirements grow all the time and you often get judged on your paperwork and that's frustrating" (NSS Executive Director, Personal Interview, May 22, 2008). New Star Services practitioners recognized that completing paperwork in prescribed ways was one way to demonstrate to funders and regulators that they were doing what they should be doing and that they should therefore continue to receive support. The nonprofit's managers believed they needed to attain the grants and live with the high costs of paperwork associated with them. As the organization's Executive Director suggested in an interview: "You play by their rules or you lose their money and since we're dependent on the money to be able to do the mission, we very often have to 'suck it up,' as they say" (Personal Interview, May 22, 2008).

A Different Form of Vendorism

Money is a central force in contract nonprofit work and New Star Services was not immune to that reality. By focusing on ensuring grants cash flow at the expense of other organizational processes, New Star Services' managers came close to viewing retaining funding as an end in itself rather than as a tool to reach organizational ends. Put differently, the value of the organization's existence began to take on a life of its own (Selznick, 1949, Smith, 2001). As Governing Board Member 1 shared,

> I found a shift in trying to get more grants, different grants, whatever, to keep the people we had employed, employed. And I think this happens in a lot of organizations— … that their main goal is keeping their jobs, rather than the client. I saw that kind of happening with us, and to this day, I think it's a problem, because as grant money freezes up, there's an anxiety and a feeling like, 'I've got to find money someplace so we can keep our people' (Personal Interview, October 20, 2008).

The goal of keeping staff members on payroll was highlighted by several other practitioners I interviewed as well. In order to ensure as much continuity as possible in terms of staffing, New Star Services employed what its managers have labeled a 'rainbow' strategy[19] to maintain resilience in the face of a constantly changing grants environment. According to the NSS Executive Director, "very few of our staff are paid 100% out of one grant. Because there's not enough money from one grant, we need to have the different languages, the different talents. I know other programs that solve that differently, but this is how we've managed to run the programs" (Personal Interview, May 22, 2008). She further explained, "Most of our staff are rainbow people, only 20% out of this grant and 35% out of this grant and …" (Personal Interview, May 22, 2008). Former Star Central Regional Director underscored the organization's

---

[19] The rainbow strategy referred to paying staff members with a mix of funds from a 'rainbow' of grants. By spreading out each funding source amongst various positions, no position was tied directly to one funding source. Thus, if there was a reduction in funding from one source, individual salaries might be decreased (to be augmented when new grants were received), but no position would have to be cut entirely. This also helped the managers spread the skill sets of various staff members across multiple programs for maximum programmatic resilience.

use of this salary strategy: "normally our paystubs were divided into six, seven, eight sources of funding" (Personal Interview, July 23, 2012). However, as Gronbjerg has argued, the "magnitude and complex timing of tasks involved in managing restricted funding sources creates problems of task coordination" (1993, p. 236). Thus, while New Star Services solved the challenge on one level, there were other transaction costs in terms of cash flow, personnel turnover, and negotiating allocations and reporting requirements with multiple funding sources. This challenge is unlikely to end any time soon, as "restricted funding is well entrenched in the nonprofit sector" (Gronbjerg, 1993, p. 260). This is one tangible example of the implications of prioritizing maintaining funding.

While not a pure case of vendorism in the sense that Salamon (1995) described it, as the idea of losing mission-focus to chase money, New Star Services seemed at risk of another and more subtle predicament, successfully securing grant funding while simultaneously threatening organizational capacity. As Froelich has argued, there is the possibility of a "goal displacement of another kind—when the means rather than the ends come to absorb internal energies, and procedures rather than outcomes dominate nonprofit actions" (1999, p. 257). By striving to ensure funding to maintain staff members on payroll, New Star Services may have redirected some staff capacity away from reaching the organization's goals. While "the key to organizational survival is the ability to acquire and maintain resources" (Pfeffer & Salancik, 1978, p. 2), the idea of nonprofit organizations ranking finances so highly raises several questions. Froelich has articulated the enduring concern:

> We prefer to picture the NPO as traveling an unfettered path in pursuit of its goals, free of mundane concerns associated with resource acquisition. Thus, we are troubled by the digressive efforts and peripheral activities associated with revenue-seeking behavior. We worry and speculate about mission dilution and

> legitimacy erosion as distractions emerge from the necessary economic
> endeavors. Yet, these are and always have been the facts of life for a nonprofit
> organization (Froelich, 1999, p. 246).

Meanwhile, the question of whether seeking funds might emerge as a de facto, even if unacknowledged, guiding force in its own right was always present. There are very significant risks of goal displacement or outright vendorism if organizations begin to see securing money as an end in itself. Governing Board Member 2 expressed specific concerns about New Star Services on this front: "To be fixated on money takes you off the scent of your mission" (Personal Interview, October 20, 2008). Froelich (1999) has described several studies that identified the risks associated with government funding of nonprofit service provision, including shifts in programmatic areas and underfunding of programs, "necessitating the redirection of some nonprofit resources," which can lead to goal displacement (Froelich, 1999, p. 256). If practitioners become too directly centered on the need to keep people employed, the existence of the organization can become an end in itself, drawing attention and resources away from the mission as its core aspiration. I now turn from exploring the focus on securing and retaining funding in a competitive environment to the embodiment of regime (professional) norms through the shift to paid staff instead of volunteer sponsors.

Professionalization: Shift from Sponsorship to Paid Staff

New Star Services' strategies for accomplishing its mission evolved as the organization addressed the contracting regime's professionalization requirements (Salamon, 2002; Smith, 2010; Smith & Lipsky, 1993). As it grew, the organization moved from using volunteers for many roles to hiring professional staff to provide direct services to clients. Furthermore, when there were volunteers at NSS, they reported directly to professional staff members who assigned

them discrete tasks. New Star Services' evolution thus illustrated Smith & Lipsky's point that often "volunteers [in specific roles] are now managed by a paid staff" (1993, p. 113).

New Star Services formed as a grassroots organization providing support to refugees through direct connections to sponsors in the community. However, from its creation until the early 2000s, the organization slowly but steadily shifted to increased reliance on paid caseworkers and other staff members to provide services to refugees and guide them toward self-sufficiency. Froelich has articulated how this trend has been aligned with changes related to the evolution of the government-nonprofit contracting system: "The most pronounced effects of government funding involve changes in internal processes and ultimately in the structures of nonprofit organizations. Overwhelming evidence points to government-driven professionalization, bureaucratization, and loss of administrative autonomy" (1999, p. 256). Through an exploration of the transition from volunteer driven sponsorship of refugees to a professional team coordinated by caseworkers, I explore how New Star Services' organizational choices came to embrace one of the primary guiding principles of the contracting regime: professionalization.

New Star Services was created by "the will of the people" (Brightstar Regional Director, Personal Interview, December 4, 2007), as individuals had already been assisting refugees through individual churches and families for some time before the nonprofit's official creation. The organization's sponsorship model initially grew out of this approach, with congregations or groups of families assisting specific refugees or refugee families. As a 2008 NSS review noted, "In its early years New Star Services resettled thousands of refugees using this model. However,

in recent years the use of this model has declined with paid staff gradually assuming all resettlement responsibilities" (December 22, 2008, p. 8). Community Board Member 2 reflected that the nonprofit's volunteer sponsorship program "is not what it used to be" (Personal Interview, July 24, 2012). Initially, the organization had one director and one assistant, with the majority of support for refugees provided by volunteers. By 2007, there were three regional offices with more than 30 staff members. A former Star Central Regional Director explained that the increase in staff hiring coincided with a shift in government funding:

> If you follow the national history of refugee resettlement, you can look up when different legislation was passed, different funding was granted, and you would find that nationally that was the way it was. After the fall of Vietnam, the government was letting this occur through working with the Voluntary Agencies on a very low staff basis. They were trying to engage the volunteers and [there was] not high levels of accountability for the program. ... And, then, around 1981, was when federal funding to expand the support services came about … and, so there was pretty good staffing for awhile and so it was stable for awhile (Personal Interview, July 23, 2012).

Part of that process can be attributed to growth in the types of services provided and the number of refugees resettled by the organization. However, there was a shift in the organization's approach to service provision as well. Rather than manage a large pool of volunteers, New Star Services began increasingly to provide services directly through paid staff members. Governing Board Member 2 said that when new employees joined the organization, they might think, "Well, it's easier to set up an apartment than to go find somebody else to do it. You know?" (Personal Interview, October 20, 2008). A former Star Central Regional Director echoed this idea that involving volunteers implied significant administrative costs. In particular, volunteer sponsors associated with different churches were disconnected from the New Star Services reporting needs: "We may never find out what is happening. And, that is difficult, too, when you are accountable. So, there are just a lot of pieces to it" (Former Star Central Regional Director,

Personal Interview, July 23, 2012). New Star Services' decreased use of volunteer-driven sponsorship of refugees paralleled a larger trend in the contracting regime, that of higher reliance on professional staff members who could be counted on to provide skills and time reliably and accountably (Milward, et al., 1993; Smith & Lipsky, 1993).

Scholars have offered a variety of reasons for this widespread shift among social service contracting nonprofits toward serving clients via paid professionals, but many agree that when organizations contract with government, they tend to move toward larger numbers of paid staff while transitioning volunteers to auxiliary roles (Milward, et al., 1993; Salamon, 2010; Smith, 2010; Smith & Lipsky, 1993). Smith and Lipsky, for example, have suggested that "the shift of volunteers away from direct service provision also occurs because government agencies are skeptical of the accountability and reliability of volunteer service providers" (1993, p. 113). Regardless of the reason, Salamon has argued, "if commercialization has been the chief vehicle for the nonprofit sector's response to the challenge and opportunities it has recently faced, professionalization has been a close second" (2010, p. 93). This shift from less formal structures (through sponsorship, in the case of refugees) to more formal and professional service provision (through task specific staff positions) is but one example of the professionalization trend that scholars have highlighted as a central feature and implication of nonprofit participation in the contracting regime (Milward, et al., 1993; Salamon, 2010; Smith, 2010; Smith & Lipsky, 1993).

While paid professional staffing surely brings more consistent and predictable skills to a nonprofit, such change rarely occurs without organizations questioning what is also being lost. What are the implications of the transition from volunteer sponsors to paid staff providing

services to refugees? One former staff member (and later board member) reflected that much of the heart of refugee resettlement at NSS was lost as professional staff members assumed responsibility for the resettlement process:

> They're doing a lot of staff resettlement, and it makes me cringe, because … the staff can only do the basics, you know—they can throw an apartment together, … (but) when we would throw an apartment together, it was done like you were doing it for your own family, everything was perfect … when they arrived … you know, everything was just sweet and caring, but the staff can't do it. They just throw the stuff in there and the refugee pretty much has to put together his own apartment. When they run out of food, they have to call into the office, and they might not even have the ability to do that, they probably won't have a phone in their apartment for a while … (Governing Board Member 1, Personal Interview, October 20, 2008).

She further suggested that with professional staff-directed resettlement,

> there is no way that you can give a family the emotional support that they need when they come in, like a church group that is going to visit them several times a week— [with volunteer sponsorship], they are going to be there when there are situations where they could easily fall between the cracks … there is always somebody they can call if they're having a problem … there is a bond there that is very, very strong between most sponsors and most refugees that are sponsored (Governing Board Member 1, Personal Interview, October 20, 2008).

As this interviewee, a volunteer and board member, highlighted, New Star Services risked losing a key dimension of services and client engagement linked to the heart of its mission as full-time staff members became responsible for resettlement efforts, including a personal connection with those being served. Critics of undue nonprofit professionalization claim that when nonprofits become "overly professional, [they lose] touch with those they serve" (Salamon, 2002, p. 20). Salamon has contended: "by redefining basic human needs as 'problems' that only professionals can resolve … this overprofessionalization alienates people from the helping relationships they could establish" (2002, p. 20). Thus, while paid staff members undoubtedly provide the basics, there is a greater risk of individuals 'falling through the cracks' when they are assisted by professional personnel and not surrounded and supported by a sponsoring group. As the SSRRA

Director put the point, when arguing that the success of resettlement activities is greatly enhanced by sponsorship: "I looked at church sponsorship and why that had atrophied. Which, by the way, I don't mind being quoted on this, I think church sponsorship is the best form, the model for refugee resettlement. When a church wraps its arms around a family, there's no chance that family's going to fail" (Personal Interview, May 22, 2008). A New Star Services' review also similarly concluded that a return to a sponsorship approach to refugee acculturation was desirable: "if the organization is able to re-establish this culture of empowerment and cooperation, New Star Services can leverage volunteers to create a larger and more flexible resettlement capacity" (New Star Services Task Force Report, December 22, 2008, p. 9).

While some practitioners connected to New Star Services regretted the decline in volunteer sponsorship of refugee families, for many, the reasons behind the shift were not entirely clear. Community Board Member 2 expressed this conundrum clearly: "I know it has changed; I'm not certain exactly why" (Personal Interview, July 24, 2012). Two themes emerged in my interviews with New Star Services practitioners about this question. The first of these, which I explored earlier in this section, is the displacement of volunteers by professionalization. Ironically, this appears to have happened somewhat stealthily, with many not recognizing its primary cause. This result occurred with the shift from using volunteers as sponsors to incorporating task-specific volunteers as part of a team driven by staff members, due to regime pressures for increased skills and accountability. The second theme suggested that this transition was in part encouraged, too, by a decline in volunteers due to the changing character of the helpers who continued to be involved.

The second theme adds complexity to the story, pointing to the possibility that a shift in the availability of volunteers played also played a role in the professionalization process. Staff Member 9 served as a Sponsorship Coordinator at one point in her tenure. She articulated the possibility of a volunteer-driven shift:

> There were a lot of factors. And, you know, one thing that I guess I should mention is a lot of times you would start off with a number of volunteers to help with a particular family and after a few months, it would boil down to a couple of volunteers involved. And, some of them experienced, if the families had problems and didn't resettle as quickly as others, they, it kind of dragged on for some of those volunteers, and they were kind of left with doing the majority of the work. And … I guess maybe people decided that is a lot of work and you have to do a lot of stuff and I don't want to be involved in that. Or, they just didn't have the time (Staff Member 9, Personal Interview, September 26, 2012).

Simultaneously, it became less complicated to recruit and connect with volunteers for task-specific roles: "it started to get easier, … especially as electronic media [emerged as a communication tool], … we were finding we were having these non-religious affiliated volunteers come in to do these different roles and that generally speaking, you could communicate with them fairly quickly" (Former Star Central Regional Director, Personal Interview, July 23, 2012). It is likely that there is not one distinct reason for the transition from volunteers as sponsors who took on much of the resettlement process for entire refugee families to volunteers that are assigned discrete tasks while overseen by paid professionals. When discussing the shift, Staff Member 9 stated, "I think those could have coexisted, probably did to some degree … there was some of both of those things" (Personal Interview, September 26, 2012).

Contracting regime norms have led to assumptions, especially those in funder and monitoring roles, that professional staffing is more efficient and effective in providing services

than coordinating volunteers to do so (Milward, et al., 1993; Smith & Lipsky, 1993). An irony, though, is that some interviewees believed that a return to the sponsorship model might, in fact, represent a more efficient use of resources. As a volunteer and board member observed, "the flow of refugees is erratic. And, that's another reason why the sponsorship model is natural, because ... most of the workload is with volunteers. You know, a small core of people who have the institutional memory, the connections, and the skill sets to manage volunteers" (Governing Board Member 2, Personal Communication, October 20, 2008). He further reflected that the "short-range thinking" that led to the transition to more paid staff providing services with less direct responsibility from volunteers may have led to a situation in which "the quality of service probably deteriorated a little" (Governing Board Member 2, Personal Interview, October 20, 2008). Paradoxically, while the contracting regime may have encouraged New Star Services to transition away from volunteer sponsors providing most resettlement services, a return to that model might well align better with the regime's cardinal value of efficiency than the new mode of operating, because "you can't hire enough social workers to provide enough hands-on caring to the refugees. The numbers don't work. But, you can have volunteers" (Governing Board Member 2, Personal Interview, October 20, 2008). The balance between providing services with volunteers and paid staff members is full of complexities, especially regarding "the demands of government to establish social service standards and hold providers accountable to them" (Smith & Lipsky, 1993, p. 100). Having explored the evolution of NSS service provision strategy, from volunteer-centered to professionally driven, I now turn to the creation of the NSS governing board and the roles it (failed to) play.

Hierarchy, Liability Focus, and Risk Avoidance:
The Story of the New Star Services Governing Board

Nonprofit governing boards, based largely on assumptions drawn from for-profit firm governance models, have become a principal tool of the contracting regime. Based on principal-agent assumptions concerning board-manager relations, boards overseeing nonprofit organizations engaged with contractors are typically charged with ensuring that their agents (the nonprofit organization) are accountable to the principals (the board directly, but especially the entity's funding agencies indirectly). This view of the role of governing boards aligns neatly with the deeply entrenched values (discussed in chapter 2) of the contracting regime: hierarchical responsibility, guiding rules uniformly enforced, and ensuring efficient use of resources (Behn, 2001; Bovens, 1998). New Star Services created its Board of Directors in 1991, 11 years after formal formation of the organization. The parent organization dissolved the board in 2009. This section explores the creation of the New Star Services board, its role and its ultimate dissolution, as an illustration of one nonprofit's navigation of the tensions wrought by the contracting regime.

Creation for Liability Protection

> *"The purpose of incorporation is to protect the [parent organization] from liability, not to distance refugee resettlement from the mission of the [parent organization]" (New Star Services Board, Memorandum of Understanding, 1991).*

Governing Board Member 1, also a former New Star Services Staff member, reflected on the creation of the board, observing that "in 1991, … somebody decided that the [parent organization] was at risk legally, because they were handling all these clients with direct service, and that was different from the normal work [of the parent organization]. ... So, it was decided to spin the refugee office ... out as a separate corporation. And, that was presented … as just a legal

formality to limit the [parent organization's] responsibility, or liability exposure" (Personal Interview, October 20, 2008). This strategic move was designed to address the perceived liability concern while maintaining all of the same relationships and funding streams as before. In fact, the document that outlined the board's formation stated that its creation was "pretty much a pro forma; this separate incorporation, should not change our relationship with [parent organization]. And [it] would continue to handle our finances and our HR and our benefits plans and would continue to provide housing for the program. Nothing [in terms of support from the parent organization] would be lost as a result of this [change]" (NSS Executive Director, Personal Interview, May 22, 2008). When NSS' parent created the board, the decision represented the sort of step that Milward, Provan, and Else (1993) had noted was likely, that nonprofit organizations that contract with government agencies (and feel the pressure for increased certainty from funders) may begin to imitate government in their propensity to produce 'red tape' as one reaction to their (growing) aversion to risk. Indeed, a former Star Central Regional Director reflected on the formation of the board and said, "I think it helped us meet requirements for the United Way grant that required that we have a governing board" (Personal Interview, July 23, 2012).

Role of the Board

Principals in the contracting regime have assumed the supremacy of the board in organizational decision-making. Contractors accept the assumption that board members possess ultimate authority and responsibility to answer for the actions of their organizations. Nonprofit legal scholars define the governance role "as fulfilling legal and fiduciary responsibilities" (Stone & Ostrower, 2007, p. 417). Governance in this view is comprised in major part of taking

responsibility for organizational actions and spending. Therefore, within the contracting regime, "donors and the wider public expect boards to hold organizations to account for the quality and effectiveness of their work;" and boards "are expected to provide the public with trust and confidence" in the organization (Hudson, 2005, p. 181). Boards are seen as an ultimate accountability mechanism, ensuring fiscal responsibility, supervising the executive, and providing strategic guidance (Hudson, 2005; Middleton, 1987). As such, ideally, governing boards both provide strategic directives for effective and efficient use of organizational resources and receive robust feedback about how those resources were used.

Similar to contractor principals, the lion's share of normative literature on nonprofit governance views boards as ultimate arbiters of governance and accountability in nonprofit organizations. However, this body of literature also provides analyses of key problems associated with boards, namely that "there are too many organizations in which the boards fail to govern properly" by either rubber-stamping decisions or micromanaging organizational activities (Murray, 2001, p. 10). Nonetheless, within this view, governance "ought to be the sole purview of the board of directors, and it ought to follow the classic principles of rational strategic planning" (Murray, 2001, p. 10). Accordingly, in this view, board members would gather data on multiple potential options for action, assess those possibilities, and select the alternative that optimizes the decision criteria employed.

In practice, governing boards frequently do not operate this way. Indeed, studies regarding nonprofit boards, "have found a mismatch between board and staff perceptions of board roles … and considerable variation at the level of the individual board member on

dominant attitudes toward board roles" (Stone & Ostrower, 2007, p. 421). New Star Services

was not an exception to this rule. In fact, the New Star Services board appears to have failed to

fulfill its assigned governance functions. As one longtime volunteer and board member

recounted: "The de facto reality is that the governing board never viewed itself as anything more

than an advisory board, which met once a year until recently. Staff would come in and do a dog

and pony show, and go home, and that was that. So, they weren't really supervising" (Governing

Board Member 2, Personal Interview, October 20, 2008). The 2008 NSS review painted an even

starker picture:

> The New Star Services 'Governing Board' is already legally structured as a
> corporate Board of Directors, with all the powers and responsibilities necessary to
> properly oversee New Star Services operations. … But the Board has not
> effectively discharged these responsibilities because: 1) apparently neither [Parent
> organization] management nor New Star Services management nor the Board
> members themselves realized that the Board was responsible for functioning in
> this way, and 2) present Board members were not chosen because they possessed
> the qualifications necessary for effective operational oversight (New Star Services
> Task Force Report, December 22, 2008, p. 5).

