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The Challenge of Fundraising: The Correlating Relationship Between Resource Dependence, Decision Making, and Organizational Performance

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The Challenge of Fundraising: The Correlating Relationship Between Resource Dependence, Decision Making, and Organizational Performance

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ABSTRACT

The challenge of fundraising to supplement an organizational mission is present across the vast majority of all nonprofits. As most nonprofits are bound by the obligation to secure funding to fulfill their purpose, involuntary resource dependencies evolve. This qualitative research investigated the challenge of nonprofit fundraising through an analysis of the correlation between resource dependence, professional fundraiser decision making, and organizational performance through the theoretical lens of the resource dependence theory, the transaction cost theory, and the population ecology theory with a primary focus on the main research question: "How do nonprofit resource dependencies affect fundraiser behavior with respect to organizational performance?" This study supplies a historical context of how nonprofits formally developed and why the challenge of fundraising came to be. Through the implementation of a triangulated data collection methodology, this phenomenological study argues that resource dependencies of nonprofit organizations influence fundraiser behavior, which then positively and negatively affects the organization's financial stability. Using higher education nonprofit institutions located in Southern California for the sample data collected through semistructured interviews, the conclusion is made that the organizational structure of the sampled institutions most heavily influences the ability of the nonprofit institution to remain financially stable while seeking heightened donor contributions. The recommendation is made to employ a diversified revenue approach at the organizational level in conjunction with an individualized fundraising approach.

Keywords: non-profit organization, fundraising, resource dependence theory, revenue source attainment, organizational behavior, fundraising strategies

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CHAPTER 1: INTRODUCTION

This research investigates the relationship between the pursuit of financial resources, resource dependence patterns, organizational behavior, and organizational performance of nonprofit entities. The problem this research examined is the difficulty nonprofits face in attempting to secure external funding sources (Hall, 2016; Henderson & Lambert, 2018; Mozos et al., 2016; Seo, 2018). From their formal inception to the present day, nonprofit organizations remain heavily reliant upon external funding sources to continue providing an assortment of services to their surrounding communities (Greiling & Stötzer, 2015). Nonprofits in the United States have experienced a growth rate of 47% since 2014, and still 53% of nonprofits report maintaining less than 3 months cash on hand to meet the demands of their targeted demographic (Love, 2018). Given the high level of industry-wide revenue dependence, nonprofit organizations remain particularly susceptible to increased levels of revenue uncertainty arising from the variables of economic fluctuations and rising competition for varying forms of donations from external sources (Mitchell, 2017). Nonprofits of all sizes (radius of demographic served, number of employees, annual revenue, etc.) rely on external fundraising to carry out their dedicated mission (Sargeant & Shang, 2016). A unique handful of nonprofit organizations across the industry raise billions of dollars annually while others on the opposite end of the fundraising spectrum bring in far less, never reaching six figures of annual revenue (Sarikaya & Buhl, 2020). Although the scale/rate at which nonprofits raise money can differ dramatically, that does not diminish the critical need for a targeted level of funding. More specifically, revenue stability is relative to the organizational level of needs/expenses along with the allocation of fundraising revenue (Sargeant &

Shang, 2016). For example, when a smaller health and human services nonprofit organization that is focused on helping developmentally disabled children fundraises for children's classroom materials, that is no less critical than when a higher education institution fundraises to construct a new integrated science building (Love, 2018). Essentially, both forms of fundraising, regardless of the amount raised, are critical for the organization, which serves a specific targeted audience, to carry out its mission. Therefore, nonprofits of all sizes develop fundraising mechanisms that supplement their ability to serve their chosen demographic for the long term. Without proactive fundraising, nonprofits of any type struggle to remain in business thus leaving nonprofits with the daily task of attempting to mitigate the challenge to secure annual funding sources (Sarikaya & Buhl, 2020).