The governing board was created as part of a legal structure to protect the resources of

the parent organization. While the governing board met for more than 20 years, its members did

little more than listen to staff members give reports about organization activities and brainstorm

organizational priorities. In fact, one New Star Services practitioner said that, in her opinion,

they did not constitute a governing board, as "we really did not do anything for all three offices,

in terms of funding" or staffing or decision-making (Community Board Member 3/Staff Member

10, Personal Interview, September 27, 2012).[20] Community Board Member 5 reiterated the lack

of clarity about the governing board: "I'll be honest with you. We did not have a connection to

the governing board" (Personal Interview, September 19, 2012). The membership and role of the

---

[20] Community boards were formed for each of the regional offices of New Star Services. Chapter 6 explores the
roles that community boards served. Representatives from each community board often attended the governing
board meetings.

governing board was ambiguous and therefore less effective than the contracting regime ideals would have it be.

Nevertheless, these meetings and interactions were not altogether meaningless. An intangible result of board meetings was networking among the group's members. The Brightstar Regional Director reported in an interview that the governing board provided, "networking, to find out what the other [community] boards are doing, what is working for them, to do long-range planning for the agency as a whole. We have developed some marvelous programs based on that long-range planning" (Personal Interview, December 04, 2007). As the role of networking and sharing ideas evolved, "eventually, we started meeting three times a year, and the community board chairs would come and give a presentation on what the community boards were doing, and the Executive Director would give her update" (Governing Board Member 1, Personal Interview, October 20, 2008). However, initially, the board met only once per year, "so if you missed a meeting, well then it'd be maybe two years that you didn't go to a meeting. I didn't think much about it—it didn't seem to be an important body or anything" (Governing Board Member 1, Personal Interview, October 20, 2008). This misperception, lasting through years of the board's existence, highlights Renz's claim that "as common as nonprofit boards are, they and their work tend to be quite misunderstood, even by those who work and serve on them!" (Renz, 2010b, p. 126).

Dissolution of the Board

> *As a result of an extensive self-study by a New Star Services Task Force and a final report given on December 22, 2008, … the current Board of Directors of the Corporation is dissolved, effective immediately. The various Community*

Boards will remain and continue to function (New Star Services Parent Organization Announcement, February 9, 2009).

The official parent organization announcement of the changes suggested they were being undertaken, "to improve the infrastructure and administrative operation of [New Star Services] and look for efficiencies to make the resettlement process run more smoothly" (New Star Services Parent Organization Newsletter, February 9, 2009). The parent body took this step even though many members of the task force argued that they were worried that the dissolution of the governing board and concurrent merger of NSS with another associated organization would actually harm the nonprofit and "change the dynamic … [creating a situation with] less freedom [and] more layers of bureaucracy" (Brightstar Regional Director, Personal Interview, April 1, 2008).

While the role that the NSS governing board had failed to play over the years contributed to the decision by its parent organization to dissolve it and merge NSS with another affiliated organization[21], the story was likely more complex. Another perspective on the dissolution of the board is that part of the focus was financial, that it might be more economical to merge the organization with another agency in the parent organization than to continue it as an independent agency. The leader of the parent organization was, "considered to be a financial man. He claims he was sent here to straighten [things] out financially" (Governing Board Member 1, Personal Interview, October 20, 2008). So, while concerns about risk led to creation of the New Star Services board, financial pressures may have played a role in the decision to dissolve it and merge the nonprofit with another social services organization affiliated with the parent

---

[21] It is interesting to note that those involved in the formation of the NSS Governing Board were not clear about the roles it should play. Thus, while it is apparent in the analysis undertaken late in the board's life that it was not playing the roles typically assigned to boards, those expectations were not explicit at the outset.

organization. By merging NSS with another agency, many base costs could be shared between the two organizations. Thus, the story of the New Star Services board could be seen to evoke contract regime tenets throughout: board creation for liability protection, belated recognition that the board was not performing its rightful oversight role, and finally board dissolution and agency merger to trim costs and improve service efficiency.

While many oversight officials in contracting regimes still look to boards as primary mechanisms to ensure the accountability of nonprofit organizations, the New Star Services case suggests that this approach can be fraught with missed opportunities and that the mere presence of a board does not provide what the contracting regime expects of it. Ironically, according to some scholars, "the board appears to be an unreliable instrument for ensuring accountability— the outcome society most wants from it" (Chait, Ryan, & Taylor, 2005, p. 11). A focus on boards as the primary instruments of governance has not proven effective. There are concerns that "the governance process is not working well. … New approaches need to be developed" (Carver, 1997, p. 7). However, envisioning alternative strategies of governance is not simple: "Boards have been around so long that it is hard to see that the emperor has no clothes. We have grown accustomed to … the empty rituals and often meaningless words of conventional practice," resulting in a situation where "mindful people regularly carry out mindless activity and appear to be … the well-intentioned in full pursuit of the irrelevant" (Carver, 1997, p. 19).

Indeed, for more than 20 years, the New Star Services board fulfilled the primary goal of those who initially created it: the board provided liability protection, at least on paper, for the

parent organization. However, it provided very little governance. New Star Services seemed to fall into the trap outlined by Smith:

> As the paid staff expands and the demands on the agency's resources grow, the board may not be well positioned to set the agenda for the agency, especially if they are highly dependent on contract revenues. The board may be relegated to a position of supporting the executive's initiatives, rather than the executive implementing the board's directives and policies. The danger for the organization inherent … is that the board may encounter some unpleasant surprises. The executive, in the pursuit of contract revenues, may obligate the agency to contracts that are underfunded or ill-advised (2010, p. 564).

In the case of New Star Services, the biggest "unpleasant surprise" was that the board was not actually fulfilling the supervisory and guidance roles set out by the contracting regime. And, as outlined earlier, in the absence of any effective governance oversight, the organization's managers may have obligated the agency to ill-advised and underfunded contracts.

Conclusions

This chapter identified several situations in New Star Services' history when practitioners made choices in contexts strongly shaped by the norms and claims of the contracting regime. New Star Services managers chose to concentrate on securing and retaining funding while accepting the associated pressures on staff time in order to maintain a competitive edge or to do what was perceived as necessary to ensure the viability of the organization. These decisions resulted in, "complex interactions that cause[d] direct as well as indirect consequences for [this] nonprofit organization" (Froelich, 1999, p. 257). In the words of one practitioner I interviewed, they "sold out."

New Star Services' interest in organizational survival led to various behaviors in relation to regime norms, behaviors that I have categorized as 'selling out' (illustrated in Figure 4).

Figure 4. Connection Between Actor Interests, the Contracting Regime, and "Selling Out" Behaviors[22]

By doing what was expected/required by funders and regulators while also following contracting regime norms regarding staffing and governing board structures without explicit recognition of the choices these choices created, NSS practitioners' interests were filtered through the contracting regime and resulted in "selling-out" behaviors. Despite the pressures that grants with conditionalities brought the organization, especially increased paperwork demands on staff, NSS continued to seek such funding. Furthermore, while many within the organization saw the benefits of serving clients utilizing a sponsorship model that required large numbers of volunteers, the organization nevertheless shifted toward providing services to clients primarily through paid professional staff. And finally, while NSS initially created a governing board, its apparent primary function was to protect the parent organization from liability, rather than to provide strategic direction to the organization. Each of these decisions illustrates ways that the nonprofit's organizational decision-making was influenced by contracting regime norms and was guided by "thinking that look[ed] to cope" (Burns, 2003) with the antagonistic accountability claims of that reporting structure.

---

[22] Figure adapted from Krasner (1982).

CHAPTER 5

REBELS WITH A CAUSE

I'm not interested in compliance;
I'm interested in the work the agency does
(Bernstein, 1991, p. 82).

Chapter 4 discussed occasions when New Star Services practitioners responded to the options afforded by the contracted services regime by acceding or "selling out" to its claims in some way, whether by an active, explicit decision or not. NSS practitioners saw their choices as either accepting contractor norms or rebelling against the pressures from funders and other power holders in the nonprofit service delivery system. I now turn to another category of NSS responses to the "adversarial accountability" (Behn, 2001) of the contracting regime: rebellion.

When faced with the tensions that contracting regime accountability brings to their organizations, nonprofit practitioners have to choose how to proceed. Recognizing the difficulties related to after-the-fact accountability, Bernstein has pointed out that "managers talk of being very serious about what they do, but of not taking contract compliance too seriously" (1991, p. 22). This distinction arises partly as a result of the perspective that government accountability systems focus more on paperwork as a tool to ensure accountability than to improve service provision.

Here, I discuss various times that New Star Services staff members rebelled against expectations of the contracting regime in order to further their 'cause'—that of resettling refugees. NSS' managers made choices consciously to minimize the effects of contracting

regime pressures on the organization, its mission and clients. Their guiding rubric was to assist those their mission called on them to serve; they sometimes avoided or did not address accountability requirements in order to do so. NSS practitioners chose to estimate on their paperwork for their overseers, while managers opted to look the other way if their actions served clients. Finally, I discuss one interviewee's comments that she decided to quit her position as a staff member so she could return to NSS as a volunteer and provide what she perceived the refugees needed without feeling the intense pressures of the principal's requirements. New Star Services practitioners' decisions, centered around doing what they judged was best for their clients, aligned with Behn's assertion that some practitioners become "outlaws" and then "hope that the results they produce will protect them from any punishment for any of the rules that they may break along the way" (Behn, 2001, p. 29).

Responsibility to Clients

New Star Services' practitioners shared a similar guiding philosophy in their interviews, a dedication to the refugees they served. They expressed over and over again their "responsiveness to clients" (Smith & Lipsky, 1993, p. 45). A longtime volunteer and board member identified one of New Star Services' strengths: "there are, amongst the employees, top to bottom, lots of people with good intent. They've been able to attract people who mean well, who … are really concerned about their clients" (Governing Board Member 2, Personal Communication, October 20, 2008). Another volunteer, Community Board Member 5, shared a guiding principle: "We are always here … for New Star Services; we were there to help those clients, … those folks that our services were there to support" (Personal Interview, September 19, 2012).

The SRRA Director concurred with this judgment when discussing the contracting relationship between the state and the resettlement agencies. She said that her office was not the center of the nonprofits' refugee resettlement work. While the state agency provided support and controlled all resettlement funding in the state, she stated that "if you dissected [resettlement agencies in Southeastern State], if you opened them up, … the heart for them, is the reception and placement" of refugees (SSRRA Director, Personal Interview, May 22, 2008). Indeed, as the Regional Director of Brightstar observed in an interview, "we have real accountability to our clients to get them jobs with real benefits, to focus on tutor longevity …" (Personal Interview, March 1, 2002).

In short, according to my interviewees, New Star Services staff members were deeply committed to the resettlement work they did. Their goal was to support the development of self-sufficiency in each refugee they served, to help each client navigate a new and complex environment as they determined their path forward. As Caseworker 1 observed, "our role is to make them (refugees) independent and self-sufficient" (Personal Interview, March 1, 2002). While pursuing the mission of the organization—supporting refugees toward self-sufficiency—the staff members "all work differently" as "I don't think anybody in the office ... have [sic] the same style" (Caseworker 1, Personal Interview, March 1, 2002). Yet, the NSS practitioners seemed unified in their purpose, frequently mentioning in interviews that supporting refugees was the reason for their work. Indeed, in reflecting on the staff and volunteers of New Star Services, Governing Board Member 2 noted that, "they are really concerned about their clients. That's probably the biggest plus" (Personal Interview, October 20, 2008). A former staff member

who later joined a community board echoed this assessment: "We cared about what we were doing and people still do. So, that's the big strength of the refugee office is that people care and they are willing to take their time, whether they are paid for it or not, and try to make a difference" (Community Board Member 3/Staff Member 10, Personal Interview, September 27, 2012).

New Star Services staff members navigated a complex environment of expectations, sometimes interpreting rules or guidelines loosely and going beyond existing procedures to ensure services for their clients. NSS practitioners, from case workers to directors, seemed to recognize, either intuitively or from their experience, that "the nature of the human services agency requires that professional accountability toward disadvantaged clients should take priority over other accountability requirements when employees are forced to make trade-offs within the competing expectations" (Kim & Lee, 2010, p. 115). The Brightstar Regional Director indicated to me that while upward accountability matters, the "people you are helping are more important than those above" (Personal Communication, April 1, 2008). She, and others whom I interviewed, were guided by a sense of felt responsibility (Fry, 1995). Staff members at New Star Services talked in interviews about situations in which they found themselves in what Bernstein called an "ambiguous ethical zone between yielding to and violating contractual requirements when these requirements conflict with reality" (Bernstein, 1991, p. 139). In these instances, practitioners said they often made a conscious decision to rebel, to become the outlaw that Behn (2001) identified.[23]

---

[23] Oliver (1991, p. 152) would classify the rebellion responses in this chapter as a combination of avoidance and defiance responses, in that New Star Services practitioners were both "disguising nonconformity" and were, to a certain extent, "ignoring norms" through their guesstimating and acting outside of normal work hours. These

Beyond Rules and Procedures:
Ignoring Requirements in Order to Best Meet Client Needs

Recognizing the importance of upward accountability, especially in maintaining financial

support, New Star Services staff members necessarily paid attention to funder requirements.

However, in certain circumstances, employees reported in interviews that they bypassed or

ignored upward accountability claims to engage in activities that were not otherwise part of the

approved endeavors of the organization. They said they did so believing that accountability to

their clients had a higher precedence than following rules or completing paperwork

requirements. In doing so, they joined others who have sided with clients when an ethical

dilemma has arisen between client needs and funder requirements (Bernstein, 1991; Dicke, 2002;

Kim & Lee, 2010). At times they operated outside of official channels so they could better meet

refugees' needs, and at other times they went above and beyond mandated requirements to

provide opportunities for those served to settle successfully in their new community.

The case workers, during interviews, talked about times they omitted information from

official documentation in circumstances in which they knew that something was against

protocol, but believed it was important to undertake the activity or take the step to improve the

life of the refugee: "If I have a client who's in a situation, I don't come in here and focus on what

we're not supposed to do" (Caseworker 1, Personal Interview, March 1, 2002). Instead, the

caseworkers said in interviews that their guiding philosophy was to consider what they believed

the new resident needed to improve his or her life and assist him/her with navigating complex

processes and institutions in pursuit of that goal. If something needed to be done for a client that

---

activities defy neat classification in Oliver's categories. However, further studies might draw informative parallels
between the two classificatory frameworks. .

did not fit within the caseworker job description, "I don't have to get paid. I use my own time. So, nobody can tell me what to do" (Caseworker 4, Personal Interview, March 1, 2002).

Reiterating that refugee needs were the priority, when caseworkers engaged in activities that were not part of the approved protocol, Caseworker 1 said, "that's the kind of thing for which we are not accountable. There is no accountability for that, because I don't communicate that. I'm sorry, but I can't" (Caseworker 1, Personal Interview, March 1, 2002). For example, Caseworker 5 stated that, sometimes "they'll ask, where are you going next? And, I say, 'I have a woman that I need to take to the doctor.' And, you know, you don't have to mention ... you can tell them what you're doing, but you don't have to say who you're doing it with, or what you're going for" (Caseworker 5, Personal Interview, March 1, 2002). In other words, staff members sometimes assisted clients and operated in a *do not tell* mode. One caseworker framed it this way:

> I do protect my clients. My coworkers have access to all the information in the files. But, sometimes there are things that way jump the book, where you have to be very, very confidential. And, I always stress that this is the hardest part, because you sometimes can't discuss this with anybody else. You know? I have cases here, things that I don't want to mention, because I have to see [what is] happening, and try to fix any part that I can the best I can. Or, advise them which direction to go (Caseworker 1, Personal Interview, March 1, 2002).

This scenario is an example of a situation in which practitioners said they did not necessarily think it was wrong to omit data in reporting in order to meet a client's need, even if the perceived necessity was outside of the realm of, or even in conflict with, a directive from higher-ups in the contract hierarchy (Bernstein, 1991).

Brightstar's Regional Director quietly allowed these activities, of which she was, in fact, sometimes aware. She explained her personal philosophy regarding rules: "Number one, I am not a rule maker and I will not be a rule maker, despite lots of pushing in a lot of directions that rules have to be made. My experience has taught me that rules are absolutely made to be broken" (Personal Interview, December 4, 2007). Furthermore, she consciously framed her directives so staff were "morally free to make a decision" about how to proceed in ambiguous situations (Regional Director, Personal Interview, December 4, 2007). She adhered to the view that "both leader and follower respect the autonomy and integrity of the other and each allows and encourages the other to find his or her own intuitive confirmation of the rightness of (a) belief or action" (Greenleaf, 1998, p. 85). She recognized that staff members had committed to the mission of assisting refugees in developing lives of self-sufficiency and thus should be given some latitude in how they worked to achieve that aim.

Bovens (1998) has pointed to the need for more room for active individual responsibility in accountability frameworks. He has claimed that, "within organizations, individual functionaries must have a genuine possibility of forming a judgment as to the nature and the consequences of the activity of the organization as a whole and of their own contribution in particular" (Bovens, 1998, p. 134). Brightstar's Regional Director shared her perspective regarding this concern:

> I am very careful in that wording and I make it clear that they are careful, that
> they know that I am being very careful in how I word that. 'As a staff person of
> this office, you cannot do this.' And, that is the way we have operated. … In
> essence then, staff are morally free to make a decision. They know this is not
> what they can do as a staff person (Personal Interview, December 4, 2007).

By expressly framing certain activities as inappropriate and simultaneously making it clear that there were some actions that she did not want to know about, she implicitly acknowledged that each staff member had to make an individual decision about how to navigate the murky waters of client needs and contractor accountability requirements. Accordingly, she suggested that staff members must adhere to funder and parent organization regulations, while also "encourage(ing) flexible interpretation of those requirements" (Bernstein, 1991, p. 131).

While staff members said that they did not actively look for ways to circumvent rules, they also did not view themselves as strongly bound by them when the rules cam into tension with ensuring services for clients. In fact, staff members at New Star Services routinely went beyond that which was required by protocol to serve refugees and work toward their self-sufficiency (Governing Board Member 1, Personal Interview, May 23, 2008; Brightstar Regional Director, Personal Interview, December 4, 2007). The primary focus was on what clients needed to be successful and integrate into life in Southeastern State. According to SSRRA guidelines, obtaining jobs for refugees was sufficient to satisfy contractor accountability requirements (Southeastern State Refugee Resettlement Program Manual). However, staff members accepted a responsibility to go beyond this mandate to ensure that the jobs refugees secured include benefit packages and that, when possible, they facilitated clear career paths. Indeed, while funder guidelines demanded that all refugees be placed in employment, one former New Star Services staff member suggested in an interview how going beyond the mandate was important:

> I had a young couple come in, and they had both been doctors in Belgrade ... He was a vascular surgeon for years and years, he was in the battlefield. … I said, 'I will go out and I will find a job in a hospital,' and I used all the strings I could pull, and luckily we knew the guy who had been director of [a local hospital], and he pulled some strings, and we got him in as a surgical assistant, and he and his wife just got accepted to [a medical college] as residents, just a couple of weeks

ago, and … it took them ten years to do it, to work their way taking tests for that foreign board, the medical board. … We should have enough pull in the community to find the right jobs, and … get to know a person, get to know what their skills are and their dreams are, and then try to work through that (Governing Board Member 1, Personal Interview, May 23, 2008).

By concentrating on individual circumstances, experiences, and dreams, the goals of both the funder and the organization could be met at a level that exceeded what was necessary for the contractor's checklist and that humanized refugees. One of the nonprofit's regional directors further articulated this organizational commitment to clients:

We are only supposed to be working with clients for five years, in terms of our money for political refugees. … And, we often serve families that are here longer than that because our overriding mission is to resettle refugees and assist immigrants in whatever it is, but also because it is the right thing to do. There are some families that need that assistance beyond that level of time. We don't report it to any funding source and technically the funding we have does not pay for that, but it is something that is necessary in social work. The human element is there and it needs to be done (Brightstar Regional Director, Personal Interview, December 4, 2007).

When New Star Services staff and volunteers felt the pull between funder requirements and client needs, they were clear that their responsibility lay with their clients. But, their framing seemed to go beyond a simple partiality to refugees when a clients-versus-funder tradeoff or tension arose. Instead, many New Star Services staff members in interviews expressed a "commitment to [New Star Services'] helping mission. A service perspective is as real to many people as political, administrative, or market perspectives" (Whitaker, et al., 2004, p. 127). Staff members were guided by a sense of active responsibility that focused on what needed to be done to meet organization mission rather than on answerability for past actions (Bovens, 1998). Rather than being tied to checklists of approved activities grounded in contracting regime accountability requirements, staff members made active decisions based on New Star Services' mission and serving clients.

Fuzzy Reporting

"Numbers don't speak to me. People speak to me. And, I tend not to—I know they are important, for a lot of reasons, even in my current position, I have to deal with it because I have a big budget and accountability and responsibility for all of that. But, generally I am more concerned with the people and the program piece of things rather than statistics and data and all of that."
          ~Staff Member 9, Star Central (Personal Interview, September 26, 2012)

In a study of government contract service providers, Dicke argued that, "the truthfulness of the information gained through audits and provider self-reports was questioned by 21% of respondents" (Dicke, 2002, p. 461). Meanwhile, "staff members in 40% of provider agencies reported they had personally been instructed to prepare bogus documents by their supervisors or witnessed others doing so" (Dicke, 2002, p. 461). Indeed, according to Dicke, "falsification is perhaps the most damning limitation of audits and documentation reviews" (Dicke, 2002, p. 461). Yet one of the primary reasons Dicke cites for falsification, inadequate staff time and resources, is one that rang true for New Star Services staff members, as articulated in their interviews. Salamon has argued similarly:

> The resulting 'accountability environment' in which nonprofits are having to operate will doubtless produce many positive results. But it will also increase the pressures on hard-pressed nonprofit managers to demonstrate progress in ways that neither they, nor anyone else, may be able to accomplish, at least not without far greater resources than are currently available for the task (2002, p. 17).

Many nonprofit practitioners struggle with how to respond to reporting protocols that are seen as disconnected from organizational mission, unclear, arbitrary, competing, and randomly enforced (Behn, 2001; Bernstein, 1991). NSS staff members "all see the value of accountability and are willing to comply. But excessive and duplicate record keeping requirements steal away valuable time that management could better use to supervise staff and that staff could better use to serve clients" (New Star Services Task Force Report, December 22, 2010, p. 10).

Multiple New Star Services practitioners stated clearly in interviews that they chose to

minimize their time on reporting activities. Estimating became an acceptable trade-off for these

staffers because, as one remarked, "The way I'm supposed to do it would probably take three

hours. The way I do it probably takes an hour at most" (Staff 7, Personal Interview, February 22,

2002). Practitioners shared that they used estimates on reporting forms both because they were

not convinced that anyone read or utilized the information requested and so that they could spend

their available time and energy serving clients. One interviewee offered the following example of

information being gathered by time-strapped staff members and then not utilized to improve

services to clients:

> The State Refugee Resettlement Agency back in the 1980s developed a
> management information system and at the time, there weren't any PCs, and we
> would have word processors at that time, you know, the Dark Ages, so what we
> had to do was submit paperwork on all of our clients that we coded for different
> services and we had to submit those regularly and they were quite adamant about
> it. And, we ended up hiring somebody part time to just do that, to go into the files
> and pull out who we served and how and then we would submit these big stacks
> to the state. And, they were, as I said, quite adamant about these things and it was
> very important. And, we did that for a number of years. And, then I think a new
> Refugee Coordinator came who said to us 'so, how are using this data?' and we
> said 'well, we're not using the data. We don't have access to it.' It gets entered at
> the state level. And she said, 'why are you doing it?' and we said 'Well, you told
> us we had to.' And it became clear that the State wasn't using the data. I don't
> even know if they were entering it into anything. That was one of those things
> where you got a real glimpse into how bureaucracies can make demands and
> totally lose track of why they are doing it. It certainly wasn't our idea. And, we
> did actually try not to do it, if we could help it. And, then we thought, well, we are
> doing it and it is getting used at the state level, but it wasn't (Former Star Central
> Regional Director, Personal Interview, July 23, 2012).

In discussing the reporting requirements for one grant, the NSS Executive Director also

highlighted a discrepancy between what was being measured and the goal of the organization,

self-sufficiency for refugees. As she observed, the "tests are inadequate" because "they don't

cover all the things we're teaching and they don't recognize what a great triumph it is for Ms. So-and-so to finally be able to write her name. That's not recognized" (NSS Executive Director, Personal Interview, May 22, 2008). Instead of seeking to measure the attainment of client-specific goals, the grant the practitioner referenced required that New Star Services "use their pre-test and their post-test [and] enter it into a federal database. And you can only post-test after 40 hours and [then it assesses the] numbers [that] are at the level [they are supposed to be] … we hate this, it's like you've sold out" because the tests leave out so many components of serving the clients (NSS Executive Director, Personal Interview, May 22, 2008). Another staff member observed, "Once I had gathered data, I tended not to think too much about it after it was off my desk" (Staff Member 9, Personal Interview, September 26, 2012). She furthered, "I was more interested in the people, the sponsors themselves, what they were doing with the families, how the families were doing, regardless of what kind of data or numbers were attached to that" (Staff Member 9, Personal Interview, September 26, 2012). Thus, when paperwork was seen as merely a symbolic exercise (Cutt & Murray, 2000), it was given attention related to that status.

When faced with a choice between spending valuable time on paperwork or on direct client service, Governing Board Member 1 suggested that in her former role as a staff member she did not

> have any problem with pulling numbers out of the air instead of spending days actually calculating things, 'cause I know on the other end nobody is really going to care or be looking at—as long as they have a paper in their file—they're not going to really be that concerned about what's in there, so why should I spend, you know, three days trying to pull out accurate numbers. So I would guesstimate things, and never tell anybody that's what I was doing (Personal Interview, May 23, 2008).

Another interviewee said that time considerations were central to decisions to minimize time on reports: "Okay. What I'm supposed to do, and time considerations have simply led me to guesstimating, which I don't necessarily like to do, but I don't have time. I mean, I could take every Sunday and do it, but I'm not going to unless I'm forced to" (Staff 7, Personal Interview, February 22, 2002). Another New Star Services staff member articulated what seemed to be the overriding perspective of the nonprofit's professionals and volunteers: "Well, I'll tell you one thing: I've learned to fudge things and shorten things. Because, I'd rather be out in the field than be sitting here writing reports about what I'm doing. And, I think most people do it that way" (Staff 6, Personal Interview, February 22, 2002).

While staff members learned to estimate the work they did and complete their forms accordingly, the process was a bit more complex when volunteers were involved. As Staff member 9, commented, "We did have to try to impress upon the volunteers … [the importance] of tracking their hours and reporting that to us. Because it was, you know, it was a little tricky. You didn't want to tick them off, but trying to get across to them that it was important, that it translated into our funding" (Personal Interview, September 26, 2012). When I asked how she handled completing reports when volunteers failed to submit their paperwork, she said, "I guess we just had to estimate based on our contact with them, because we would have notes in the case file of our interactions with the sponsors. So, I guess we had to estimate the best we could, if we couldn't get them to fill out the paperwork" (Staff Member 9, Personal Interview, September 26, 2012). When discussing a report to document all in-kind contributions to one of its programs, New Star Services' Executive Director lamented that "once again it's more paperwork, and how valid is this document if it isn't signed by the volunteer. You could be chasing after volunteers

for a signature on it" (Personal Interview, May 22, 2008). When asked specifically if New Star

Services met the funder stipulation for individual volunteer signatures on each form, NSS

Executive Director responded, "Sometimes we do; sometimes we don't. The bottom line is: it's

painfully burdensome" (Personal Interview, May 22, 2008). Thus, NSS staff at all levels of the

organization acted in ways similar to those in Bernstein's (1991) study, in which she found that

nonprofit employees worded reports to demonstrate compliance with requirements to change

activities or processes (even if compliance was tenuous) so as to ensure they met funders'

requirements, even when actual activity was no different than what the organization was doing

previously.

Not only did New Star Services staff report having to complete undue and often

duplicative paperwork, several interviewees suggested that accountability requirements often did

not include appropriate measures concerning actually improving refugees' lives. The Regional

Director of Brightstar also acknowledged that, "the reporting requirements serve a purpose." She

also suggested, "the people who write the requirements don't have a clue what the organization

does. They need to look beyond [counting] spoons to [valuing] the intangibles—[such as asking]

'are we advocates [for refugees]?' There is no way to account for so many things that we do"

(Personal Interview, March 1, 2002). Practitioners can lose faith in the importance of funder-

required documentation when they do not believe the data help to serve clients more effectively.

For example, one grant required counting the number of items in a refugee's apartment, in an

attempt to gauge that their needs were being met. However, as the Brightstar Regional Director

reflected,

> It's not how many spoons they have, but how much soup are they eating with
> those spoons, you know? And, how much nutrition are they getting? Which is, of

course, a part of that. But, it's my belief that the people who write up what the reporting requirements ought to be don't have a clue about what the agency really does. What they need are people who have been out in the field who say, 'Forget the spoons and let's look at whether or not this family has sufficient volunteers going in, and how they're learning English, and what value is that?' And, loads of other things, other than those kinds of things that you match. Some of the intangibles that you don't even necessarily account for: the advocacy that you do for a family, in terms of getting certain things, you never account for what you end up having to do. If there is a cochlear implant for a deaf Sudanese man that you might have to work six months to get through, there's no way to ever account for that. There really isn't. … [So], you count spoons. And, that's just ridiculous. (Personal Interview, March 1, 2002).

The Regional Director pointed to the importance of utilizing accountability mechanisms that are appropriate for the outcomes that the organization and its funders are seeking. Trying to measure resettlement through counting spoons is one especially egregious example of the ways in which reporting requirements may not measure the 'right' things. This specific example of whether counting spoons provided any meaningful data about the efficacy of NSS's efforts to support and resettle refugees highlighted an always-relevant question for accountability measures. One way to capture these nonprofit managers' concerns on this matter is to say that they perceived the funder to be more focused on accounting than accountability. As such, upward accountability requirements need to be evaluated so as not only to provide the information funders need, but also to help the targeted nonprofit, in this case New Star Services, address its mission in so far as possible. Interviews with New Star Services staff members suggested strongly that nonprofit contractees did not mind completing reporting paperwork in principle. Instead, they resented having to address oversight claims that took time without adding value to their work.

Staff members were not only trying to minimize time spent on contractor demanded reports of their activities, they also sometimes went beyond requirements in an effort to provide necessary services to assist their clients and meet the mission of the organization to move

refugees toward self-sufficiency. One former staffer reflected that sometimes the State agency's

rules and protocols were arbitrary and disconnected from reality:

> I think maybe I fudged a little bit—and never said anything to anybody—that one
> of the Vietnamese came and tried to get their families out of Vietnam, and like, I
> go, 'OK, you need an affidavit of birth from somebody, either your parents, or
> someone who was there when you were born, standing in the room when you
> were born,' and they'd go, 'Oh, OK,' and they'd go out, and half an hour later
> they'd be back with the papers, and I'd go, 'OK, fine' and I'd sign off … and I'd
> just, you know, 'go on your way,' because the requirements were so stupid—like
> people could actually get this information from the government in Vietnam or
> anything like that. If they didn't bring documents with them—and of course, they
> left in such a fast way that they couldn't—they had to get it out of the government
> of North Vietnam when they took over, and I mean, what were the chances of
> that? (Governing Board Member 1, Personal Interview, May 23, 2008).

Multiple New Star Services staff members and volunteers indicated in interviews they did

not have a problem with fuzzy reporting, instead viewing the purpose of such efforts as

keeping the organization focused on its mission. By concentrating on the needs of the

clients and the intent, rather than the specific and often tedious and, in their view, too,

often unrelated demands of the rules, staff members believed their actions ethically

justified. As Governing Board Member 1 remarked in an interview, "I'm not much of a

rule person, so [if] somebody tells me I have to do something, I can usually find my way

around it (Personal Interview, May 23, 2008).

Notably, none of the New Star Services staff and volunteers with whom I spoke

engaged in breaking rules for the sake of rule-breaking. Instead, they said they were

guided by a desire to help refugees and the mission of supporting the development of

self-sufficiency among clients. As Bernstein has argued, a nonprofit practitioner "fulfills

his commitment to [government funders] by distinguishing between providing the service

and how the service is provided. He is committed to the former and not the latter"

(Bernstein, 1991, p. 127). As the Brightstar Regional Director observed in an interview, "we have real accountability to our clients" (Personal Interview, March 1, 2002). She further suggested when talking with me that the SSRRA perceived that New Star Services, and especially the Brightstar regional office, "walks on water. I mean that the [State Refugee Resettlement] office thinks we do a superior job" (Brightstar Regional Director, Personal Interview, December 4, 2007). So, while the nonprofit's staff and volunteers were bending rules and loosely following protocols, they were also demonstrating tangible results recognized by those imposing the otherwise unduly costly accountability claims. This situation raises an issue on which O'Neill has rightly focused attention: "Do we really gain from heavy-handed accountability? … I am unconvinced. I think we may undermine professional performance and standards by excessive regulation, and that we may condone deception in our zeal for total transparency" (O'Neill, 2002, p. 89).

Exit as Rebellion

"The reason I left the office was that the paperwork got horrendous.
The government kept asking for more and more and more,
until I didn't get out with the refugees in the community anymore."
~Governing Board Member 1 and Former Staff Member
(Personal Interview, May 23, 2008).

As the interview quotation above articulates, when one NSS professional became convinced that the accountability demands of the contracting regime were taking excessive time, thereby limiting her ability to give attention to refugees and their needs, she saw resigning as the only option. She viewed state accountability requirements as onerous and without corresponding benefit. Bovens (1998) has explored the question,

'What happens when compliance with reporting demands becomes too much?': "in the classical hierarchical conception of responsibility there is only one clear and unencumbered answer to this question: 'Take it or leave it.' Anyone who has objections to the nature of his assignments should resign" (1998, p. 177). Thus, if staff members come to believe that contracting regime pressures have become too intense, according to hierarchical (and contract regime) framings, they should quit their position.

As the one-time staff member and long-time volunteer noted in an interview, "The reason I left the office eventually was that the paperwork got horrendous. … And I thought, 'No, this is not what I got into refugee resettlement for'" (Governing Board Member 1, Personal Interview, May 23, 2008). And, so she resigned her post with the nonprofit and returned as a volunteer in its service. While her exit did not have a large impact on the organization's role in the contract relationships in which it was ensconced, she was able to stay true to her values and serve refugees directly by taking a radical step. Like others who, Bovens has noted, have used exit as a disobedience strategy "by resigning," Governing Board Member 1 was able to "keep [her] conscience clear in quite a simple way" (Bovens, 1998, p. 178).

However, had Governing Board Member 1's goal been to change the organization or its response to the pressures of the contracting regime, exit may not have been the most efficacious response. As Bovens has argued, "from a control point of view, resignation is not a convincing answer" (Bovens, 1998, p. 178). This is partly because most organizations are not very sensitive to the risk of exit by staff members and also

because "such a standpoint is clear and consistent, but on closer inspection hardly tenable as an answer" as most employees cannot financially afford to resign (Bovens, 1998, p. 178). However, leaving the organization was the option that Governing Board Member 1 took as a 'rebel with a cause,' due to unmanageable paperwork requirements, that the board member deemed put at risk the very core mission of the organization—time spent with refugees. When considering various accountability requirements within the contracting regime, it is important to recognize:

> People have choices. People make choices. People make choices about where to work. They make choices about whether to remain in the public service or to exit it. They make choices about whether to enter it at all. And political institutions can encourage or discourage—again, through the prospects for punishment (or reward)—these people to choose to work in the public service (Behn, 2001, p. 21).

Summary

Chapter 2 outlined some of the possible responses that nonprofit practitioners can have to the contracting regime, the norms of which fearful practitioners can succumb to and courageous ones may resist (Behn, 2001, p. 30). Chapter 4 explored the first of the Janus-like choices that New Star Services managers and staffers confronted in their positions in the contracting regime; whether effectively to adopt regime norms as their own or, more undiplomatically put perhaps, to "sell out." This chapter presented another possible response to the accountability claims of contractors: to rebel, either overtly or covertly. New Star Services staff subtly, and often covertly, found ways to circumvent state agency (contractor) reporting demands, when those requirements were seen as negatively affecting clients and interfering with the organization's mission. Seeing many imposed rules as unclear, arbitrary, competing, randomly enforced, and too often disconnected from the nonprofit's mission (Behn, 2001; Bernstein, 1991), many NSS

personnel reported they had elected to ignore such claims to give attention instead to the core claims represented by their clients' needs. When "aspects of the management of contracted services conflict(ed) with reality" (Bernstein, 1991, p. 22), New Star Services staff members opted to focus instead on that which was very real and right in front of them—the needs of refugees and their desire to help those individuals become self-sufficient in their new homes and community.

Notably, these activities were not seen as a dishonest desire to subvert principals' claims. Rather, employees' goals were to achieve the ostensibly principal-practitioner shared purpose of assisting refugees. Thus, as Community Board Member 3 observed, New Star Services staff members "are really honest in their dealings, and they are not trying to slide through anything. And, it's been a very open organization—no secrets, no slip-ups, no 'well, I let this go, this time.' Nothing of that." She further insisted that staff members, "cared about what we were doing and people still do. So, that's the big strength of the refugee office is that people care and they are willing to take their time, whether they are paid for it or not, and try to make a difference. And, there we are" (Personal Interview, September 27, 2012).

Guided by assigning highest priority to providing service to refugee clients and believing that orientation best met their organization's mission, many staff members said they perceived it necessary to rebel, to act against the guidelines and norms of the regime when they believed those limited their ability to assist clients (illustrated in Figure 5).

Figure 5. Connection Between Actor Interests, the Contracting Regime, and Rebel Behaviors

NSS practitioner interests in meeting clients needs is filtered through the antagonism of the

contracting regime, a relationship dynamic that often sets up an either-or dichotomy, accede to

demands or subvert them. In this case, the attention to client needs led some NSS practitioners

to rebel.

CHAPTER 6

BEYOND ANTAGONISM:
TRANSFORMING PRACTITIONER RESPONSES THROUGH AGONISM

"New innovations are unlikely to lie in oversight and punishment, but in creative forms of adaptation and learning in order to solve pressing societal problems" (Ebrahim, 2010a, p. 118).

Chapters 4 and 5 explored two different responses that New Star Services staff and volunteers have evidenced to the adversarial environment created by contracting regime norms. They have either seen themselves as accepting those claims or rebelling against them. In other words, New Star Services practitioners reported activities in which they could either act in accordance with the demands they felt or somehow circumvent those pressures. Each of these choices reflects the acceptance, subconscious or even grudgingly aware, of contracting regime norms and associated "thinking that looks to cope" with antagonistic accountability (Burns, 2003, pp. 51-52).

In the current political environment of paradoxical claims that there is simultaneously too much and not enough accountability, no one seems satisfied with either the impacts of accountability claims on organizational processes or their social results (Benjamin, 2008; Ebrahim, 2005, 2010a; Gibelman & Gelman, 2001; Keating & Frumkin, 2003; Salamon, 1995). These analysts suggest that the coping mechanisms of accepting the pressures of the regime or rebelling against them leave something to be desired. Scholars have explored the implications of contracting as well as different strategies that nonprofit managers can use to cope with the norms, practices, and policies of that regime (Alexander, et al., 2010; Behn, 2001; Bernstein, 1991; Ebrahim, 2003a; Kearns, 1996; Smith & Lipsky, 1993). This chapter builds on those

previous analyses to explore nonprofit manager responses that go beyond the dichotomous thinking of acceding to or rebelling against regime norms. I explore moments when practitioners sought to navigate beyond the regime's antagonistic framing and engage both with powerful external stakeholders and with their own organizations in creative ways. I outline various situations in which New Star Services practitioners interacted in ways that broke down the barriers that adversarial accountability created by engaging in "thinking that look[ed] to alter" (Burns, 2003, p. 51) rather than merely cope.[24] While these transformational responses indicate a change in the behaviors, they do not necessarily signify either a material change in the contracting regime or in the framing assumptions that sustain it. As Smith and Lipsky have suggested, "To say that there is a contracting regime is not to imply that relations within it are static. Indeed, one would expect regime relationships to change over time, in response to changing needs and new challenges, so long as the fundamental values that are represented in the regime are maintained" (Smith & Lipsky, 1993, p. 45). In this chapter, I explore responses to the regime, changes that Krasner would identify as "within regime," as "the underlying principles and norms are unaltered" (Krasner, 1982, p. 187).