Because of this heightened financial vulnerability, nonprofit organizations place elevated levels of priority on maintaining revenue stability to remain financially viable through increased fundraising efforts (Mayer et al., 2014). The critical need to raise funds challenges most nonprofit organizations and brings about an array of correlating issues involving revenue diversification, resource dependence, and resulting organizational efficiency (Hall, 2016; Mozos et al., 2016; Henderson & Lambert, 2018). Revenue diversification is defined as the quantity (high or low) of individual forms of incoming revenue sources; resource dependence is defined as the level of reliance the nonprofit places on one particular revenue source; and organizational efficiency is noted as fulfilling the organizational mission at the lowest possible cost (including the cost to conduct fundraising efforts; Ecer et al., 2017). On the topic of organizational efficiency, it is important to acknowledge that measuring mission fulfillment is characteristically subjective due to its intrinsic nature (Grieco et al., 2015). Therefore, interorganizational comparisons typically focus on financial efficiency indicators rather than purely mission fulfillment figures (Ecer et al., 2017; Grieco et al., 2015).

Fundraising continues to be recognized as an industry-wide problem because of the reality that even though nonprofits differ in a variety of ways such as chosen mission, geographical service radius, population of individuals served, operating budgets, and so forth, the need for external funding remains (Mitchell, 2017; Mitchell & Calabrese, 2019). Additionally, the susceptibility to encounter the previously mentioned secondary issues concerning revenue diversification, resource dependence, and resulting organizational efficiency persists (Mitchell, 2017; Mitchell & Calabrese, 2019). Furthermore, the degree of fundraising achieved directly correlates to the success or failure of a nonprofit regardless of their organizational differences (Mayer et al., 2014). More simply expressed, nonprofits of all sizes and missions rely on fundraising to stay in business. Each and every nonprofit organization strives to achieve high levels of relative efficiency reaching optimal levels of fundraising income with a diversified approach (Kim, 2017; Lin & Wang, 2016). Overall, the fundraising needs and requirements may be different depending upon the size, scope, and mission of the nonprofit organization, but the obligation to fundraise consistently remains a perpetual challenge for almost all nonprofits (Mitchell & Calabrese, 2019).

Purpose of the Study

The overall challenge of fundraising affects all nonprofits and has been shown to bring about correlating issues of attempting to optimize revenue diversification, resource dependence, and resulting organizational efficiency (Mayer et al., 2014; Mitchell &

Calabrese, 2019). The purpose of this study was to uncover the cascading effects of how resource dependencies affect the fundraising efforts of nonprofit professionals, which then potentially impacts the organization's financial stability and efficiency. Studying the challenge of fundraising, resource dependencies, and associated organizational performance (fundraising efficiency) can aid in enabling nonprofit executives to make sound fundraising decisions (Henderson & Lambert, 2018). Uncovering the realities behind potential resource overdependence can also aid funding sources (government, corporations, foundations, etc.) in making well-informed decisions about who is most effectively going to utilize their financial contribution/investment (Weinryb et al., 2018).

Furthermore, understanding the potential weight of how nonprofit fundraising affects the organization's ability to fulfill its mission can play a critical role in diagnosing problematic trends in areas such as internal management methodologies used for the fundraising team, external relations strategies, internal management decision making, program service delivery, and most importantly, financial structure (Mosley et al., 2012). When reviewing the correlating aspects of how resource dependencies influence the fundraising practices of a nonprofit organization, there continues to be ample room for continued research surrounding the connection between resource dependencies and nonprofit fundraising through the lenses of the resource dependence theory (RDT), the transaction cost theory (TCT), and the population ecology theory (PET; Kim, 2017). Available research needs the support of empirical evidence to demonstrate the way fundraising efforts of nonprofits are impacted by their existing resource dependencies, which then has an affect (positive or negative) on the organization's overall performance (fundraising efficiency; Prentice, 2016). More specifically, this study can enable nonprofit organizations to optimize their level of revenue dependencies (increase or decrease) and revenue diversification strategies with a long-term perspective rather than the more popular short-term survival mentality (Hung & Hager, 2019).

With respect to the fundraising challenges nonprofit organizations faced during the 2008 recession, in addition to what they currently face given the 2020 COVID-19 pandemic, leveraging uncovered resource/revenue dependencies to strategically map out the potential need for diversified fundraising efforts can aid greatly during times of economic uncertainty that come with inherent scarcity of resources (Golensky & Hager, 2020; Henderson & Lambert, 2018). All areas of additional research regarding resource dependence patterns (RDPs) will bring value-added knowledge of how nonprofit organizations can continue maintaining their social value/identity, not falling victim to reactive periods of coercive restructuring risking the organization's mission/vision in an effort to solidify a narrow requirement of a given funding source. RDPs can also be leveraged to position a nonprofit organization to implement sound financial checks and balances that can potentially foster long-term stability regardless of the peaks and valleys presented by an unpredictable financial climate (Henderson & Lambert, 2018).

Research Question

This study contends that a nonprofit's attempt to address the challenge of fundraising affects its level of resource dependence and revenue diversification, which then has an effect on fundraising efficiency, and ultimately the nonprofit's long-term survival. A main research question can be formulated, "How are resource dependence patterns (RDPs) of nonprofit organizations connected to fundraiser performance and the financial stability of the organization?" This investigation was primarily focused on the acquisition of resources (revenue) of nonprofits:

- How and where do nonprofits acquire resources?
- Are there obstructions any kind and/or saturated competition with other nonprofits to secure sought after resources?
- Do nonprofit organizations adequately fundraise at a high enough volume to carry out their chosen mission?
- Do nonprofit organizations annually possess the necessary revenue resources to remain in business?

Additionally, this research focused on how nonprofit's RDPs correlate and influence fundraiser behavior. This researcher assumes that RDPs directly affect fundraising professional's work-related actions. Moreover, this research considers fundraiser behavior to be deemed as decision making, external communication, formalization, and goal setting when looking at the connection to RDPs. From this, a focus question can be raised: "Which aspect of fundraiser behavior (decision making, external communication, formalization, and goal setting) is most heavily influenced by RDPs?" Finally, an important characteristic is how the source of revenue (resources) influences fundraiser behavior and subsequent performance. When honing in on fundraiser performance, this concept is characterized by the level of acquired revenue and donor satisfaction. The reason for factoring in donor satisfaction is because the level or existing rapport (good or bad) between the fundraising professional and the external revenue sources directly dictates behavior of the fundraiser (Schubert & Boenigk, 2019).

Overall, this study is an effort to more clearly understand how RDPs and changes in RDPs are associated with nonprofit fundraisers' efficiency and organizational success. Additional assumptions within this research are

- RDPs have an effect on fundraiser behavior.
- Changes in RDPs affect fundraiser behavior.
- Fundraiser behavior/actions influence the nonprofit's overall financial performance.

Significance of the Research

This study involving nonprofits' resource dependencies, fundraiser actions/behavior, and subsequent organizational performance can facilitate the formulation of more useful and effective nonprofit fundraising strategies. Additionally, the RDT, PET, and TCT indicate that there are varying external environmental characteristics that can potentially compromise the ability of an organization to continually acquire the necessary resources for their survival (Aldrich & Pfeffer, 1976; Malatesta & Smith, 2014; Williamson, 2016). Furthermore, Lee and Nowell (2015) posited that pivotal resource dependence has the potential to negatively impact the diversification of organizational action, ultimately creating increased uncertainty surrounding the overall effectiveness of the organization. The research conducted in this study has the opportunity to test and potentially expand portions of the RDT, PET, and TCT that are said to negatively impact the diversification of organizational action. Without any consciously applied effort, nonprofit organizations naturally develop dependencies, given the acquisition of resources from varying funding sources (government, individual donors, corporations, foundations, etc.; Aldrich & Pfeffer, 1976).

Resource dependencies are identified within the nonprofit industry as tendencies of allocation of internal time and attention given to one source of funding over another (Seo, 2018). Essentially, nonprofit organizations develop trends of naturally administered amounts of time micromanaging the intricacies of what is required to secure additional funding from their largest contributors. This research can move the field further by empirically testing how the correlation of RDPs and fundraiser behavior affect the organization's financial performance.

The overextension of an allotment of time extended by a nonprofit organization to one specific funding source (government, individual donors, corporation, foundations, etc.) occurs because resource acquisition is critically important for the survival and long-term stability of nonprofit organizations (Arik et al., 2016). As the number of nonprofit organizations continues to surge, the opportunity to acquire available financial resources becomes increasingly competitive, leaving each nonprofit to demonstrate differentiated characteristics that may attract donors. Furthermore, almost all nonprofits are subject to increased demands of funders, which potentially forces involuntary mission drift (goal changes; Chikoto-Schultz & Neely, 2016; Mozos et al., 2016; Seo, 2018). Investigating the multilayered relationship between RDPs and fundraiser behavior can enable nonprofit organizations to appropriately take on the challenge of fundraising with more effective strategies that sustain long-term financial stability (Henderson & Lambert, 2018; Webb & Waymire, 2016).