New Star Services began partly because of a volunteer who wondered why there was so little support for refugee resettlement. Before there was any formal structure in Southeastern State, or even in the United States more broadly, for refugee resettlement, she felt personally

---

[24] The two categories of responses that were deeply rooted in antagonistic thinking—acceding to and rebelling against the norms of the regime—were classified fairly easily. The responses outlined in this chapter, however, were not as simple to sort out. While it became clear through the analysis that they were atypical and responding beyond the entrenched antagonistic responses, they evaded neat classification. I hope that future research will clarify the subcategories of agonistic responses, just as this research has distinguished between two types of antagonistic responses. In this work, I have designated the responses outlined in this chapter as transformational, as the practitioners' responses were quite distinct from the usual, predictable, and ingrained antagonistic contracting regime reactions.

called to assist refugees coming from Southeast Asia. She saw that there was a need to help such individuals and families immigrating to the United States:

> And so we were meeting with our community group, and I said to them, you know, 'What are we going to do about this?' and they were looking at me like, 'What do you mean, 'we'?' And I said … 'How can we not respond to this situation? It's horrible: they're throwing them in camps, in the hottest part of the country, that were mosquito-ridden and hot, and it was going into summer … you know, how can we not respond?' and they said, 'Well, if you want to respond, we'll help you out.' (Governing Board Member 1, Personal Interview, May 23, 2008).

So, she began assisting refugees informally as well as recruiting others to help. This long-time volunteer said she then noticed commonalities in the types of support that this population needed, irrespective of their native country, and in steps that would help volunteers assisting them. Drawing on her experiences, she engaged in thinking that "looked to alter" (Burns, 2003) and asked a leader of her church organization, "What is the [parent organization] going to do about this? I mean, this is a situation here, our little group is doing this, and there are little groups all over Southeastern State that are struggling [to support refugees]" (Governing Board Member 1, Personal Interview, May 23, 2008). Eventually, the church organization established New Star Services; then, "Congress finally passed a bill for support of refugees—they did a per capita amount—and [the new New Star Services Executive Director] started working on the Social Service arm … and she did start to find churches for families who were still in the camp" (Governing Board Member 1, Personal Interview, May 23, 2008). New Star Services' creation resulted from transformational thinking, a "response to deep and fundamental needs [that] seeks solutions—changes—that go to their roots, that are significant and lasting" (Burns, 2003, pp. 51-52). However, New Star Services' managers have operated since from more limited perspectives, seeking to cope as best they can with the pressures that contracting with government has brought.

As explored in chapters 4 and 5, New Star Services' staff tended to operate in one of two ways when presented with contracting regime norms: accept the limitations and 'suck it up,' or rebel against them by means of various strategies. Nevertheless, as I outline in the next section, there are a few moments when NSS practitioners did not turn to those coping strategies and instead acted in ways not tied to the antagonism inherent in regime norms. The case of New Star Services suggests that nonprofit organization practitioners can transform their thinking and actions in order to create relationships and new modes of operation that more holistically meet the goals of all parties involved in contract services. In this chapter, I explore times when practitioners thought outside of the contracting regime box and developed alternative framings and possibilities to its usual dynamics: when staff members negotiated with funders or regulators regarding paperwork requirements, created regional advisory boards when the governing board was not meeting organizational needs and nurtured more participatory interactions within the agency than contracting regime norms would normally permit. Each of these scenarios affords an opportunity to see the possibilities that a different perspective might bring to dealing with the pressures imposed by the strictures of the contracting regime.

Breaking Down the Barriers of Adversarial Principal-Agent Relationships

Principal-agent relationships in the contracting regime are based on assumptions about power: who holds it and who does not, and who can call for an account of activities. When funder and nonprofit practitioners have enacted the norms of the regime, public officials have required certain actions and nonprofit agents have sought to address them. For NSS, government staff members serve as both funders and regulators and their interest lies in ensuring that the

nonprofit organization is closely aligned with the activities and outcomes outlined in the contract governing their ties.

This section examines various situations in which New Star Services and one of its regulating agencies sought alternative approaches to those regularly supported by contracting regime norms to engage with stakeholders 'above' and 'below' them in hierarchical terms, as they sought to create approaches to serve refugees effectively. I explore how NSS managers negotiated reporting requirements with funders and how SSRRA sought to serve a role that went beyond enforcement/regulation. Through these activities, both the principal and the agent involved in providing refugee resettlement services in this case illustrated that meeting client needs and organizational survival do not have to be mutually exclusive.

Negotiating the Reporting Requirements of Multiple Funding Streams

In addition to the time-consuming nature of detailed and voluminous reporting requirements, each government funding and regulatory body required different data collection processes and reports, thus complicating and confusing accountability linked claims still more. New Star Services staff members viewed overlapping reporting requirements as particularly problematic. For example, Brightstar's Regional Director identified this concern clearly in an interview:

> Also, just having six or seven Federal grants, all requiring different reports, etc. Each asks for different things and has different requirements. The reporting requirements are duplicative. It is a joke. If the federal government could consolidate and say this is what we expect, you could get it down to two reports. It is a turf thing in Washington. … Just the number of grants, the amount of time it takes to put together separate reports is a problem (Personal Interview, March 1, 2002).

Managers must make sense of duplicative and competing contractor claims on their organization when managing multiple grants or contracts overseen by different agencies (Bernstein, 1991). Different record-keeping requirements were complicated and time consuming for New Star Services practitioners. As the NSS Executive Director noted, "Each auditor wants their notes together—requires very specific and overlapping record keeping. We recently got in trouble because certain things were not stored together for a certain auditor's purpose" (Personal Communication, April 18, 2008).

In one instance, New Star Services managers were able to dialogue with government funders and regulators to simplify the reporting requirements imposed on them. Federal directives called for time sheets on which caseworkers were expected to record their daily activities, including which refugee they were assisting and what activity they were doing to support that individual or family. As the Brightstar Regional Director explained in an interview,

> Well, the auditors, basically, in doing the audits, said to us that … for these federal dollars you need to keep an accounting of time. And, the three [regional] directors fought like crazy …, saying, 'We don't even know how we'd begin to fill out time sheets. This is not your typical kind of service. You're out in the field all the time. You may be transporting three different people from three different families (Personal Interview, March 1, 2002).

The NSS Executive Director, along with the Brightstar Regional Director and the other two agency directors in the state were able to explain to their federal overseers the negative implications of requiring this type of detailed documentation: that staff either would not be able to complete it or that they would spend all of their time on paperwork and not be able to serve individual clients effectively. In the end, they were able to arrange with the auditor to accept travel sheets (showing client transport) with a time component added, which required adding

only one column to existing mileage sheets. Brightstar's Regional Director described how the addition to the forms worked:

> And, what we were finally able to agree with the auditors … is that they would put time on their travel sheets. And so, when they put on their travel sheets, you know, that they traveled to three different houses, it took them three hours, they went to Social Security, then they went here, and then they went there, they could put right next to it, 'That took three hours and here are the three families I worked with.' (Personal Interview, March 1, 2002).

In this case, regulators and practitioners were able to listen to each other and effectively communicate their perspectives and the implications of various options. NSS staff members were able to ask for clarifications and ultimately understand the reasons for the requested data and then to offer solutions that addressed the underlying reasons for the request rather than either complete the forms as stipulated while somehow simply absorbing the increased time demands on staff such action implied (chapter 4), or "guesstimate" as they did on several other reports (chapter 5). While the data requested on the negotiated forms was not necessarily useful to the New Star Services staff, the process minimized negative impacts on the organization by reducing their reporting burden. Next, I turn to New Star Services relationship with SSRRA.

Beyond Enforcement: Southeastern State Refugee Resettlement Agency

New Star Services staffers were not the only ones interested in developing meaningful interaction between service providers and their funders and regulators. While SSRRA fulfills the role that Ebrahim identifies in which a "government agency typically acts as a principal by both regulating and funding the nonprofit" (Ebrahim, 2009, p. 890), the state agency Director envisioned a broader role than regulatory enforcement. She tried to nurture open communication, supportive relationships, and a role of resource provider with the resettlement providers her organization oversaw. She suggested in an interview that, "the challenge for us, is working with

a complex and varied group and groups full of people with a variety of service providers that are all good and yet very different. … And, I have a very good relationship with all of them because I respect them" (SSRRA Director, Personal Interview, May 22, 2008).

The SSRRA hosted quarterly meetings of the directors of all the refugee resettlement provider organizations in Southeast State. At these gatherings, the agency's director attempted to provide a forum of the sort that Krauskopf and Chen (2010) have identified as important for service providers: "within government departments, there should be opportunities for the direct services managers to confer regularly with contract managers to ensure they each have a full view of operational issues in the field and can advise policymakers" (p. 627). These meetings were designed so that practitioners could discuss their successes, challenges, frustrations, and hopes. They could commiserate, brainstorm, and strategize. In these gatherings, refugee resettlement managers discussed "the challenges that they are facing with their contracts with the State Department—they will moan and groan about how the money is getting less and less and the challenge to do more and more" (SSRRA Director, Personal Interview, May 22, 2008). Creating an environment for open, honest dialogue was a central goal for the SSRRA Director for these events as she claimed in an interview,

> That directors meeting is mine. I own it. I don't allow anybody to come. I don't want them coming, because I want that to be a safe place for directors to come and sit with me and talk trash and to know that what they say and what I say to them is in an atmosphere and venue of confidentiality that we can share our issues. Sometimes there are issues that are specific to [one office]. Sometimes it is like 'whoa, I am feeling that too'. Sometimes, it is me saying, 'look guys, this is what I am seeing and am not liking it', or whatever. (Personal Interview, May 22, 2008).

The state agency Director suggested in her interview that she hoped in these meetings to identify issues that practitioners shared in common in order to nurture open communication and

support them in their work. As she noted, "I feel that it is my responsibility to look at the lay of the land and say, 'my golly, where can we jump in as a state office and do what we can do?'" (SSRRA Director, Personal Interview, May 22, 2008). She remarked that to do this, "more and more what we are trying to do is own issues, that I think would be issues of commonality for our providers, that we could help them with" (SSRRA Director, Personal Interview, May 22, 2008). The SSRRA tried to balance serving as a supporter and a regulator of refugee resettlement service providers under its purview.

Having outlined how both New Star Services and the Southeastern State Refugee Resettlement Agency engaged outside of emblematic oppositional enforcer-enforcee relationships, I now turn to ways in which New Star Services practitioners operated in ways that did not fit within typical hierarchical structures nurtured by the contracting regime.

Beyond Hierarchy and Businesslike Approaches

The contracting regime calls for organizational management and governance that is hierarchical and business-like, with an ultimate goal of control (as outlined in chapter 2). Principals seek as much assurance as possible that agents will act in accordance with their avowed goals, and preferably use strategies they approve as well. This section outlines two examples of New Star Services practitioners acting outside of contracting regime norms. In the first, they created a locus of activity outside of the legally responsible governing board. In the second, they developed and nurtured a more egalitarian office environment in one of New Star Services' regional offices. Each of these demonstrates activities and methods of approaching

organizational mission that breached the confines of the antagonistic framing of contracting regime norms.

Advisory boards

As explored in chapter 2, the contracting regime relies on governing boards to serve multiple roles in nonprofit organizations (Carver, 1997; Chait, et al., 2005; Herman & Heimovics, 1991; Murray, 2001; Renz, 2010b) , including "strategic planning, … rais[ing] money, [and] enhanc[ing the] image" of the organization (Miller-Millesen, 2003, p. 523). In the case of New Star Services, community advisory boards performed many of these activities without answering to the regional governing board: "Things that we directly were involved in, we had control over and we did what we wanted to do. Fundraising activities, community events, things like that. If we wanted to do it, we did it" (Community Board Member 5, Star Central, Personal Interview, September 19, 2012). As I have noted in chapter 4, for a significant share of its history, the New Star Services governing board did not address several of its prescribed roles. As a result, the organization's managers utilized another approach to engage with local communities, share ideas, and develop local strategies for success.

Community advisory groups connected to each New Star Services office (Star Central, Encircling Stars, and Brightstar) performed many of the key responsibilities typically assigned governing boards. This situation is not new and some scholars have explored the expanding governance roles increasingly played by advisory boards (Saidal, 1998; Stone & Ostrower, 2007). Indeed, some advisory group members, "perform numerous primary organizational activities, link nonprofits to key stakeholder groups in the environment, and strengthen ties of

cooperation and shared purpose with other community actors" (Saidal, 1998, p. 421). Saidel has argued that "nonprofit governance theory should take into account the functions and contributions to governance of advisory groups" (1998, p. 421). New Star Services' experiences with community advisory boards points to the potential contributions that such groups can make and illustrates a variation from contracting regime norms of a single governance body with ultimate authority serving various roles such as strategic planning, outreach, and fundraising.

Internal Roles: Strategic Direction Setting, Guidance, and Advice to Staff. NSS practitioners were explicit in interviews in arguing that the community advisory boards were not involved in governance; Community Board Member 1 concisely articulated this position: "the purpose—well, it wasn't really governance, it was more advisory" (Personal Interview, July 17, 2012). Given this perspective, it would follow that the advisory boards would not be involved in organizational guidance, as scholars point to strategic planning as one of the primary roles of governance boards (Chait, et al., 2005; Miller-Millesen, 2003; Renz, 2010b). However, when asked about the sorts of activities in which community board members engaged, interviewees often mentioned strategic direction setting, advice to NSS staff members, and involvement in hiring. While discussing community board work, one member noted that, "we did a SWOT analysis with the staff and with the board, to see where opportunities [existed] to provide more support or [where there were] things we could do differently" (Community Board Member 5, Personal Interview, September 19, 2012). Another community board member noted that advising the director was important and that the group provided such counsel at each meeting: "We would provide advice to NSS, the director would brief us on what's going on and we would listen and give advice" (Community Board Member 1, Personal Interview, July 17, 2012). The advice and

guidance were not always well received, as Community Board Member 4 suggested: "There was probably, maybe a little bit of push back from the staff, just from a standpoint of 'we're already doing 75 hours a week, everybody is, and we don't have time to add something else to it'" (Personal Interview, August 1, 2012). However, the community board worked to support staff while also initiating some new programmatic efforts. Community Board Member 4 reflected: "There was some sensitivity to being, setting out additional goals for something that was going to take more time and more resources when they were already stretched pretty thin" (Personal Interview, August 1, 2012).

While they suggested new initiatives, the community board also played key roles in implementing them, at least in the beginning, by performing such tasks as taking "on the initial organizational footwork to make the connection" (Community Board Member 4, Personal Interview, August 1, 2012). In addition to providing feedback and guidance to current staff members, community board members played a role in hiring a new regional director: "When the Brightstar Regional Director … retired, a couple [of individuals] from the board worked on the selection committee for the new director" (Community Board Member 1, Personal Interview, July 17, 2012). While some NSS staff and community board members were hesitant to claim the governance role, Governing Board Member 1 reflected on the community boards and commented directly on the governance and oversight roles they often served: "Each office has a community board that is the auxiliary or 'helping hand' through the office, and then to help the director in terms of budgeting and just overseeing the program, sometimes being able to help with political issues, or in terms of the institution that they work for and governmental institutions" (Personal Interview, May 23, 2008).

External Roles: Outreach and Fundraising. Another key function of governing boards is outreach to various constituencies (Renz, 2010b) to "enhance the image" of the organization (Miller-Millesen, 2003, p. 523) and to serve "as a key connecting link between the organization and local community" (Smith, 2010, p. 564). The community board members of New Star Services constituent units performed these tasks for those regional offices, attending events, updating websites, and generally sharing the message of the organization. Community Board Member 1, observed, "we did have people go … and represent New Star Services at some community [events], city council meetings, board of education" (Personal Interview, July 17, 2012). Community Board Member 4, said community board members worked on newsletters and other forms of communication and, at one point, "we ended up building web pages so that people could find out a little about who and what we are and what we do, and ways to become involved" (Personal Interview, August 1, 2012).

Raising funds is another activity typically associated with governing boards—scholars point to this as a key contribution of such bodies (Miller-Millesen, 2003, p. 523). Similar to the roles that the community boards played in strategic direction setting and outreach, the NSS regional community boards also engaged in fundraising to supplement other funding that the organization obtained. Community Board Member 4 argued that fundraising was a strategic factor in considering new community board members; that the organization was, "trying to look at development and resource acquisition. Those were the pieces that they were really hoping to beef up at the community board" (Personal Interview, August 1, 2012). Furthermore, several community advisory group members confirmed that coordinating fundraisers was an

irreplaceable component of their work (Community Board Member 3, Personal Interview, September 27, 2012; Community Board Member 1, Personal Interview, July 17, 2012).

The experiences of New Star Services community boards point to the possible ways that advisory groups can contribute to their affiliated organizations. As Saidal has argued, "advisory groups are also a critical instrument of governance in many public benefit organizations with government grants or contracts" (Saidal, 1998, p. 421). Stone and Ostrower also recognize the potential role of advisory bodies in supplementing governing boards: "we also must ask whether these kinds of groups play larger roles in policy work than governing boards" (Stone & Ostrower, 2007, p. 431). In this instance, however, one key point is that the advisory groups were playing roles typically assigned to governing boards, which serve as an ultimate authority for nonprofit organizations in the contracting regime. Thus, the creation of the New Star Services regional advisory boards suggests another way in which the practitioners of the organization were operating beyond the confines typical practices of the contracting system and looking for alternate ways to operate. I next turn to another component of practices that were outside of the typical antagonism of the contracting regime, New Star Services' organizational management strategies.

Managing Staff

One of the regional offices of New Star Services provided an example of transformative thinking that called into question the contracting regime expectation of organizational structures that are "tidy, linear, and hierarchical" (Behn, 2001, p. 41). Alternative approaches to organizational management are rare and offer an opportunity to understand more about structures

and strategies that, while they can be used by organizations in contractor/contractee relationships, do not fit neatly within the regime frame. Such options include managers who operate from a different perspective, such as the individual that Bernstein described, who saw "her job as being in a circle, rather than on top of a ladder" (Bernstein, 1991, p. 69). Bernstein found that nonprofit practitioners who managed in this way also involved staff in decision-making, designing programs, and reviewing reports. Indeed, Bernstein suggested participatory decision-making was fundamentally important to counteracting the pressures that principals exert on nonprofit contracting agencies (Bernstein, 1991, p. 73). Likewise, the Brightstar Regional Director managed with an awareness of the needs of her staff, supporting them so that they could do their best work to meet the needs of clients. Her activities of this sort can also be categorized as lateral and downward accountability activities.

Brightstar's Regional Director acted on a principle of supporting her staff in a way that she identified as different from profit-focused management. She was reflective about the typically espoused management strategies and self-consciously worked to prevent contracting regime norms from framing and determining office culture and staff relationships. As she explained in an interview:

> The idea 'why can't we just take profit principles and apply them to nonprofit management' ended after 16 months in human services work. You get a different breed of people in this type of work, people who love their work, who are committed to the work, but maybe people whose needs are greater than others . … They feel a real need to give, but you have to adjust your management style for that. Management with people like that needs a sensitivity… and freedom to be able to talk to you [the manager] about all kinds of things in their lives (Brightstar Regional Director, Personal Interview, March 1, 2002).

Instead of seeking to integrate contracting regime norms regarding business-like approaches to management, the Brightstar Regional Director was guided by a philosophy similar to that famously developed by Robert Greenleaf in his conceptualization of servant leadership:

> The difference manifests itself in the care taken by the servant-first to make sure that other people's highest priority needs are being served. The best test, and difficult to administer, is: Do those served grow as persons? Do they, *while being served*, become healthier, wiser, freer, more autonomous, more likely themselves to become servants? *And*, what is the effect on the least privileged in society; will they benefit, or, at least, not be further deprived? [emphasis original] (1991, p. 13-14).

The Brightstar Regional Director approached supervision and management believing that if she supported her staff, they would be better equipped to meet the needs of the organization's clients (Personal Interview, March 1, 2002). She argued in an interview that by providing staff members a supportive environment and then "let[ting] them do what they do best"—serving refugees—both the organization and its clients would be well served (Brightstar Regional Director, Personal Interview, March 1, 2002). Brightstar staff reported in interviews that they both perceived and appreciated her support—one individual noted that even in moments of tension, the Regional Director "will ... stay behind you 100%. I mean, she never has let me down or surprised me in front of a client" (Caseworker 1, Personal Interview, March 1, 2002).

Seeing herself as a "first among equals" (Greenleaf, 1991, p. 61), the Brightstar Regional Director was clear about her role in supporting and nurturing her staff as they served refugees. As she observed in an interview:

> A big part of my day is spent talking to staff, problem solving, reviewing things that have happened, commiserating, planning, those kinds of things. And that primarily happens because of the geographic nature of where my office is, in how I am situated because staff walks by my desk a great deal and so it lends itself to that kind of conversation (Personal Interview, December 4, 2007).

She said that in her 25 years working in social services, she had never had a door on her office.

Indeed, she indicated she always tried to locate her workspace, "by a doorway where people

come in and out so they can stop by and chat" (Brightstar Regional Director, Personal

Communication, March 1, 2002). The location of her office was part of a broader philosophy of

being accessible to her staff. Her conception of being a 'first among equals' came into play when

the Regional Director shared her goal of creating an open environment in which staff members

felt they could approach her with criticism. When reflecting on her years at New Star Services in

an interview, the Brightstar Regional Director mused, "I think the thing that stands out most is

staff calling me on some things. And, the staff saying 'you know, I don't think that's right. I

don't think that is the correct thing to do.'" (Personal Interview, December 4, 2007). One staff

member recalled an instance when she questioned the director's judgment because she needed to

get back to a client and the director wanted her to do something else. As Caseworker 4 noted,

"Because, one time I couldn't get to this lady, this lady had Alzheimer's. I go in, and I said [to the

Brightstar Regional Director], 'If this lady dies tomorrow, what do you want me [to] feel?'"