Research Strategy

The central intention of this research was to investigate the following:

1. How are resource dependence patterns (RDPs) of nonprofit organizations connected to fundraiser performance and the financial stability of the organization?
2. How do resource dependencies affect the decision-making behavior of the nonprofit fundraiser?
3. How does the fundraiser's decision-making behavior affect their performance?
4. How does fundraiser performance affect organizational performance?

This study focused on RDPs, fundraiser behavior, and how fundraiser performance affects the financial stability of the nonprofit they work for. Person-to-person interviews with fundraising professionals were the main tool to obtain the targeted information. The dataset sample for this research consisted of nonprofits from the Southern California region, implementing qualitative research methods. A phenomenological approach was employed to analyze the collected interview data for the purpose of highlighting specific information and locating phenomena through how it may be perceived by involved participants. Within the phenomenological methodology executed in this examination, a well-formed hypothesis was not articulated and used homogeneous interview participants to build a dataset that was analyzed to focus in on evolving themes.

To incorporate increased rigor, this study also included the utilization of the case method to build the credibility of findings to determine the level of transferability to other contexts (Yin, 1994). The case method is a methodical investigation of an event or a series of related events that targets the description and explanation of the given phenomenon of interest (Yazan, 2015). Generally, the unit of analysis varies from an individual to a corporation, and the data provided predominantly from organizational documentation, archival records, interviews, direct observations, participant observation, and physical artifacts (Baškarada, 2014). For this study, the case method was supplemented by the technique of triangulation using data from semistructured interviews, organizational annual financial reports, and print media produced by the analyzed nonprofit organizations. Denzin (1978) defined triangulation as a method to analyze results within the same study employing different means of data collection. Its intended use is for the purposes of enhancing validity, creating a more comprehensive image of the research problem, and cross-examining the understanding the research problem (Denzin, 1978; Nightingale, 2020). In most cases, triangulation validates research findings by inspecting different methods and observations of the same phenomenon as they arrive at the same results (Fusch et al., 2018). The methodological framework of triangulation also further defines a degree of overlap between data sources known as convergence, complementarity, and divergence (Nightingale, 2020). Nightingale (2020) defined three triangulation categories:

- Convergence – A convincing degree of overlap and accuracy between data sources.
- Complementarity – Depth of research results presented by allowing the results from different data sources to inform each other.
- Divergence – Indicates that the methods and/or the results are flawed or are to be considered as new data and analyzed to look for additional understanding.

Outline of the Study

Within the first chapter, this study delivers an introduction to the research including the background, purpose of the study, the significance of the investigation, and an overview of the research strategy. The second chapter provides an extensive literature review of existing scholarly research concerning relevant theoretical frameworks (the RDT, TCT, PET), RDPs, nonprofit fundraising behavior, and organizational efficiency/performance by identifying trends and theoretical context. Chapter 2 also provides a historical background of the formulation of nonprofit organizations, defines the distinct categories of nonprofits, reviews varying scholarly perspectives on the influence and impact of RDPs, and also gives an overview of existing research pertaining to nonprofit financial stability, revenue diversification, and organizational efficiency/performance. The third chapter offers multiple theoretical frameworks—the resource dependence theory (RDT); the transaction cost theory (TCT); and the population ecology theory (PET)—as a lens to analyze the overall industry challenge of fundraising while also leveraging these frameworks to extend the current state of available research. The RDT, TCT, and PET frameworks provide a broad range of insight into nonprofit fundraising behavior and performance. The fourth chapter provides a detailed description of the chosen sampling and data collection process, the contents of the semistructured interview questions, and the procedures of data analysis. The fifth chapter conducts an analysis for answering the research question using interpretative phenomenological analysis, the case method, and triangulation. The fifth chapter also presents conclusions discussing theoretical and practical implications for nonprofit management.

Additionally, the fifth and final chapter also presents the limitations of this research and the directions of potential future research.

CHAPTER 2: LITERATURE REVIEW

Current scholarly evidence demonstrates an evolving relationship between resource (revenue) dependence, resource dependence patterns, subsequent organizational behavior, and resulting organizational performance within nonprofits (Golensky & Hager, 2020; Lee & Nowell, 2015). It is important to establish a review of the relationship between nonprofit resource dependence, fundraiser behavior, and correlating organizational performance as a platform that provides the opening to investigate how revenue-related resource dependencies affect fundraising decision making and how a fundraiser's decisions factor into the long-term success and stability of the organization. The key areas of concentration in this literature review include recurring thematic findings pertaining to how nonprofits approach financial challenges, their strategy to adjust (increase or decrease) diversified revenue sources through fundraising, along with relevant theoretical approaches that support the establishment of the utilization of the RDT, TCT, and PET as relevant theoretical frameworks. The literature review is structured through the sections outlined as follows:

1. Historical Context of the Formalization of U.S. Nonprofits and Their Categories
2. Theoretical Framework and Historical Context of Prevalent Theories
3. Transaction Cost Theory
4. Resource Dependence Theory
5. Population Ecology Theory
6. Resource Dependence Impact on Organizational Performance
7. Nonprofit Industry Research Findings
8. Concluding Literature Review Discussion

Each scholarly source to be mentioned has been selected to further document, analyze, and illustrate current findings and conclusions concerning the challenges found within nonprofit fundraising. The existing research to be reviewed recognizes the effective utilization of the RDT, TCT, and PET to analyze nonprofit fundraising challenges. The RDT, TCT, and PET highlight the potential internal and external characteristics that can compromise the ability of an organization to acquire needed resources (Cobb & Wry, 2014; Helmig et al., 2014; Williamson, 1998). While the RDT presents RDPs as internal organizational tendencies such as allocation of time and attention given to each financial resource, the TCT and the PET provide the opportunity to analyze resource acquisition with a focus on external factors such as how transaction costs (business to business) and the surrounding populace affect resource attainment (Nageswarakurukkal et al., 2020; Paarlberg & Hwang, 2017). These theoretical frameworks provide a platform to address the central problem of attaining meaningful funding sources from the perspective of an internal and external view of an organization.

Historical Context of the Formalization of U.S. Nonprofits and Their Categories

Individuals servicing their surrounding communities has taken place for thousands of years dating back to biblical times. In Galatians 6:10 it says, "So then, as we have opportunity, let us do good to everyone, and especially to those who are of the household of faith," demonstrating the level of importance God placed on serving others (Ryrie, 1994). Furthermore, in Matthew 25:35 it says, "For I was hungry, and you gave me food, I was thirsty and you gave me drink, I was a stranger and you welcomed me" (Ryrie, 1994). Again, God articulates His desire for innate person-to-person care. Throughout scripture, God reminds His people that service to one another is a necessary reaction to an acknowledged need. In Matthew 22:37-39 it says, "Love the Lord your God with all your heart and with all your soul and with all your mind. This is the first and greatest commandment. And the second is like it: Love your neighbor as yourself" (Ryrie, 1994). As awareness of the needs of one's neighbor intensifies, the opportunity to carry out God's commandments can come to fruition.

This type of positive service-oriented work has continued to develop through the colonial days and on into the 20th century, bringing forth the development of what came known to be nonprofit work inclusive of organizations varying in size and scope (Salamon & Anheier, 1992). During this maturation process, a critical transitional time for nonprofit organizations as a defined industry dates to 1943 when the Internal Revenue Service (IRS) implemented universal income taxation as a formal policy (Hall, 2016; Mozos et al., 2016). These changes in U.S. public financial law expanded the nonprofit landscape, allowing nearly any exchange of goods and services under the newly named 501(c) nonprofit title (Hall, 2016; Mozos et al., 2016).

In the years following the 1943 rollout of universal income taxation, the growth in the quantity of tax-exempt nonprofit organizations reached unprecedented levels by the mid-1960s (Donahue, 1989; M. Thompson & Wildavsky, 1986). In the years between 1943 and 1965, the number of nonprofit organizations recognized by the IRS grew from 100,000 to approximately 400,000 (Burke, 2001; Donahue, 1989; M. Thompson & Wildavsky, 1986). The transformation of public finance along with the IRS broadly classifying specific organizations as fully tax-exempt became the catalyst behind turning charitable giving into an extremely transactional tax-driven activity motivated by an individual's/organization's financial, political, and social benefits (Jenkins & Halcli, 1999; Malatesta & Smith, 2014). Because of these inherent benefits, many for-profit organizations transitioned to nonprofit status (tax-exempt 501(c)) through various forms including structural changes to identify as volunteer associations, nonstock organizations, mutual benefit organizations, religious congregations, charitable trusts, and several other nonproprietary entities (Maier et al., 2016).