(Personal Interview, March 1, 2002). Caseworker 4 further suggested she perceived Brightstar's

Regional Director as being comfortable with being questioned, that open communication was

central to work at New Star Services (Personal Interview, March 1, 2002). For her part, the

Regional Director remembered situations and conversations with staff members that became

heated, but she also recalled these were not the norm: "It doesn't have to happen often for you to

get the idea. … I'd say it happened four times" (Personal Interview, December 4, 2007). Those

moments, however, were powerful:

> Those things really stood out in my mind as, as cautions, I guess, in that, let's see
> about this decision, let's talk it over a little bit, let's not jump into something, you
> know, or do a knee jerk response to this. Unless [a decision] has to be made, you
> know, don't make it without consulting with some others and see their

perspective. Because, each time they turned out to be right. And, that was a pretty powerful message …" (Brightstar Regional Director, Personal Interview, December 4, 2007).

Behn (2001) has suggested that in order to avoid the trap of becoming either outlaws or cowards, managers should develop organizational practices that encourage discussion and feedback. Through her commitment to dialogue, including criticism, and the central location of her office, Brightstar's Regional Director sought to nurture an open and collaborative office dynamic and thus to support her staff members in more nuanced approaches to serving clients while also preventing oppositional thinking that could lead to falsely dichotomizing and too typical contracting regime responses.

In addition to her openness to questioning from staff members, the Brightstar Regional Director, also focused on the framing of choices to empower staff members to be able to make their own decisions regarding client care. As noted in chapter 5, she was cognizant both of organizational rules and procedures and the importance of staff members navigating their role in serving refugees. The Regional Director thus formally accepted some official limitations on the organization regarding different activities (as explored in chapter 5) while simultaneously seeking to secure space for her staff to address them on the ground by framing the situation so that staff members simply did not report certain activities and those actions therefore were not in official records. At the same time, by honoring her staff members' commitment to the organization's mission and affording them latitude in how they worked to achieve it, she routinely implemented strategies that did not fit the expected practices of the contracting regime regarding hierarchical decision-making and business-like approaches to management.

Another New Star Services Regional Director also attempted to guide her office in a more collaborative way, wanting to avoid the hierarchical approach that would fit neatly into contracting regime methods. She reflected that "making sure that we really did work as a team … was one of the things that really drew me to the work, this particular model, [and] I saw that as a good" (Former Star Central Regional Director, Personal Interview, July 23, 2012). Similarly, she saw "her job as being in a circle, rather than on top of a ladder" (Bernstein, 1991, p. 69). Like the Brightstar Regional Director, the Former Star Central Regional Director also sought to implement participatory decision-making and a team approach that aligned well with Bernstein's (1991) findings. She shared that each week she worked to "consider input from up and down the levels of client contact" (Former Star Central Regional Director, Personal Interview, July 23, 2012). Both of these examples illustrate ways that two of the regional directors were able to break out of the prison that Renz has identified—" the hierarchical, control-oriented paradigm of conventional organizing" (2010c, p. 51).

Having identified different instances in which NSS practitioners, as well as staff at the Southeastern State Refugee Resettlement Agency, acted outside of the norms of contracting regimes, I now point to how the concept of agonism helps to make sense of these choices while illustrating the potential for moving beyond antagonism.

Agonism as a Frame for Moving Beyond Contracting Regime Norms

"Since we cannot eliminate antagonism, we need to domesticate it to a
condition of agonism in which passion is mobilized constructively
(rather than destructively) toward the promotion of democratic decisions
that are partly consensual, but which also respectfully accept
unresolvable disagreements" (Hillier, 2003, p. 42).

I have identified examples of NSS practitioners engaging in activities that do not fit within the antagonistic framing typical of the contracting regime, both attempting to navigate outside of those dominant norms and assumptions and to engage with powerful stakeholders and their organizations to negotiate changes. Drawing on the theoretical lens of agonism, I now examine the context and characteristics of those initiatives to provide insights into how nonprofit practitioners might move beyond antagonistic accountability in the contract regime.

Agonism has its roots in the Greek 'agon' alluding to competition, conflict or contest. As such, different views and perspectives are accepted. I employ the idea of agonism as that of debate (Villa, 1992). Within that discussion space, however, instead of antagonism, which fosters hostility and opposition in adversarial engagement, agonism works to nurture plurality and the presence of multiple perspectives (Villa, 1992). Hannah Arendt's concept of agonism contributes to a conversation about communicative action that addresses, "not the instrumentalizing of another's will for one's own purposes, but the formation of a common will" (Habermas, 1983). However, it differs from Habermas's understanding of communicative action, which seeks consensus among all affected actors (Hillier, 2003) because agonism accepts "continuing tension among points of view" (Innes & Booher, 2010, p. 104). Rather than attempting to reconcile all different views and reach consensus, agonism calls for deliberation and is conceptualized, in part, in order to "retrieve a conception of agency and autonomy" and therefore to empower actors (Isaac, 1993). By "broadening the Nietzschean focus on the agonistic quality of action by reasserting the deliberative element" (Villa, 1992), agonism also conceives of deliberation as deep consideration. As such agonism can lead to both individual and collective processes without implying unity.

Nonprofit practitioner interests are typically filtered through the contracting regime's innate antagonism, resulting in behaviors or responses that are in line with or in opposition to the norms. Typical responses to the antagonistic framing of the contracting regime are acceding to or rebelling against accepted norms. However, the interests of NSS staff members, seen through the filter of agonism, result in unanticipated responses (illustrated in Figure 6).

Figure 6. Connection Between Actor Interests, the Contracting Regime, and Transformational Behaviors
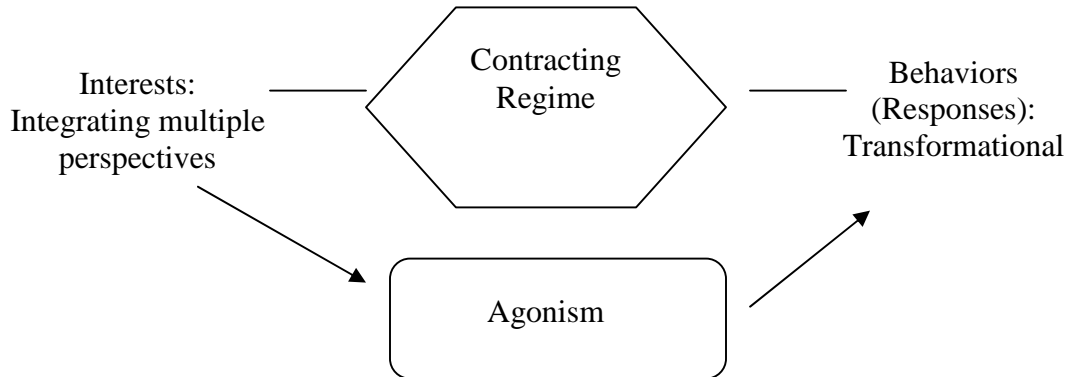
I next explore three components of agonism that help to illuminate the transformative actions of New Star Services practitioners—seeking common ground, accepting tension, and a persistent struggle to attain something positive.

Seeking Common Ground

"Hannah Arendt proceeds from a different model of action, the communicative …
The basic phenomenon is not the instrumentalizing of another's will for one's own purposes,
but the formation of a common will in a communication aimed at agreement"
(Habermas, 1983, p. 172).

Agonism, as a theoretical construct, does not point to consensus—absolute agreement—as a goal. Rather, an "agonistic space is a 'competitive space, in which one competes for recognition'" (Hillier, 2003, p. 41). However, within that opening, practitioners are asked to approach tensions discursively and for "the formation of a common will in a communication aimed at agreement" (Habermas, 1983, p. 172). As such, ongoing relationships among groups with different goals, perspectives, and practices require forgiving and promising: "Promising binds some to others in time and forgiving empowers those bonds to survive even in the face of action's unpredictabilities" (Honig, 1993, p. 531). Thus, "if you want to generate progress … you have to seek out, surface, nurture, and then carefully manage conflict toward resolution, rather than see it as something to be eliminated or neutralized. … Conflict is an essential resource in getting to the real, as opposed to superficial, harmony" (Heifetz, Linsky, & Grashow, 2009, p. 151). As such, conflict and dissensus is accepted. However, disagreement in some areas does not prevent seeking common ground in others. Thus, agonism points to the potential implicit in relationships, so long as participants seek to negotiate in areas in which they can agree, rather than arguing over their respective positions.

When New Star Services practitioners were first asked by auditors to add completion of yet another detailed form to their daily tasks, they were worried, both about the time it would take and the fact that the principal's request did not align with the client services activities they engaged in each day. Rather than completing the forms without question and therefore spending time that they believed would be better spent in other mission-based activities (as had been done in other instances, as explored in chapter 4), or simply 'guesstimating' as NSS practitioners had done in other similar situations (outlined in chapter 5), in this case, the NSS staff engaged in an

interaction of "dialogue, persuasion, and agreement" (Villa, 1992, p. 274). Instead of

approaching the situation as an oppositional either-or possibility centered on "interests, strategy,

and efficiency" (Villa, 1992, p. 274), the NSS staff members asked the auditors about the

purposes of the requested form. By asking 'why,' New Star Services staff members were "asking

… for an understanding of the needs, hopes, fears, or desires that it [the requested form]

serve[d]" (Fisher & Ury, 1991, p. 44).

By sharing concerns about the inappropriateness of the requested form and how it could

affect client services negatively and then listening to the auditors explain the purpose(s) of the

form from the point-of-view of the principal, New Star Services staff, along with their auditors,

were able to "clarify a complex situation such as this [by considering] multiple vantage points,

each of which adds a piece to the puzzle" (Heifetz, 1994, p. 22). Regulators and practitioners

were able to listen to each other and effectively communicate their perspectives and the

implications of various options. NSS managers were able to ask for clarifications and ultimately

understand the reasons for the requested data and then to offer alternative, and less onerous,

recording strategies that nonetheless addressed the desired aims. In the end, the auditors certainly

possessed authority simply to impose their version of the form, while practitioners could have

chosen either to accept, reject, or "game" that claim. However, their mutual desire to seek a

mutually beneficial solution allowed a negotiation that permitted a more acceptable outcome.

Accepting Tension

Even when participants seek common ground, the path to agonistic engagement is not

smooth. Indeed, agonism can be framed as a "continuing tension" (Innes & Booher, 2010, p.

104). Connolly (1993, p. 383) has articulated a similar view, noting "there are, additionally, numerous times and places where the terms of opposition are likely to remain implacable even after the initial positions have been softened by reciprocal acknowledgement of the contestability of each stance" and "there is no way to eliminate these tensions" (p. 383).

While New Star Services practitioners shared the success story of negotiated deliberation regarding the travel form, that success did not lead to a cascade of other changes. While that specific reporting mechanism was altered and, in that instance NSS managers were able to operate outside of oppositional claims, the typical roles of funders and grantees were not eliminated or deeply altered. When I asked if there were other successes in terms of negotiating with funders and regulators about paperwork requirements, the Former Star Central Regional Director responded, "I would say no. ... I can say there was no improvement" (Personal Interview, July 23, 2012). Furthermore, she noted that while the Southeastern State Refugee Resettlement Agency director encouraged open dialogue, she was nonetheless careful about what she shared with her. In thinking about the balance between seeing the SSRRA as an enforcer or a supporter, the former regional office director noted that, "my rule of thumb was, never, ever bring up a problem unless you're already addressing the problem. I never, I did not—I knew that that would not go down well because it would be looked on as a negative" (Former Star Central Regional Director, Personal Interview, July 23, 2012). In essence, she felt the need already to have an answer or solution to a problem before acknowledging it outside of her office.

The dual role of enforcer and supporter sought by SSRRA was a complex one that was difficult to navigate within the norms and policies of the contracting regime:

Government plays a dual role of contract manager and of service operator of related human services. …This dual role of government requires an outlook that can hold contractors at arm's length for accountability purposes and embrace and collaborate with them for program development and operations (Krauskopf & Chen, 2010, p. 626).

Walking the tightrope between advocacy and support of implementing nonprofits while also holding them to account for organizational resources and performance is difficult. Some practitioners I interviewed viewed the State Refugee Resettlement Agency as "the policemen for the feds." (Brightstar Regional Director, Personal Interview, March 1, 2002). However, simply because it was challenging to balance regulation and encouragement does not mean the effort to do so should not be attempted. As Hillier has contended, "conflicting differences between different groups' conceptions of the 'good' are not negatives to be eliminated, but rather diverse values to be recognized in decision-processes" (Hillier, 2003, p. 41). The state agency director shared in an interview with me that, "our strategy is: information, fairness, openness, collaborative problem solving" (Personal Interview, May 22, 2008). Despite this approach, the organization's attempts to realize its dual role were not perceived by affected nonprofit managers as entirely successful. One Regional Director shared her critique: "I think they do a terrible job and have continued to do a terrible job during my entire tenure here in terms of the kind of advocacy, the kind of forward thinking that could happen with a state coordinators office" (Brightstar Regional Director, Personal Interview, December 04, 2007).

However, even though the agency's balancing act was not viewed as universally effective, the SSRRA Director's actions did nonetheless deviate from the accepted view of the state office as a principal, in a strict enforcement role, and refugee resettlement agencies, as agents, in equally well defined answering roles. Furthermore, even with differing views about the

roles each should play, the SSRRA and New Star Services were tied together. As Inner and Booher have cautioned, "while it is tempting to pressure those who disagree to back off, to do so would be self-defeating" (Innes & Booher, 2010, p. 104). Put differently, the ongoing relationship between the state agency and NSS relied on an acceptance of the tensions between them in terms of their respective roles and perspectives. And, thus, even with differing views of the roles of SSRRA, both state and NSS practitioners continued to engage in their shared work of resettling refugees.

One positive example of this process at work was the fact that New Star Services practitioners successfully negotiated one of their reporting requirements despite the power imbalance in their relationship with their overseers. However, the situation was not as clear cut in practice. The Southeastern State Refugee Resettlement Agency attempted to serve dual roles of enforcer and supporter and due to the innate contradictions inherent in its position, was never entirely accepted as a supporter of the nonprofit organizations it oversaw.

Agonism accounts for this structural reality of the contract regime and incorporates the idea that differences, imperfections and tensions are expected and accepted. Indeed, in agonism "plurality and difference [are] essential" (Villa, 1992, p. 275). Instead of seeking complete consensus, participants in agonistic processes adopt a willingness to continue to interact, despite different perspectives, and despite individual interactions or events that could be deemed failures. And, likewise, while successes in interactions and engagement are positives, an agonistic framing of relationships assumes that different perspectives will persist and failure may occur in the future as well.

Having highlighted instances where there were negotiations between two parties enmeshed in a contract relationship, sometimes as isolated events and, at other points, ongoing, I now turn to a different, more teleological lens. In the following section, I explore the idea of struggling for something positive. Through a strategic decision to act differently from contracting regime norms, NSS practitioners sought possibilities that they believed would better serve the staff and clients of the organization. The agonistic framing of 'struggling for' something positive illuminates the NSS choices to create advisory boards and to adopt less hierarchical modes of operation within the organization.

"Struggle For"

> *"While agonism is generally construed as a struggle against,*
> *it may also be construed as a struggle for" (Hillier, 2003, p. 43).*

Two areas of New Star Service's activities could be categorized as "a struggle for," or working toward something, as New Star Services practitioners acted beyond contracting regime norms by creating a locus of activity outside of the legally responsible governing board and also developing and nurturing a more egalitarian office environment in one of its regional offices. However, neither the more collaborative approach to office dynamics and decision-making nor the creation of advisory boards was undertaken in oppositional response to the norms of the contracting regime. Instead, both of these decisions were seen as important for the organization's capacity to address its mission.

Advisory boards were created at each of the regional offices to support the staff and to serve clients better: "We were all there, whatever talents and experiences that we brought from

different areas, to actively support and actively work with the staff to support the clients"
(Community Board Member 5, Personal Interview, September 19, 2012). The staff of New Star
Services recognized that community support and engagement would further the mission of the
organization and add necessary functions in outreach, fundraising, and other areas. In line with
Saidel's findings in her analysis, the creation of advisory boards at New Star Services was "staff
generated" (Saidal, 1998, p. 433). And, as the regional director commented in an interview, "they
provide support, you know, financial support, volunteer support, and just emotional support for
the staff. I mean, they're very, very encouraging for the staff as well. Many of them are
volunteers who work with the refugees, tutoring and other things as well" (Brightstar Regional
Director, Personal Interview, March 1, 2002). In the end, the community boards served the goal
of advancing the mission of New Star Services and increasing its impact; the presence of
community boards associated with each office made a difference. As Governing Board Member
1 noted, "When you put all those things together, and they develop a positive attitude, when
families came in, they didn't say, 'We're overworked and we can't. ...' Even when faced with
refugees that were considered more challenging to resettle, they said... 'Bring 'em down!' They
just took everybody" (Personal Communication October 20, 2008).

Similarly, the Brightstar Regional Director's egalitarian approach to office management
and decision-making was employed to meet the organizational mission more effectively,
working toward a structure and dynamic that would vigorously serve refugee needs. While she
recognized that the norms and principles espoused within the contracting regime are typically
more hierarchical and business-like, Brightstar's Regional Director did not adopt her stance
toward management to contest the contracting regime. Instead, she acted from a fundamental

belief in how she should manage and support her staff: "I have always believed strongly, as a manager, that my job is to take care of the staff and that their job is to take care of the [clients], that if I do my job, they can do theirs" (Personal Interview, March 1, 2002). In each of these areas, NSS practitioners stepped out of antagonism and the related behaviors engendered by the contracting regime to create a response that supported their organizational mission and therefore 'struggled for' something.

Conclusions: The Possibilities for Transformation Through Agonism

This chapter has highlighted various situations in which New Star Services practitioners stepped out of the oppositional antagonism encouraged by the assumptions underpinning the contracting regime. Given that there is a lack of clarity about accountability relationships and definitions within the contracting regime (Behn, 2001; Koppell, 2005), agonism, which allows for imperfections and the continued presence of tensions, affords a useful lens for viewing potential responses to the contracting regime accountability norms. Rather than being trapped by the adversarial thinking that leads to a rebel versus sell-out dichotomization of alternatives, agonism provides a frame for understanding why, in a few instances, NSS practitioners opted instead for interaction between principals and agents or activities that were not typical within contracting regime norms. Each of these occurrences represents an example of challenges to existing contract regime constraints on behaviors and decision-making (whether consciously undertaken on that basis or not) and each represents an agonistic approach to work within that relational structure.

First, working to change forms for reporting purposes, practitioners moved beyond a framing that limited choices to acquiescence, duplicity or rebellion. Similar to the practitioners described in Bernstein's ground-breaking study, New Star Services staffers were able negotiate with funders and seek a solution that met the interests of both parties. And, through a sustained attempt at seeking common ground, they illustrated the possibilities for a transformation from the oppositional thinking aligned with contracting regime framing.[25] Similarly, the State Refugee Resettlement Agency sought to transform its relationship with resettlement providers, balancing the role of enforcer and supporter. Through closed door, confidential meetings between the directors of the resettlement providers in the state and the SSRRA Director aimed at identifying common issues and concerns, coordination of trainings on key topics of shared interest and other strategies, the state agency sought to shift its role from one that focused solely on funding and accountability to one that also supported nonprofit practitioners in their work as they resettled refugees in Southeastern State. With that said, the balancing act was awkward and not entirely successful. Agonism provides a useful theoretical lens to interpret the importance of the agency's attempts to recognize and "live with" the in-built tensions of its regulative and supportive roles.

A final example of the potential for agonistic actions to transform interactions within the contracting regime was the New Star Services regional office director's adoption of a management style that sought something other than typical business goals and instead engaged in shared decision-making and empowerment of staff members. Through free dialogue in staff meetings, being open to criticisms from employees, and ensuring the empowerment of staffers to

---

[25] However, that instance of agreement did not lead to sustained engagement between funders/regulators and NSS practitioners. The NSS practitioners generally accepted the tensions inherent in the principal-as-the-powerful-agent rubric. In chapter 7, I identify various interests that lead practitioners to respond to contracting regime demands in the three categorical ways I present: sell out, rebel, or transformational. I also explore the ways in which this case illustrates how we might support agents in recasting their thinking in the agonistic direction.

make the best choices themselves concerning how to support the organization's mission, the

Brightstar Regional Director provided an alternative model for managing that contravened

contracting norms. However, even with these efforts, one staff member observed in an interview

that the:

> nature of doing your job, you don't have enough opportunities to discuss it with someone. And, this is an area where I think the Brightstar Regional Director, should do more, you know, review of what we do. The times when I have sat down with someone and talked about it, I've always felt really good afterwards. … I like the process being discussed. I like to get questioned about it (Staff 1, Personal Interview, March 1, 2002).