In addition to the proliferation of available philanthropic opportunities for American citizens, the financial figures donated by individuals and corporations continually grew, leading to increased demand for improved accountability and visible performance measures for all nonprofit organizations (Seo, 2018). The heightening of accountability and transparency from cooperating nonprofits took shape through various reporting processes such as the adoption of annual reports. Annual reports discussed how donations were used and explained the level of impact the donations had on delivering the nonprofit's mission in the surrounding community (Burke, 2001). Given these financially elevated requirements, nonprofit organizations fulfilled their obligation to donors to exercise complete transparency to continue receiving adequate donations as well as political support (Burke, 2001). Essentially, the better a nonprofit communicates its efficient use of donated support, the better received the nonprofit publicly remains (Harris & Neely, 2018). A current-day example of this relationship is well illustrated through the emergence of performance-based contracting (PBC) guided by execution indicators (quantitative) measuring a nonprofit's efficiency and effectiveness when utilizing government funding (Henderson & Lambert, 2018). PBC, also referenced as results-oriented contracting, is a method that carries the primary focus of recording quality outcomes (outputs) that bond together a portion of the contractor's payment to the attainment of the agreed upon measurable performance requirements (Greiling & Stötzer, 2015). Greiling and Stötzer (2015) aligned with Henderson and Lambert (2018) by noting that an overarching global challenge for nonprofit organizations has involved maintaining the ability to both acquire adequate funding sources and effectively utilize them to carry out their organizational vision without encountering mission drift, risking social identity, or compromising their financial stability. Without tangibly tracked evidence of efficiently utilizing a donated funding source, a nonprofit organization's existence can be brought into question (Harris & Neely, 2018). Additionally, as research trends have shown, nonprofit organizations too heavily focus on adhering to their primary resources funding criteria during periods of prosperity (Pressgrove, 2017). This level of commitment to one financial resource leaves nonprofits susceptible to adverse risk during times of economic instability because of reduced resource diversification (Malatesta & Smith, 2014).

The historical background of nonprofits provided in the following section allows this research to uncover where the increased challenges of fundraising came to exist as well as an additional area of focus about nonprofit organizations developing resource dependencies (Hall, 2016; Mozos et al., 2016). As proposed in this study, the theoretical frameworks of the RDT, TCT, and PET can be utilized as a bridge to analyze the possibility that all 12 categories of nonprofits listed in the next section face fundraising challenges in the form of delivering performance measurables to donors as well as increased saturation of nonprofit organizations industry wide (Mozos et al., 2016).

To distinctively identify 501(c)(3) nonprofits and their classifications, Johns Hopkins University developed the Comparative Nonprofit Sector Project in 1992, which introduced the International Classification of Nonprofit Organizations (ICNPO) for the first time (Salamon & Anheier, 1992). The ICNPO was later revised in 1996 by the United Nations (UN) and the Organization for Economic Co-operation and Development (OECD) to distinguish similar market producers more thoroughly (Department of Economic and Social Affairs, 2018). These classifications were developed to systematically sort 501(c)(3) nonprofit organizations into 12 major categories (Litofcenko et al., 2018; Salamon & Anheier, 1992). The 12 ICNPO groups include (Salamon & Anheier, 1992):

1. Culture and recreation
    a) Media and communications; performing arts; historical humanistic societies; museums; zoos; physical fitness and wellness centers; social clubs; and membership organizations providing services to local communities.
2. Education and research
    a) Elementary, primary, and secondary education; higher education; vocational/technical schools; adult/continuing education; medical research; science and technology; social sciences.
3. Health
    a) Hospitals; rehabilitation centers; nursing homes; psychiatric hospitals; mental health treatment; crisis intervention; public health and wellness education; health treatment; emergency medical services.
4. Social services
    a) Child welfare; youth welfare services; family services; services for the handicapped; services for the elderly; self-help and personal social services;

disaster/emergency prevention and control; temporary shelters; refugee assistance; income support and maintenance; material assistance.

5. Environment

    a) Pollution abatement and control; natural resources conservation and protection; environmental beautification; animal protection and welfare; wildlife preservation and protection; veterinary services.

6. Development and housing

    a) Community and neighborhood organizations; economic development; social development; housing associations; housing assistance; job training programs; vocational counselling and guidance; vocational rehabilitation and sheltered workshops.

7. Law, advocacy, and politics

    a) Advocacy organizations; civil rights associations; ethnic associations; civic associations; legal services; crime prevention and public policy; rehabilitation of offenders; victim support; consumer protection associations; political parties and organizations.

8. Philanthropic intermediaries and voluntarism promotion

    a) Grant-making foundations; voluntarism promotion and support; fundraising organizations.

9. International

    a) Exchange/friendship/cultural programs; development assistance associations; international disaster and relief organizations; international human rights and peace organizations.

10. Religion

    a) Congregations; associations of congregations.

11. Business and professional associations

    a) Business associations; professional associations; labor unions.

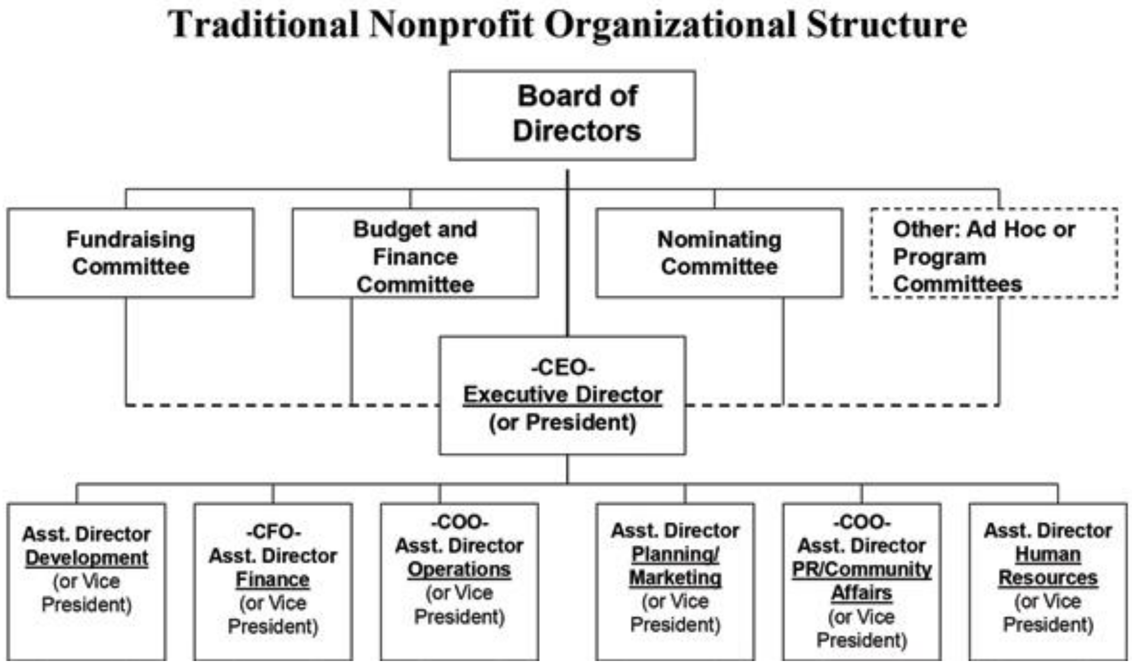
12. Not elsewhere classified

These nonprofit classifications were established based on the nonprofit's field of activity and have been adopted as the mainstay in the United States, as well as 45 other countries, according to Litofcenko et al. (2018). Ultimately, the ICNPO aids in deciphering each 501(c)(3) nonprofit's purpose and inherent funding source relationship differences between the groups of nonprofits. The various classifications/categories of 501(c)(3) nonprofits bring about potentially distinctive fundraising problems because of each category's involvement in specific fields of activity. Although each nonprofit may encounter varying degrees of fundraising challenges, the organizational structure remains consistent for the vast majority of all nonprofit organizations. Displayed in Figure 1 is a traditional nonprofit organizational chart (Ogliastri, et al., 2016).

Overall, the historical background introduced covering each category of the 501(c)(3) classification provides the foundation to further analyze the widespread fundraising problem through the theoretical frameworks of the RDT, TCT, and PET. These lenses enable the analysis of the difficulties that nonprofits face in attempting to fundraise. The industry-wide problem of fundraising introduced correlating issues that result from nonprofit resource dependence if/when an adequate funding source materializes for any given category of nonprofit (Hall, 2016; Litofcenko et al., 2018; Maier et al., 2016).