Again, such moments of engagement did not lead to universal changes within New Star Services

or the contracting regime in which it was embedded, but Brightstar's Regional Director and

others were willing to engage in the 'struggle for' allowing participating nonprofits latitude to

press ahead with such efforts.

Each of the organizational examples described in this chapter demonstrates a shared

desire among nonprofit and/or funder/regulator practitioners, to seek more inclusive approaches

and to create new and different modes of operating. While not all of the activities have led to

mutually lauded results, the practitioners involved made the effort in these instances to imagine

something different from the internalized adversarial norms of the contracting regime. Each of

these activities suggests that agonistic interaction is possible and could ultimately lead to

changes within individuals, in terms of the norms they internalize, changes within organizations,

in terms of how they organize and are managed, and changes regarding how practitioners and

funders/regulators interact. The situations highlighted in this chapter suggest that agonistic

engagement may afford an alternative path that breaks out of the oppositional thinking typical of

the principal-agent norms of the contracting regime and therefore can lead to different

practitioner behaviors within that regime. Innes & Booher's claim that "the importance of agonism can hardly be emphasized enough" (2010, p. 104) rings true, as it may be applied to nonprofit-government contracting regime dynamics.

CHAPTER 7

CONCLUSIONS AND IMPLICATIONS

The call to fix what is broken exerts a powerful draw. There is great intuitive appeal to many of the proposals that have been offered in an attempt to improve the accountability of charities. It is important to bear in mind, however, that there is a delicate balance between enough regulation to protect legitimate social interests in preventing diversion of charitable assets to private pockets, or just plain down the drain, and enough regulation to squelch the qualities our society has most valued in the charitable sector. Both sides of the balance must be kept clearly in the line of sight while evaluating the existing rules or considering their revision, lest unintended trade-offs leave a charitable sector that is diminished rather than strengthened (Chisolm, 1995, p. 149).

The nonprofit-government contracting system has been plagued by tensions related to principal-agent framing that have lead to a perceived conflict between two oppositional possibilities: adherence to contracting regime norms of market-based strategies versus 'responsiveness to clients' (Smith & Lipsky, 1993, p. 45). This dichotomy and the tensions associated with it have drawn attention for decades (Behn, 2001; Bernstein, 1991; Christensen & Ebrahim, 2006; Dicke, 2002; Ebrahim, 2003a; Fry, 1995; Koppell, 2005). Many scholars have noted that current accountability processes and relationships, based on the principal-agent assumptions of the contracting regime, are oppositional in character and are not working as effectively as those involved with them would like (Behn, 2001; Bernstein, 1991; Dicke, 2002; Ebrahim, 2010b; Milward, et al., 1993; Smith, 2010). However, despite the fact that there are numerous questions about how best to define accountability (Koppell, 2005) as well as how to achieve various levels and forms of it (Christensen & Ebrahim, 2006; Ebrahim, 2003a; Najam, 1996; Ospina, Diaz, & O'Sullivan, 2002), there is near universal acceptance that the concept and the actions it implies are important (Koppell, 2005). As such, "improving nonprofit accountability is one of the most important issues facing the sector" (Benjamin, 2008, p. 201).

There have been many efforts to reframe nonprofit accountability as multidirectional and to integrate mechanisms that facilitate it beyond a principal-agent focus on government stakeholders (Behn, 2001; Bernstein, 1991; Christensen & Ebrahim, 2006; Ebrahim, 2003a, 2009; Edwards & Hulme, 1996a; Kearns, 1996; Koppell, 2005; Najam, 1996). However, power still resides with the principal in nonprofit-government contracting. As Ebrahim has observed, "it is inescapable that nonprofits will continue to face multiple and competing accountability demands. After all, funders have a right to demand accountability for their resources" (Ebrahim, 2010a, p. 117). Furthermore, the tensions associated with the adversarial principal-agent accountability system persist, as has searching for solutions within their confines. As Dicke has contended, "the wide acceptance of the principal-agent theory perspective has slowed the development of alternative theories and methods that might be able to address important accountability gaps" (2002, p. 467).

Interestingly, attempts to address the tensions of the antagonism present in the principal-agent accountability system have involved alternative mechanisms that can be seen as arising from the same "thinking that looks to cope" (Burns, 2003). However, prescriptions for different strategies or activities may be less important than changes in the broader framing of how interactions within the contracting regime are approached, as "the perspectives of the principal and the agent on their relationship shape whether accountability is experienced as a monitoring or as an enabling process" (Fry, 1995, p. 186). As Kahane has argued, "a problem that is generatively complex cannot be solved with a prepackaged solution from the past" (2004, p. 101). While it may not be possible to eliminate the antagonistic nature of interactions within the

contracting regime fully, if interactions remain in the antagonistic realm, it appears likely that neither funders nor nonprofit service providers will believe the system is working adequately. And, without a shift in the framing through which the rules and processes are viewed, the regime really has no means or instrument to address this underlying tension. As Albert Einstein famously contended, "The world we have created today as a result of our thinking thus far has problems which cannot be solved by thinking the way we thought when we created them" (cited in Innes & Booher, 2010, p. 1).

A more important goal or challenge may be to provide opportunities for those within the contracting regime to experience new ways of thinking, and thereby come to reconsider their typical responses underlying norms that guide their relationship. As the case of NSS demonstrated, trust among the parties can result in an increased likelihood of collaborative work to improve service provision and use of resources. Nonprofit accountability would also likely benefit from such dialogue. As Williams and Taylor have observed, "upward and downward accountability can be better achieved in the presence of strong lateral accountability mechanisms because ultimately, accountability should create a culture of trust between stakeholders" (2012, p. 11). A culture of trust could begin to engender a view of the partnership among both principal and agent in which, "accountability is composed of practices of clarifying expectations, agreeing on goals and criteria for assessing progress toward them, and then providing information by which to assess performance" (Holland, 2002, p. 426).

This analysis of New Star Services practitioner responses to the accountability demands of the contracting regime suggests several important conclusions. First, location of practitioners

within their nonprofit organization, especially in relation to their proximity to different stakeholders as well as their guiding interests, impact their behaviors. Furthermore, the current hierarchical, adversarial relationship among government agencies and nonprofit organizations is not working as effectively as neoliberal assumptions predict. The practice of nonprofit service delivery is complex and the typical responses to antagonism—accede to or rebel against regime norms—lead to unintended and unpredicted outcomes. The NSS case suggests that nonprofit service providers sometimes choose to accede to the demands of their funders, even when these actions can diminish organizational capacity—presumably an undesirable outcome from the perspective of their government grantors. Furthermore, NSS illustrates that organizations sometimes fail to follow the dictates of their funders and/or regulators because they believe their energies will best serve clients when pursued in other ways. Yet, in this case, the organization was still perceived to be successful by its principal, and, in fact, may have been effective in serving its clients precisely because practitioners rebelled. This fact calls into question assumptions about hierarchical control and of the primacy given in neo-liberal claims to following principals' dictates.

Beyond these dichotomous reactions, another category of responses emerged—those guided by an agonistic framing. While these activities were difficult to name, I have labeled them transformational and have identified ways that NSS practitioner experiences highlight the importance of shared occasions for reflection, generative thinking, and dialogue around common interests. These opportunities offer points-in-time when regime actors may be drawn away from dichotomous choices of rebel or accede. I next explore the implications of these findings for

interpreting and understanding government-nonprofit accountability practices within the context of nonprofit-government relationships more broadly.

The Illusion of Hierarchical Control

The principal-agent accountability system constitutes the normative foundation of the nonprofit-government contracting regime. Built on neoliberal values and assumptions about individual self-interest, the contracting regime embraces competition, professionalism, and hierarchical structures with a bias toward donors as controlling principals. The regime reinforces principal-agent accountability norms and fosters interactions that are oppositional and adversarial, and primarily focused on defending the principal against the possible wrongdoing of the agent (Behn, 2001; Ebrahim, 2010a, 2010b; O'Neill, 2002).

However, there is an inherent tension in the system since no amount of top-down and detailed monitoring, reporting, and auditing can guarantee that agents will follow a principal's dictates. In the face of deeply embedded norms and associated claims, "accountability for adhering to the wishes of a donor may collide with accountability for administering charitable assets in a manner consistent with present managers' best-considered judgment about the most productive and socially beneficial use of resources" (Chisolm, 1995, p. 150). Accordingly, it appears at first that when a principal's decisions and administrative oversight processes do not align with nonprofit practitioner perceptions concerning how to meet the organization's mission effectively, there are only two possible responses, to accede to or act against the imposed strictures.

As explored in chapter 2, regimes embody norms or expectations that guide the

expectations of individuals within them. That is, these systems create and nurture sets of

behaviors that reflect accepted norms. However, customs do not, in themselves, guarantee

actions. As Smith and Lipsky have argued, "all actors in a regime do not operate internally on

the same principles" (1993, p. 43). According to Krasner (1982), actors' responses are crafted by

filtering their interests through a regime's norms. So, in the case of New Star Services, when

practitioners were faced with how to respond, they generally chose either to sacrifice some

elements of organizational capacity in order to retain funding or relinquish reporting accuracy in

order to meet client needs.

When asked about a reporting system implemented by the SSRRA, for example,

Brightstar's Regional Director first laughed with a sense of irony, and then said:

> You don't know how funny that is. If you were to ask Staff 4 that, she would
> probably weep, cry, get hysterical. … The reason my reaction was what it was is
> that they have just created a new one [reporting system]. And, [in keeping with]
> the boundless intelligence that SSRRA has demonstrated in the past, they
> continued in this way in deciding they would implement it right at the beginning
> of a new quarter when all information has to be put in; and the system is a mess,
> but they decided to do it anyway, and, almost none of the data got in because the
> system was not fully tested. … I was being very sarcastic about the boundless
> intellectual ability of the SSRRA. They have done this kind of stuff before. They
> did not involve the offices in what would work and what would not work. They
> did not field test it well enough … at all. And, then, they put it in at a time when it
> was mandatory for everybody to get on and nobody could get on [the system]
> (Personal Interview, December 4, 2007).

NSS practitioner antagonistic responses to situations such as this varied based on both their

guiding interests and their location within the organizational structure of the nonprofit (illustrated

in Table 5).

Table 5. NSS Practitioner Antagonistic Responses

Response	Guiding Interest	Organizational Level
Sell out / Accede	Organizational Survival	Coordinating
Rebel	Client/service delivery focus	Regional (local)

A manager at the state coordinating office would likely respond to the dilemma above by requesting that staff members work late to enter the necessary information into the system, even though that step would diminish staff members' energy and available time for other tasks. The interest of organizational survival—by ensuring funding—was manifest through simultaneous NSS manager willingness to do more with reduced resources and to give priority to burdensome paperwork. Practitioners expressed regret at these turns, but also evidenced a sort of shoulder-shrugging acceptance that there did not seem to be another choice when discussing these activities and choices in interviews. On the other hand, leaders and staff at the regional office level were guided by an overriding interest in serving clients and, as such, they routinely marginalized any activity that appeared to jeopardize that focus. Thus, practitioners at this level would likely respond to the above situation by seeking alternate ways to complete the required documentation, continuing using an 'old' database for as long as possible, or looking for ways to 'guesstimate' less important aspects of data entry. Neither of these responses or their related consequences aligns with principal-agent assumptions regarding interaction of the partners.

One can assume that principals share with their nonprofit organization partners the goal of resettling refugees to be self-sufficient in their new homes. Thus, it follows that refugee resettlement nonprofits would be deemed successful from the perspective of principal-agent

theory and assumptions if they simply adhered to the processes and expectations designed by their principals. Concurrently, if these nonprofit organizations did not follow the rules prescribed by their funders, they were likely to be perceived by their principal, at least by ascription, as not meeting their goals and heighten their risk of falling out of favor. The case of New Star Services, however, calls these assumptions into question.

The contracting regime emphasizes upward accountability because of an embedded assumption that if nonprofit organizations meet the principal's goals, the greater good will be met. However, in attempting to secure and retain organizational funding, NSS practitioners (frequently at the coordinating office and less often at regional offices) suggested that they had sometimes 'sold out,' by sacrificing components of their organization in order to do whatever was necessary to gain success, as that aim had been defined and determined by the regime. They sought funding even with perceived organizational costs, accepted demands to increase services while receiving decreasing levels of funding, and endured onerous and arduous paperwork obligations. They also engaged in other activities that highlighted how contract regime norms had become deeply entrenched, transitioning to a primarily paid staff service model from the former volunteer-focused one, as well as the creation of a governing board that failed to serve many of its nominal roles.

On the other hand, one of the local branch offices of New Star Services chose episodically to rebel against the norms of the regime and SSRRA leaders nonetheless praised the unit. As discussed in chapter 5, rather than sacrifice activities that they viewed as fundamental to meeting their mission, various Brightstar office staff members responded to contracting regime

pressures by making client needs their priority in lieu of spending valuable time on what they viewed as senseless and onerous reporting requirements. Notably, these choices did not seem to affect their relationships with their funder. In fact, as Brightstar's Director said, "I can say this because I know that they would confirm it. … They think the Brightstar office of New Star Services walks on water. I mean that the SSRRA thinks we do a superior job" (Personal Interview, December 4, 2007). Indeed, when discussing the different service providers across the state, the director of the state agency confirmed that she thought the Brightstar office was quite strong. She further observed that, in her view, Brightstar's Regional Director was exceptional: "I think of it like a gemstone bracelet and you are going to have precious stones and you are going to have semi-precious stones. I would put Brightstar's Regional Director there—she is, definitely, a sapphire in the bracelet" (Personal Interview, May 22, 2008). The state executive also told me in the same interview that she was aware that the "Brightstar Regional Director was a maverick in her operation." This recognition has important implications regarding the import, or lack thereof, of following funder requirements precisely. This perception seems also to affirm Behn's claim that some practitioners respond to the demands of the current principal-agent accountability system by focusing on meeting their mission and hoping "that the results they produce will protect them from any punishment for any of the rules that they may break along the way" (2001, p. 29).

The unintended consequences that these responses bring have possible implications for federated nonprofit organizations, in that managers and leaders located in coordinating or headquarters offices may be guided by their attention to institutional survival and to ensuring ongoing organizational funding. In doing so, they may lose sight of the implications such choices

have for organizational capacity and for serving clients. On the other hand, staff members at the regional or local levels of federated nonprofit organizations may make decisions based on their close contact with clients. Meanwhile, a singular focus on those served can have negative longer-term implications for nonprofit organizations, at least if needed reporting is repeatedly sacrificed to do so.

These findings suggest two key implications. First, there is some predictability in how nonprofit practitioners respond to the antagonism innate to the regime. As Oliver has observed, "When organizations are not assumed to be invariably passive or active, conforming or resistant, then responses to the institutional environment become cast as behaviors to be predicted rather than theoretically predefined outcomes of institutional processes" (1991, p. 174). Thus, by identifying both the proximity to key stakeholders (typically funders or clients) as well as the guiding interests of the practitioners (in this case organizational survival and client service), one can begin to predict how nonprofit practitioners will respond within an antagonistic framework. Thus, while there is some variability in responses, the responses are also somewhat foreseeable.

However, another key finding is that the neoliberal norms of the contracting regime have created a conundrum where acceding and rebellion do not necessarily lead to anticipated outcomes and both come with risks to nonprofit organizations as well as to the achievement of the ultimate goal of principals and agents, in this case, successful refugee resettlement. Oliver has poignantly captured this tension:

> If resistance to institutional norms and requirements can threaten long-run
> viability by provoking possible retaliation, loss of resources, or the removal of
> social support, then conformity to the institutional environment can also threaten
> long-run survival by imposing structural and procedural rigidities on the

organization that inhibit its ability to adapt and respond to future unseen contingencies as they arise in the environment" (Oliver, 1991, p. 175).

In the case of New Star Services, acceding to the demands did diminish organizational capacity while rebellion did not seem to risk loss of resources or support. However, the tension remained omnipresent and my interviewees did worry that some of their rebellion might harm the organization in the long run. Thus, while neither of these responses were wholly "bad" options, there was a tradeoff for organizational practitioners who felt trapped into thinking that these were their only two possibilities. Thus, "it makes sense to investigate the range of responses available to organizations rather than to argue a priori that passive conformity or, alternatively, strategic noncompliance is the appropriate mode of responsiveness" (Oliver, 1991, p. 175). Along these lines, I now turn to an exploration of transformational responses and the activities that seemed to support them.

Transforming NSS Practitioner Responses
Through Reflection and Generative Thinking

The context of nonprofit-government contracting sets up certain expected responses. As Dudley has noted, "the perspective of 'being held to account' in a discrete contract, makes it difficult to move away from an adversarial position even when co-production is desirable" (1996, p. 52). Thus, practitioners typically enact old scripts, drawing on previous experiences without question. That is, they may be said to be downloading old files without alteration (Kahane, 2004). As explored, practitioners' typical responses in the contracting regime—sell out or rebel—epitomize the longstanding principal-agent accountability framing. Neither of these responses is ideal. They often left NSS practitioners feeling they had limited options when pulled between the work they sought to do to serve refugees and the processes and rules their funders

imposed. And, ultimately, neither of these responses served the goals of funders: efficient use of

resources to best serve their clients.

There were glimmers within New Star Services of another form of response that did not

fit within the predictable categories of an antagonistic framing. Negotiating processes of

accountability and reporting, employing local advisory boards to address some of the tasks that

normally would fall under the purview of the governing board, using a different management

approach within New Star Services, and thinking differently about relationships between the

state agency and local refugee resettlement organizations are all examples of transformational

responses. These activities involved nonprofit practitioners acting outside of regime expectations

that otherwise appeared to limit their choices either simply to serving funder expectations or

refusing to address those (Behn, 2001). Each of these alternate actions demonstrated, "new ways

to interpret what goes on around you and new ways to carry out work" (Heifetz, et al., 2009, p.

105). The case of NSS demonstrates that even within the regime, practitioners can respond to the

oppositional and adversarial context in ways not predicted by antagonism. Indeed, the agonistic

responses outlined in chapter 6 "pose a third option: a transformation in our ability to talk, think,

and act together" (Kahane, 2004, p. ix). These transformational responses occurred within

practitioners, among practitioners within New Star Services, and between NSS staff and funders.

Given the power of the regime, why were New Star Services practitioners able to alter the

lens or frame through which they were viewing principal-agent interactions and other contracting

regime oppositional practices?[26] If we assume that certain components of the contracting regime

---

[26] Please see Figure 6: Connection Between Actor Interests, the Contracting Regime, and Transformational
Behaviors on page 140 for an illustration of this alternate framing.

are unlikely to change, how might we move toward an alternate framing that creates, "an enabling process that can help agents (and principals) better accomplish their goals" (Ebrahim, 2009, p. 890)? I now turn to an analysis of what these examples of transformational responses portend about the potential of such an unexpected framing and possibly about different ways to address nonprofit accountability within the contracting regime. I argue that analysts can indeed begin to imagine a response to Ebrahim's challenge: Is there "an alternate vision for how their [nonprofit practitioner] relationships with government might better facilitate social change" (Ebrahim, 2010b, p. 630).

The contracting regime relies on nonprofit staff members accepting and integrating norms, rules, and processes into their daily work. In order to consider alternatives to the embedded antagonism that frames the two possibilities of sell out or rebel, practitioners must see beyond their daily activities and have some "distance from [their] situation" (Wenger, 2000, p. 228). As Schon has noted, "Through reflection, [practitioners] can surface and criticize the tacit understandings that have grown up around the repetitive experiences of a specialized practice, and can make new sense of the situations of uncertainty or uniqueness which he may allow himself to experience" (1983, p. 61). I have described moments when staff members in one of the NSS regional offices—Brightstar—paused to consider their actions. Through that contemplation and guided and supported by their Regional Director, NSS practitioners were better equipped to call into question the regime norms that they and others had internalized as well as to give attention to the big picture of the work their organization was undertaking.

Scholars have highlighted the importance of ensuring adequate time for reflection as a

key requisite for successfully managing nonprofit organizations (Ebrahim, 2010b; Greenleaf,

1991; Heifetz, 1994; Schon, 1983). In order to see beyond the daily tasks and problems, leaders

and managers need opportunities to pause:

> Consider the experience of dancing on a dance floor in contrast with standing on a
> balcony and watching other people dance. Engaged in the dance, it is nearly
> impossible to get a sense of the patterns made by everyone on the floor. Motion
> makes observation difficult. Indeed, we can often get carried away by the dance.
> Our attention is captured by the music, our partner, and the need to sense the
> dancing space of others nearby to stay off their toes. To discern the larger patterns
> on the dance floor—to see who is dancing with whom, in what groups, in what
> location, and who is sitting out which kind of dance—we have to stop moving and
> get to the balcony (Heifetz, 1994, p. 253).

Multiple staff members at New Star Services each independently remarked in interviews that

opportunities for pausing and talking together were important to their work. Staff meetings often

provided such a space, stepping outside of the motion that Heifetz noted, in order to determine

next steps. As one interviewee observed: "The staff meetings are very important. … We

brainstorm at that time. That's also a time when we can let our apprehensions, our fears, our

concerns be known" (Staff member 6, Personal Interview, February 22, 2002). Another staffer

noted that,

> Staff meetings are great. We have to have staff meetings. …You have to talk
> about the families, and its one opportunity to talk about the families as a group.
> And, people have different information, and we fill each other in on what's going
> on with the family. It's really essential because we're all going in different
> directions for the rest of the week (Staff member 1, Personal Interview, March 1,
> 2002).

The idea of talking together about problems was singled out as centrally significant by the Star

Central Regional Director as well: "It is … one of the things that was helpful. … Somebody

[inevitably and helpfully] comes at it from a different perspective" (Personal Interview, July 23,

2013). While these moments were valued by NSS practitioners, it is less clear whether they

moved beyond addressing "day-to-day demands" actually to consider "the forest, not just the trees" (Ebrahim, 2010b, p. 630). However, one could argue that any time practitioners pause to consider options, they are engaging in a reflexive exercise (Harding, 1986; Longino, 2002). Regular, ongoing occasions to pause and consider what they are doing and, more importantly, why, are instrumental to increasing the possibility for transformational thinking.

While allowing time for space to pause is one important component, Brightstar's leader also clearly recognized that "partners can help greatly" (Heifetz, 1994, p. 273). Thus, she reported in an interview that she routinely sought out others with whom to reflect and brainstorm about organizational problems and challenges: "I mean a lot of issues can be talked about within the staff as a whole and then I bring in 14 people's experience instead of just my own as to how this can be resolved" (Brightstar Regional Director, Personal Interview, December 4, 2007). At other times, she sought out the NSS Executive Director in order to test ideas and reflections and to discuss situations confronting the organization.

Additionally, the Brightstar Regional Director consciously recognized that, in order to lead effectively, she needed to move back and forth between the metaphoric balcony and dance floor (Heifetz, 1994). When asked how she made decisions, she responded,

> A lot of what I do is predicated on my experience over the last many years in social work. And, so I do an internal review. 'Has this happened before? Has this issue come up before? Is it something that is brand new?' And then looking at a bigger picture. It is really interesting how much my background in philosophy and in law has really assisted me. And, I know I mentioned this before, but, in looking at that bigger picture, and how this fits in with my experience of what will work and then my ideas about how things need to fall together, both from a client point of view and from a staff point of view and looking at both of those kinds of things, I make a decision about whether a decision should be made immediately … or if it can wait until a staff meeting where all of the elements of our office can

be brought to bear and we can think about this in a really creative way, about how something can be resolved. And really, a lot of problems can [be addressed] that way (Brightstar Regional Director, Personal Interview, December 4, 2007).

The Regional Director of Brightstar self-consciously set aside time and space to think, while also recognizing that some decisions needed to be made quickly. By actively acknowledging the importance of considering the full context of a situation, the roles people were playing, and the implications of choices from various stakeholder perspectives, she was able to bring perspective to the decision-making process, an outcome that Heifetz (1994) has dubbed essential to effective leadership. Sometimes, seeing the larger picture may involve going to, "a place where one can hear oneself think. Working amidst the cacophony of a multiple-band dance floor, one needs a sanctuary to restore one's sense of purpose, put issues in perspective, and regain courage and heart" (Heifetz, 1994, p. 273).

Opportunities for reflection are clearly important. However, for a transformation of practitioner response truly to occur, reflection must be coupled with generative thinking. The transformative process begins with recognition that one may choose how to view a situation. Thus, "when practitioners are unaware of their frames for roles or problems, they do not experience the need to choose among them. They do not attend to the ways in which they *construct* the reality in which they function; for them, it is simply the given reality" (Schon, 1983, p. 310). Moving assumptions to conscious awareness is a first step, as "conscious reflexivity on our assumptions and modes of thinking … carries *transformative power*" [emphasis original] (Healey, 2006, p. 49). Once a practitioner begins to acknowledge that s/he is using certain frames to understand situations, s/he "also becomes aware of the possibility of alternative ways of framing the reality of his[/her] practice" (Schon, 1983, p. 310). Through

reflexivity, practitioners in the contracting regime can begin to generate options that may help to address operating constraints more effectively rather than being limited by the current context or perceptions about what has always been (Harding, 1986; Longino, 2002; Scholte, 1972). By thinking of alternatives outside of normal operations, probing assumptions, and focusing on core values, the instances I have described in chapter 6 illustrate that practitioners were able to begin to imagine new possibilities for the funder-nonprofit organization relationship in which they were ensconced.

The importance of focusing on the big picture rather than the minutiae cannot be overstated. One NSS practitioner noted: "I always keep my eye on, why are we here?" (Community Board Member 5, Personal Interview, September 19, 2012). By focusing on clients and the services they needed, he was able to think creatively about possibilities and therefore could feel less restricted by the oppositional claims inherent in principal-agent interactions. Others shared this perspective—that NSS staff members needed to focus on their nonprofit's purpose and on new strategies for serving clients. When I asked Governing Board Member 2 how he would know if New Star Services was successful, he suggested that its practitioners would be "looking for better ways" to do things (Personal Interview, October 20, 2008). The organization's executive director agreed with this claim, arguing that it is important to "find new ways of doing things" (Personal Interview, May 22, 2008). Thus, building on reflection and taking time and making space to consider alternatives is important in thinking beyond typical contracting regime positional exchanges. As Wenger has contended, "the work of imagination … require[s] opportunities for taking some distance from our situation" (2000, p. 228).

By taking steps aimed at seeing the big picture, choosing to engage purposively in reflective activities, and imagining new modes of interaction, New Star Services' leaders were engaged in a generative thinking process. Rather than assuming that knowledge is based on objective, external facts, generative thinking shifts to an experimental, interpretive approach that assumes that "intellectual paradigms … are contextually situated and relative" (Scholte, 1972, p. 431). Through reflexivity, practitioners nurture awareness and consideration of alternative framings of experiences, which, in turn, allows other possibilities to emerge in any given situation. As Bradshaw has suggested,

> deframing is a process of critically assessing the strategic frame … and revealing its underlying assumptions, beliefs, and ways of making sense of the organization. This process requires the ability to step back from the often taken-for-granted ways that things are done and reflect on them, in a way that can engage the spirit of creativity and learning (Bradshaw, 2002, p. 478).

By reframing not only the solutions to problems, but also the context and basic understanding of the questions and challenges at hand, generative thinking "produces a sense of what knowledge, information, and data *mean*" [emphasis original] (Chait, et al., 2005, p. 84). Drawing on Schon's (1983) ideas regarding the reflective practitioner and Heifetz's (1994) concept of adaptive leadership, I argue generative thinking can create an environment in which leaders can give attention to specific organizational processes and relationships instead of the imagined rationalism and uniformity championed by the contracting regime. The complexities of nonprofit practitioners' work, "the day-to-day demands of running a social service agency, especially during a major recession, make it difficult to look beyond one's own organization" (Ebrahim, 2010b, p. 630). This is why it is important that space for reflection be nurtured. If it is to happen consistently and across organizations, opportunities for contemplation must be purposefully developed, supported, and engaged by nonprofit practitioners as well as funders and

regulators. If enacted more systematically, reflection and generative thinking might contribute to the larger "paradigm shift" for which Fry (1995, p. 193) has called and might lead to wider adoption of nonprofit staff responses that go beyond thinking that simply *copes* with regime norms.

Toward Broader Transformation of Responses

The case of New Star Services suggests that opportunities to pause, reflect, and consider alternatives are essential for transformational responses. It follows that dialogue and engagement with stakeholders around interests rather than positions are necessary in order to achieve interactions outside of typical contracting regime framings. Through reflection and generative thinking, NSS practitioners were able to find moments to consider different perspectives that permitted them to move away from antagonistic positions to focus on their guiding interests. As Fisher and Ury have argued, "interests motivate people; they are the silent movers behind the hubbub of positions. Your position is something you have decided upon. Your interests are what caused you to so decide" (1991, p. 41). When NSS practitioners were able to negotiate with regulators to adjust a required mileage and time form, they were effective partially because they focused on the bigger picture, seeking commonalities in underlying interests. This attention to interests has the potential to encourage successful negotiation partially because "for every interest there usually exist several possible positions that could satisfy it" (Fisher & Ury, 1991, p. 42). Thus, being able to articulate one's organizational interests as well as listen to those of other participants in the contracting regime is important if practitioners are to have any hope of breaking out of deeply engrained oppositional responses.

Dialogue between parties was also necessary for interactions to change. In the mid-1990s, Fry posited, "the concept of 'conversation for accountability' posed a pragmatic opportunity for nonprofits in particular to turn the current environment of finger pointing and aggressive monitoring into an enabling organizational practice that benefits both nonprofit members and their clients or constituencies" (1995, p. 181). His work called for funders, regulators, and nonprofit staff members to engage in negotiations to create an "alliance around accountability, not a separation of actor and evaluator" (Fry, 1995, p. 193). While individual moments of pause and reflection were important for NSS practitioners, interactions among parties do not occur in a vacuum. Sustained and respectful exchanges were necessary and these elicited shifts in deeper-seated expectations and values in the few instances in which interactions led to transformational responses in the refugee resettlement services case I examined. In the end, dialogue needed, as Kahane has observed, "to go deep enough for us to find the ground that we truly had in common, and from which we could construct a way forward that we all believe in" (Kahane, 2004, p. 57).

Additionally, for transformational responses to reach systemic levels, more voices are required in the process. If participants accept the antagonism of the contracting regime as it is, the options for reacting to those constraints are routinely narrowed to two: accede or rebel, unless the pressures become too much, at which point, as one NSS practitioner illustrated, affected individuals may simply choose to leave the organization. Hirschman (1970) has similarly identified two possibilities for organizational members if they perceive that the organization is declining in quality or failing to serve the purposes that matter to them: exit or voice. In the case of NSS, practitioners often chose not to do either. Without engaging in dialogue, New Star practitioners chose to rebel (often subtly and silently) against the rules of the regime when they

saw those claims conflicting with organizational responsibility to clients. At different moments, NSS staff members acceded to contracting regime norms, even while their organizational capacity diminished as a result. Through these two sets of responses, many nonprofit staff members exercised neither voice nor exit, instead seeing the situation as an inevitable result of governmental contracting. However, because they willingly stayed within the relationship, NSS practitioner responses expressed a sort of loyalty in Hirschman's terms.

It was only in transformational responses through agonism that NSS practitioners used their voices to try to alter individual and organizational responses to the regime. And, despite these glimmers of an alternative reaction, they rarely believed that the actions they undertook were significant. Part of the tension articulated here is that lone voices face challenges when trying to instigate shifts in the normal ways of interacting within the contracting regime. As a Former Star Central Regional Director noted:

> The executive director was one of the lone voices nationally for VOLAG affiliates about [this] grant because it is what we were doing to begin with, which is getting donated furniture and getting volunteers, and we assumed that that should be the practice. Well, other places apparently weren't doing it. So, they [the VOLAG] came up with a way of trying to entice people into doing it by dangling money in front of them. And, the accounting of that is pretty ridiculous and it makes you do unfair things for, in terms of, if you have two families that need a volunteer, you'll pick the [grant categorized] family whether they need the volunteer more than the other family. You almost have to do it. … I have the quote that our executive director loves because she was always encountering allies in revolt against [the] grant. And, she said 'but, they keep saying 'we like it' and she would say 'but why do you like it' and they would say 'because it gives us money' and I said, it's like saying that someone whose job is digging latrines saying that they like their job because it gives them money, it doesn't mean that they wouldn't really prefer another way of making money (Personal Interview, July 23, 2012).

In this instance, when one practitioner clearly saw the perverse incentives and risks to organizational effectiveness at play in a grant scenario, her voice was not sufficient alone to

secure change. This situation points to the importance of sustained, respectful dialogue that focuses on finding shared interests among parties within the contracting regime in order to develop more broadly enacted transformational responses.

Here, I've pointed to reflection and generative thinking as two strategies that may support the "paradigm shift" for which Fry (1995, p. 193) has called. Through agonism, and "agonistic respect" more specifically (Connolly, 1993), nonprofit practitioners can respond to regime pressures differently. Looking beyond the oppositional claims that principal-agent relationships can create, the dichotomous characterizations that permeate conversations about nonprofit accountability, the examples of NSS practitioner transformational responses I have identified point to the possibility that participants within the contracting regime can engage in agonistic respect. This engagement allows "a social relation of respect for the opponent against whom you define yourself even while you resist its imperatives" (Connolly, 1993, p. 381). By pausing to explore the context of a situation and identifying different responses to it, practitioners are better equipped to accept differences with respect, recognizing the interdependence of actors within the regime. Therefore, even while operating within the norms of principal-agent relations, they can respond beyond their confines. This is a nuanced view of transformation whose guiding claim is epistemic scale consciousness-raising that recognizes the pluralism of roles, values and beliefs of those in the contracting regime and thus does not impose a single vision on any of them.[27]

---

[27] Furthermore, while the responses outlined in this study do not point to changes in the structure of the contracting regime, it may be that they could serve as the foundation for future changes in it. .One respondent noted that after her retirement, she was engaged in political activism around refugee resettlement as well as other issues. It may be that the transformational responses identified here could lead to political engagement as one strategy aimed at challenging the underlying norms and principles of the regime.

Final Reflections

While I have drawn on the work of scholars such as Bernstein (1991), Behn (2001), and Smith and Lipsky (1993) concerning nonprofit-government contracting in my analysis, I have generally followed a grounded theory approach and allowed the practitioners' language and views about how they have responded to the contracting regime to guide and frame my analysis. I identified modes of thinking that trapped NSS practitioners into either-or decision-making within the antagonism of the contracting regime. I have similarly highlighted ways that, "the economic-biased, systems-focused, instrumental-means-end rationality … remains a major limitation for organizations whose mission is sociologically embedded" (Millar & Abraham, 2006, p. 4). Accordingly, I have pointed to steps that nonprofit staff members and other actors within the regime can take to move beyond the antagonism inherent in contracting regime practices, especially those centered on principal-determined nonprofit accountability claims.

Following Nowland-Foreman, who has lamented the lack of opportunities for nonprofit staff members to think deeply about their work,[28] I have identified the importance of reflection in allowing practitioners to engage the norms of the contracting regime and develop alternatives to those assumptions. Ultimately, I have suggested ways and means by which "a transformation in [contracting regime actors'] ability to talk, think, and act together" (Senge, 2004, p. ix) and engage in interactions that are no longer full of "bad blood" can occur (Bernstein, 1991, p. 42). Next steps might include creating opportunities for actors within the regime to engage in both dialogue and thinking that focuses on the underlying interests that led to this system being developed, rather than the positions that current stakeholders tend to espouse. New Star Services

---

[28] "With the increased pressure to perform, there is, ironically, no time to stop and ponder" (Nowland-Foreman, 1998, p. 110).

staff members' experiences point to reflexivity and generative thinking as possible approaches that can provide opportunities to see other perspectives, accept imperfections, and strive toward identifying and acting on shared goals.

Ultimately, however, this research supports the arguments that some scholars have offered that there can be no one standard mode of ensuring accountability (Edwards & Hulme, 1996a; Keevers, Treleaven, Sykes, & Darcy, 2012). An agonistic lens recognizes that a single approach is not appropriate because "ways of working need to be contingent on circumstances, time, place, and stakeholders" (Hillier, 2003, p. 54) and accountability dilemmas "cannot be 'solved'—they have to be managed" (Edwards & Hulme, 1996a, p. 208). In the end, the NSS case points to the possibility that, "rather than concentrating efforts on regulation and standardization of community organization practices by assessing them against uniform performance measures and 'results,'" those interested in improving the nonprofit-government contracting system might best adopt "a more pluralistic approach to both evaluation and accountability" (Keevers, et al., 2012, p. 116). Since this is the case, it is important to identify steps that could lead to a transformation away from the deeply engrained responses that the antagonistic framing of the contracting regime typically engenders.

As the agonistic interactions undertaken by NSS practitioners suggest, this is an ongoing experiment. Indeed, New Star Services' experience with transformative efforts echoes Schon's analysis of such initiatives, in which

> The practitioner allows himself to experience surprise, puzzlement, or confusion in a situation which he finds uncertain or unique. He reflects on the phenomenon before him, and on the prior understandings which have been implicit in his

behavior. He carries out an experiment which serves to generate both a new understanding of the phenomenon and a change in the situation (1983, p. 68).

The role of SSRRA points to the importance of including all stakeholders in such a process. However, the powerful role of government may make it even more significant, given that public agencies are "in a position to decide which service philosophies are most appropriate" as well as how to enact those (Smith & Lipsky, 1993, p. 143). In the end, if those who are concerned with improving the nonprofit-government contracting arena fail to move beyond the prescriptive approach to principal-agent accountability in the contracting regime, they are likely to "continue to be like the drunkard who loses his keys in the dark, but keeps looking for them under the lamppost because 'the light is better'" there (Innes & Booher, 2010, p. 16).

REFERENCES

Aberbach, J. D., & Christensen, T. (2003). Translating Theoretical Ideas into Modern State Reform: Economics-Inspired Reforms and Competing Models of Governance. *Administration & Society, 35*(5), 491-509

Abramson, A. J., & McCarthy, R. (2002). Infrastructure Organizations. In L. M. Salamon (Ed.), *The State of Nonprofit America* (pp. 331-354). Washington, D.C.: Brookings Institution Press.

Alexander, J., Brudney, J. L., & Yang, K. (2010). Introduction to the Symposium: Accountability and Performance Measurement: The Evolving Role of Nonprofits in the Hollow State. *Nonprofit and Voluntary Sector Quarterly, 39*(4), 565-570.

Appleton, J. V. (2002). Critiquing approaches to case study design for a constructivist inquiry. *Qualitative Research Journal 2*(2), 80-97.

Attride-Sterling, J. (2001). Thematic networks: an analytic tool for qualitative research. *Qualitative Research Journal, 1*(3), 385-405.

Behn, R. (2001). *Rethinking Democratic Accountability*. Washington, D.C.: Brookings Institution Press.

Benjamin, L. M. (2008). Account Space: How Accountability Requirements Shape Nonprofit Practice. *Nonprofit and Voluntary Sector Quarterly, 37*(2), 201-233.

Bernstein, S. R. (1991). *Managing Contracted Services in the Nonprofit Agency*. Philadelphia: Temple University Press.

Bovens, M. (1998). *The Quest for Responsibility: accountability and citizenship in complex organizations*. New York, New York: Cambridge University Press.

Bradshaw, P. (2002). Reframing Board-Staff Relations: Exploring the Governance Function Using a Storytelling Metaphor. *Nonprofit Management & Leadership, 12*(4), 471-484.

Brinkerhoff, J. M. (2002). Governmnet-Nonprofit Partnership: A Defining Network. *Public Administration & Development, 22*(1).

Brown, L. K., & Troutt, E. (2004). Funding Relations Between Nonprofits and Government: APositive Example. *Nonprofit and Voluntary Sector Quarterly, 33*(1), 5-27.

Burns, J. M. (2003). *Transforming Leadership: A New Pursuit of Happiness*. New York, New York: Atlantic Monthly Press.

Carver, J. (1997). *Boards That Make a Difference: A New Design for Leadership in Nonprofit and Public Organizations* (Second Edition ed.). San Francisco: Jossey-Bass Publishers.

Chait, R., Ryan, W. P., & Taylor, B. E. (2005). *Governance As Leadership : Reframing the Work of Nonprofit Boards*. Hoboken, New Jersey: John Wiley & Sons, Inc.

Charmaz, K. (2003). Grounded Theory: Objectivist and Constructivist Methods. In N. K. Denzin & Y. S. Lincoln (Eds.), *Strategies of Qualitative Inquiry, Second Edition* (pp. 249-291). Thousand Oaks, CA: Sage Publications.

Charmaz, K. (2006). *Constructing Grounded Theory: A Practical Guide through Qualitative Analysis* Thousand Oaks, CA: Sage Publications.

Chisolm, L. B. (1995). Accountability of Nonprofit Organizations and Those Who Control Them: The Legal Framework. *Nonprofit Management & Leadership, 6*(2), 141-155.

Christensen, R., & Ebrahim, A. (2006). How does accountability affect mission? The case of a nonprofit serving immigrants and refugees. *Nonprofit Management and Leadership, 17*(2), 195-209.

Cnaan, R. (1996). Commentary. *Nonprofit Management & Leadership, 7*(2), 221-225.

Connolly, W. E. (1993). Beyond Good and Evil: The Ethical Sensibility of Michel Foucault. *Political Theory, 21*(3), 365-389.

Creswell, J. W. (1998). *Qualitative Inquiry and Research Design: Choosing Among Five Traditions.* . Thousand Oaks, CA: Sage Publications.

Cutt, J., & Murray, V. (2000). *Accountability and Effectiveness Evaluation in Non-Profit Organizations.* London, England: Routledge.

Denzin, N. K., & Lincoln, Y. S. (Eds.). (2003). *Collecting and Interpreting Qualitative Materials* (2nd ed.). Thousand Oaks, CA: Sage Publications.

Dicke, L. A. (2002). Ensuring Accountability in Human Services Contracting: Can Stewardship Theory Fit the Bill? *American Review of Public Administration, 32*(4), 455-470.

Dicke, L. A., & Ott, J. S. (1999). Public Agency Accountability in Human Services Accountability. *Public Productivity and Management Review, 22*(4), 502-516.

Dudley, L. S. (1996). Rethinking relationships in governing: some Weberian distinctions. *Journal of Management History, 2*(1), 47-58.

Ebrahim, A. (2002a). *Accountability Myopia: Losing Sight or Organizational Learning.* Paper presented at the Association for Research on Nonprofit Organizations and Voluntary Action, Montreal, Canada.

Ebrahim, A. (2002b). Information Struggles: The Role of Information in the Reproduction of NGO-Funder Relationships. *Nonprofit and Voluntary Sector Quarterly, 31*(1), 84-114.

Ebrahim, A. (2003a). Accountability in Practice: Mechanisms for NGOs. *World Development, 31*(5), 813-829.

Ebrahim, A. (2003b). Making Sense of Accountability: Conceptual Perspectives for Northern and Southern Nonprofits. *Nonprofit Management and Leadership, 14*(2), 191 - 212.

Ebrahim, A. (2003c). *NGOs and Organizational Change: Discourse, Reporting, and Learning*. New York, NY: Cambridge University Press.

Ebrahim, A. (2005). Accountability Myopia: Losing Sight or Organizational Learning. *Nonprofit and Voluntary Sector Quarterly, 34*(1).

Ebrahim, A. (2009). Placing the Normative Logics of Accountability in "Thick" Perspective. *American Behavioral Scientist, 52*(6), 885-904.

Ebrahim, A. (2010a). The Many Faces of Nonprofit Accountability. In D. O. Renz (Ed.), *The Jossey-Bass Handbook of Nonprofit Leadership and Management* (Third Edition ed., pp. 101-122). San Francisco, California: Jossey-Bass.

Ebrahim, A. (2010b). Nonprofit Agency Challenges. *Journal of Policy Analysis and Management, 29*(3), 628-632.

Edleman Trust Barometer Exectuve Summary. (2012).

Edwards, M., & Hulme, D. (1996a). *Beyond the Magic Bullet.* West Hartford, Connecticut: Kumarian Press.

Edwards, M., & Hulme, D. (1996b). Too Close for Comfort? The Impact of Official Aid on Nongovernmental Organizations. *World Development, 24*(6), 961-973.

Eisenhardt, K. M. (1989). Agency Theory: An Assessment and Review. *Academy of Management Review, 13*(1), 57-74.

Fisher, R., & Ury, W. (1991). *Getting to yes: Negotiating Agreement Without Giving In*. New York, New York: Penguin Books.

Froelich, K. A. (1999). Diversification of Revenue Strategies: Evolving Resource Dependence in Nonprofit Organizations. *Nonprofit and Voluntary Sector Quarterly, 28*(3), 246-268.

Fry, R. E. (1995). Accountability in Organizational Life: Problem or Opportunity for Nonprofits? *Nonprofit Management & Leadership, 6*(2), 181-195.

Geertz, C. (1973). Thick Description: Toward an Interpretative Theory of Culture *The Interpretation of Cultures*. New York, NY: Basic Books.

Gibelman, M., & Gelman, S. R. (2001). Very Public Scandals: Nongovernmental Organizations in Trouble. *Voluntas, 12*(1), 49-66.

Glaser, B. (1992). *Basics of Grounded Theory Analysis: Emergence vs. Forcing*. Mill Valley, CA: Sociology Press.

Glaser, B., & Strauss, A. (1967). *The Discovery of Grounded Theory: Strategies for Qualitative Research*. Chicago, IL: Aldine Transaction.

Greenleaf, R. K. (1991). *Servant Leadership: A Journey into the Nature of Legitimate Power and Greatness*. New York: Paulist Press.

Greenleaf, R. K. (1998). *The Power of Servant Leadership*. San Francisco, CA: Berrett-Koehler Publishers, Inc.

Gronbjerg, K. (1993). *Understanding NonProfit Funding: Managing Resources in Social Services and Community Development Organizations*. San Francisco: Jossey-Bass.

Habermas, J. (1983). *Philosophical-Political Profiles* (F. G. Lawrence, Trans.). Cambridge, MA: The MIT Press.

Hall, P. D. (2010). Historical Perspectives on Nonprofit Organizations in the United States. In D. O. Renz (Ed.), *The Jossey-Bass Handbook of Nonprofit Leadership and Management* (pp. 3-41). San Francisco, CA: Jossey-Bass, A Wiley Imprint.

Hamamoto, D. Y., & Torres, R. D. (Eds.). (1997). *New American Desitinies: A Reader in Contemporary Asian and Latino Immigration*. New York, New York: Routledge.

Hammack, D. C. (1995). Accountability and Nonprofit Organizations: A Historical Perspective. *Nonprofit Management & Leadership, 6*(2), 127-139.

Harding, S. (1986). *The Science Question in Feminism*. Ithaca, New York: Cornell University Press.

Harvey, D. (2005). *A Brief History of Neoliberalism*. New York, New York: Oxford University Press.

Healey, P. (2006). *Collaborative Planning: Shaping Places in Fragmented Societies* (2nd ed.). New York, New York: Palgrave Macmillan.

Heifetz, R. A. (1994). *Leadership Without Easy Answers*. Cambridge, Massachusetts: Belknap Press of Harvard University Press.

Heifetz, R. A., Linsky, M., & Grashow, A. (2009). *The Practice of Adaptive Leadership: Tools and Tactics for Changing Your Organization and the World*. Boston, MA: Harvard Business Press.

Herman, R. D., & Heimovics, R. D. (1991). *Executive Leadership in Nonprofit Organizations: New Strategies for Shaping Executive-Board Dynamics*. San Francisco, California: Jossey-Bass Publishers.

Hillier, J. (2003). 'Agon'izing Over Consensus: Why Habermasian Ideals Cannot Be 'Real'. *Planning Theory, 2*(1), 37-59.

Hirschman, A. O. (1970). *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States* (1st ed.). Cambridge, MA: Harvard University Press.

Holland, T. P. (2002). Board Accountability: Lessons from the Field. *Nonprofit Management & Leadership, 12*(4), 409-428.

Honig, B. (1993). The Politics of Agonism: A Critical Response to "Beyond Good and Evil: Arendt, Nietzsche, and the Aestheticization of Political Action". *Political Theory, 21*(3), 528-533.

Hudson, M. (2005). *Managing at the Leading Edge: New Challenges in Managing Nonprofit Organizations*. Hoboken, New Jersey: Jossey-Bass.

Hwang, H., & Powell, W. W. (2009). The Rationalization of Charity: The Influences of Professionalism in the Nonprofit Sector. *Administrative Science Quarterly, 54*(2), 268-298.

Iannello, K. P. (1992). *Decisions Without Hierarchy: Feminist Interventions in Organization Theory and Practice*. New York: Routledge.

Ingram, R. T. (1999). *Ten Basic Responsibilities of Nonprofit Boards*. Washington, DC: National Center for Nonprofit Boards.

Innes, J. E., & Booher, D. E. (2010). *Planning With Complexity: An introduction to collaborative rationality for public policy*. New York, New York: Routledge.

Isaac, J. C. (1993). Situating Hannah Arendt on Action and Politics. *Political Theory, 21*(3), 534-540.

Kahane, A. (2004). *Solving Tough Problems: An Open Way of Talking, Listening, and Creating New Realities*. San Francisco, CA: Berrett-Koehler Publishers, Inc.

Kearns, K. P. (1996). *Managing for Accountability: Preserving the Public Trust in Public and Nonprofit Organizations*. San Francisco: Jossey-Bass Publishers.

Keating, E., & Frumkin, P. (2003). Reengineering Nonprofit Financial Accountability: Toward a More Reliable Foundation for Regulation. *Public Administration Review, 63*(1), 3-15.

Keevers, L., Treleaven, L., Sykes, C., & Darcy, M. (2012). Made to Measure: Taming Practices with Results-based Accountability. *Organization Studies, 33*(1), 97-120.

Kettl, D. F. (1987). *Government by Proxy (Mis?Managing Federal Programs)*. Washington, DC: CQ Press.

Kim, S. E., & Lee, J. W. (2010). Impact of Competing Accountability Requirements on Perceived Work Performance. *The American Review of Public Administration, 40*(1), 100-118.

Koppell, J. G. (2005). Pathologies of Accountability: ICANN and the Challenge of "Multiple Accountabilities Disorder". *Public Administration Review, 65*(1), 94-108.

Krasner, S. D. (1982). Structural Causes and Regime Consequences: Regimes as Intervening Variables. . *International Organization, 36*, 185-205.

Krauskopf, J., & Chen, B. (2010). Administering services and managing contracts: The dual role of government human services officials. *Journal of Policy Analysis and Management 29*(3), 625-628.

Lawry, R. P. (1995). Accountability and Nonprofit Organizations: An Ethical Perspective. *Nonprofit Management and Leadership, 6*(2).

Longino, H. E. (2002). *The Fate of Knowledge*. Princeton, New Jersey: Princeton University Press.

Lynn, L. E., Jr. (2001). The Myth of the Bureaucratic Paradign: What Traditional Public Administration Really Stood For. *Public Administration Review, 61*(2), 144-160.

Lyotard, J.-F. (1984). *The Postmodern Condition: A Report on Knowledge*. Minneapolis: University of Minnesota Press.

Maxwell, J. A. (1996). *Qualitative Research Design: An Interactive Approach*. Thousand Oaks, CA: Sage Publications.

McDonald, C. (1997). Government, Funded Nonprofits, and Accountability. *Nonprofit Management and Leadership, 8*(1).

Merriam, S. B. (1998). *Qualitative Research and Case Study Applications in Education*. San Francisco, CA: Jossey-Bass Publishers.

Middleton, M. (1987). Nonprofit Board of Directors: Beyond the Governance Function. In W. W. Powell (Ed.), *The Nonprofit Sector: A Research Handbook* (pp. 141-153). Westford, MA: Yale University.

Miles, M. B., & Huberman, A. M. (1994). *An Expanded Sourcebook: Qualitative Data Analysis, Second Edition*. Thousand Oaks, CA: Sage Publications.

Millar, M. E., & Abraham, A. (2006). A Challenges to Traditional Economic Assumptions: Applying the Social Theory of Communicative Action to Governance in the Third Sector *University of Wollongong Faculty of Commerce Papers*.

Miller-Millesen, J. L. (2003). Understanding the Behavior of Nonprofit Boards of Directors: A Theory-Based Approach. *Nonprofit and Voluntary Sector Quarterly, 32*(4), 521-547.

Milward, H. B., Provan, K. G., & Else, B. A. (1993). What does the 'Hollow State' look like? . In B. Bozeman (Ed.), *Public Management: The State of the Art* (pp. 309-322). San Francisco: Jossey-Bass.

Morely, E., Vinson, E., & Hatry, H. (2000). A look at outcome measurement in nonprofit agencies. Washington, D.C.: Urban Institute.

Murray, V. (2001). Governance of Nonprofit Organizations. In J. S. Ott (Ed.), *Understanding Nonprofit Organizations: Governance, Leadership, and Management*. Boulder, Colorado: Westview Press.

Najam, A. (1996). NGO Accountability: A Conceptual Framework. *Development Policy Review, 14*(1996), 339-353.

Najam, A. (2000). The Four-C's of Third Sector-Government Relations: Cooperation, Confrontation, Complementarity, and Co-optation. *Nonprofit Management and Leadership, 10*(4), 375-396.

Neuman, W. L. (2003). *Social Research Methods: Qualitative and Quantitative Approaches, 5th Edition.* . Boston, MA: Allyn and Bacon.

Nowland-Foreman, G. (1998). Purchase-of-Service Contracting, Voluntary Associations, and Civil Society: Dissecting the Goose That Lays the Golden Eggs? *American Behavorial Scientist, 42*(1), 108-123.

O'Neill, O. (2002). *A Question of Trust: The BBC Reith Lectures 2002* Cambridge, England: Cambridge University Press.

Office of Refugee Resettlement. (2012). Appropriations Retrieved February 21, 2012, from http://www.acf.hhs.gov/programs/orr/funding/appropriations.htm

Office of Refugee Resettlement Annual Report 2008. (2008) Retrieved February 8, 2012, from http://www.acf.hhs.gov/programs/orr/data/ORR_Annual_Report_FY_2008.pdf

Oliver, C. (1991). Strategic Responses to Institutional Processes. *Academy of Management Review, 16*(1), 145-179.

Ospina, S., Diaz, W., & O'Sullivan, J. F. (2002). Negotiating Accountability: Managerial Lessons From Identity-Based Nonprofit Organizations. *Nonprofit and Voluntary Sector Quarterly, 31*(1), 5-31.

Pfeffer, J., & Salancik, G. R. (1978). *The External Control of Organizations: A Resource Dependence Perspective*. New York: Harper & Row.

Quinn, J. B. (2006, December 18). Giving Freely--And Wisely. *Newsweek*.

Refugee Arrivals by State of Residence: Fiscal Years 2004 to 2006. (2006). *Yearbook of Immigration Statistics: 2006* Retrieved February 8, 2012, from http://www.dhs.gov/xlibrary/assets/statistics/yearbook/2006/RFASupplemental1D.xls

Renz, D. O. (2010a). The Future of Nonprofit Leadership and Management. In D. O. Renz (Ed.), *The Jossey-Bass Handbook of Nonprofit Leadership and Management* (Third Edition ed., pp. 794-804). San Francisco, CA: Jossey-Bass, A Wiley Imprint.

Renz, D. O. (2010b). Leadership, Governance, and the Work of the Board. In D. O. Renz (Ed.), *The Jossey-Bass Handbook of Nonprofit Leadership and Management* (Third Edition ed., pp. 125-156). San Francisco, CA: Jossey-Bass, A Wiley Imprint.

Renz, D. O. (2010c). Reframing Governance. *The Nonprofit Quarterly, Winter 2010*, 50-53.

Renz, D. O. (Ed.). (2010d). *The Jossey-Bass Handbook of Nonprofit Leadership and Management* (Third Edition ed.). San Francisco, CA: Jossey-Bass, A Wiley Imprint.

Romzek, B. S., & Dubnick, M. J. (1987). Accountability in the Public Sector: Lessons from the Challenger Tragedy. *Public Administration Review, 47*(3), 227-238.

Rosenbloom, D. (2008). The Politics-Administration Dichotomy in U.S. Historical Context. *Public Administration Review, January/February*, 57-60.

Sabatier, P. A. (1986). Top-Down and Bottom-Up Approaches to Implementation Research: a Critical Analysis and Suggested Synthesis. . *Journal of Public Policy, 6*, 21-48. doi: 10.1017/S0143814X00003846

Saidal, J. R. (1998). Expanding the Governance Construct: Functions and Contributions of Nonprofit Advisory Groups. *Nonprofit and Voluntary Sector Quarterly 27*(4), 421-436.

Salamon, L. M. (1995). *Partners in public service: Government-nonprofit relations in the modern welfare state*. Baltimore, Maryland: Johns Hopkins University Press

Salamon, L. M. (2002). The Resilient Sector: The State of Nonprofit America. In L. M. Salamon (Ed.), *The State of Nonprofit America* (pp. 3-61). Washington, D.C.: Brookings Institution Press.

Salamon, L. M. (2010). The Changing Context of Nonprofit Leadership and Management. In D. O. Renz (Ed.), *The Jossey-Bass Handbook of Nonprofit Leadership and Management* (pp. 77-100). San Francisco, CA: Jossey-Bass, A Wiley Imprint.

Scholte, B. (1972). Toward a Reflexive and Critical Anthropology. In D. Hymes (Ed.), *Reinventing Anthropology*. New York, NY: Pantheon Books.

Schon, D. A. (1983). *The Reflective Practitioner: How Professionals Think In Action*. United States of America: Basic Books.

Scott, J. C. (1998). *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed*. New Haven, Connecticut: Yale University Press.

Scott, K. T. (2000). *Creating Caring and Capable Boards: Reclaiming the Passion for Active Trusteeship*. San Francisco: Jossey-Bass Publishers.

Senge, P. (2004). Forward. *Solving Tough Problems: An Open Way of Talking, Listening, and Creating New Realities*. San Francisco, CA: Berrett-Koehler Publishers, Inc. .

Smillie, I., & Hailey, J. (2001). *Managing for Change: Leadership, Strategy, & Management in Asian NGOs.* London, England: Earthscan Publications.

Smith, S. R. (1996). Transforming Public Services: Contracting for Social and Health Services in the US. *Public Administration, 74*(Spring 1996), 113-127.

Smith, S. R. (2010). Managing the Challenges of Government Contracts. In D. O. Renz (Ed.), *The Jossey-Bass Handbook of Nonprofit Leadership and Management* (Third Edition ed., pp. 553-579). San Francisco, CA: Jossey-Bass, A Wiley Imprint.

Smith, S. R. (2010). Nonprofit Organizations and Government: Implications for Policy and Practice. *Journal of Policy Analysis and Management, 29*(3), 61-625.

Smith, S. R., & Lipsky, M. (1993). *Nonprofits for Hire: The Welfare State in the Age of Contracting*. Cambridge, Massachusetts: Harvard University Press.

Southeastern State Refugee Resettlement Agency. (2001). *Program Manual*.

Stake, R. E. (1995). *The Art of Case Study Research*. Thousand Oaks, CA: Sage Publications.

Stone, M. M., & Ostrower, F. (2007). Acting in the Public Interest? Another Look at Research on Nonprofit Governance. *Nonprofit and Voluntary Sector Quarterly, 36*(3), 416-438.

Strauss, A., & Corbin, J. (1990). *Basics of Qualitative Research: Grounded Theory Procedures and Techniques*. London: Sage Publications.

Trudeau, D. (2008). Junior Partner or Empowered Community? The Role of Non-profit Social Service Providers amidst State Restructuring in the US. *Urban Studies, 45*(13), 22.

U.S. Department of Health & Human Services. (2007). Understanding "Refugees": Administration for Children & Families, Office of Refugee Resettlement.

Villa, D. R. (1992). Beyond Good and Evil: Arendt, Nietzsche, and the Aestheticization of Political Action. *Political Theory, 20*(2), 274-308.

Wenger, E. (2000). Communities of Practice and Social Learning Systems. *Organization, 7*(2), 225-246.

Whitaker, G. P., Altman-Sauer, L., & Henderson, M. (2004). Mutual Accountability Between Governments and Nonprofits: Moving Beyond "Surveillance" to "Service.". *American Review of Public Administration, 34*(2).

Williams, A. P., & Taylor, J. A. (2012). Resolving Accountability Ambiguity in Nonprofit Organizations. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*

Wolch, J. R. (1990). *The shadow state: Government and voluntary sector in transition*. New York, New York: Foundation Center.

Yin, R. K. (2003). *Case Study Research: Design and Methods, Third Edition*. Thousand Oaks, CA: Sage Publications.

APPENDIX A

SAMPLE INTERVIEW QUESTIONS

1. What is the purpose of New Star Services?
2. How did you learn about the purpose of New Star Services?
3. How does your job serve that purpose?
4. What is a typical day like for you? / Please describe a typical day working at New Star Services. (What are the typical activities you engage in working at New Star Services?)
5. How do you make decisions about how best meet the purposes of New Star Services?
6. Who is involved in that process?
7. What do you think are the most important ways to know if you are meeting your mission?

8. Are you currently serving New Star Services?
    In what capacity?
    In which community?

***

if community board member
9. How long have you served/did you serve on the New Star Services board?
10. What do you know about the formation of New Star Services board in your community?
11. In your own words, please describe the purpose of New Star Services community boards.
12. Please describe some of the activities you engaged in as a result of your work with the community board?
13. How are the activities that you engaged in connected to that purpose?

14. What was a typical month like for you in terms of New Star Services board work?

15. What excited you about your role on the New Star Services board?
16. What did you find stressful?
    Can you tell me a little more about that?
***

17. How are decisions made at your organization?
    Please describe _____.
18. What role did you play in making decisions about how to best meet the purposes of New Star Services?
19. Who was involved in that process?

20. In your experience, who seems to care about whether your organization serves its purpose?
21. What type of communication do you have with those groups/people?
    Prompts: How do you share information with them?
    How do they share information with you?

What type of information do you usually share with them?
What type of information do they usually share with you?

22. In what ways do you interact with them?
23. How do you use information from them in serving the organization's purpose?
24. What requirements from the national/regional VOLAG impact your job?
25. How do you find out about those requirements?
26. How do you use information from this activity?

27. If you had an idea about how to change/improve the ways things worked at your organization, what would you do?

28. Is there anything that you might not have thought about before that occurred to you during this interview?
29. Is there anything else you think I should know to understand New Star Services better?
30. As I am trying to better understand the work of New Star Services, who would you suggest I speak to?
31. Is there anything you would like to ask me?