Figure 1

Traditional Nonprofit Organizational Chart



From "Strategy and Structure in High-Performing Nonprofits: Insights From Iberoamerican Cases, by E. Ogliastri, U. P. Jäger, and M. Prado, 2016, *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, *27*(1), p. 231 (https://doi.org/10.1007/s11266-015-9560-8).

Theoretical Framework and Historical Context of Prevalent Theories

The theoretical frameworks to follow enable a strategic focus on the difficulty nonprofit organizations encounter when they attempt to fundraise. With this centralized emphasis on nonprofit fundraising, turning to the foundational theorists in the fields of social sciences and organizational behavior pertaining to organizational resource attainment (fundraising) and utilization of fundraising revenue remains essential to the development of this study. The theories discussed provided a lens to examine, scrutinize, and investigate organizational behavior and social sciences since the early 1900s, formulating a variety of hypotheses. The three theories most influential and applicable pertaining to analyzing nonprofit fundraising challenges are the transaction cost theory (Williamson, 1975), resource dependence theory (Aldrich & Pfeffer, 1976), and the population ecology theory (Hannan & Freeman, 1977).

Before detailing each of the three previously mentioned theories, it is important to note the historical connection between these organizational theories as largely taking shape from the work of Henri Fayol's (1917) administrative theory in conjunction with James Thompson's 1967 synthesis titled *Organizations in Action* (Cobb & Wry, 2014). Beginning with Henri Fayol's (1917) administrative theory, this concept encompasses an emphasis on the importance of organizational management and the human/behavioral factors in the act of managing employees (Peaucelle & Guthrie, 2013). Furthermore, Fayol (1917) focused on accomplishing tasks through an optimized structure of management with the workforce efficiently carrying out each individual department focus.

Building from Fayol's (1917) administrative theory, James Thompson's 1967 publication was derived from the model of departmentalization, which defined each unique workplace activity to achieve the common mission of the organization in the form of different groups or departments effectively accomplishing tasks (Shafritz & Ott, 2001). Thompson explored organizational design and structure and innovative technologies in the workplace and assessed the ways in which human variables, decision making, controllable variables, and the flow of administrative processes impact an organization operating under varying levels of uncertainty (Shafritz & Ott, 2001).

Transaction Cost Theory

The transaction cost theory (TCT) postulates that the ideal organizational configuration will yield economic efficiency through the minimization of exchange costs (Williamson, 1975). Additionally, this theory intimates that each specific transaction category generates inherent costs to monitor, control, and manage the transaction (Greve & Argote, 2015; Williamson, 1975). More specifically, the TCT suggests which activities should be internalized within an organization as dictated by the level of realized transaction costs. The lens provided by the TCT enables a broad and simplified view of transactions as transfers of goods and/or services. The theory surmises that when transaction costs are high, internalizing the transaction is the appropriate course of action, and when the transaction costs are low (more affordable), purchasing the good/service on the open market is the most ideal option (Williamson, 2016).

As it pertains to the industry-wide problem of nonprofit fundraising, the TCT provides a lens to analyze the costs associated with the chosen form of implemented fundraising efforts (Renz, 2016). More simply put, the TCT provides an assessment tool for nonprofit decision makers to determine whether their fundraising sources (government funding, corporate sponsors, individual donors, etc.) are worth the inherent costs to monitor, manage, and control the function. Nonprofit transaction costs can be viewed as expenses related to the following (Renz, 2016; Williams, 2016):

- Managing/monitoring relationships
- Creating organizational systems to support and administer fundraising
- Allocating time of fundraising professionals to build key relationships with funding sources

- Changing stewardship efforts to secure increased funding.

TCT has been utilized in previous research to produce tangible evidence of the critical transaction costs associated with the effectiveness of a nonprofit fundraiser's time spent attempting to secure funding (Calzolari & Nardotto, 2017; Damgaard & Gravert, 2018; Golensky & Hager, 2020; Valentinov, 2008). Valentinov (2008) utilized the TCT as a foundational lens to recommend that nonprofits need to reduce their costs associated with time spent searching for, processing, and communicating information. Additionally, Valentinov used the TCT as a framework to conclude that nonprofit organizations should minimize opportunistic behavior and focus primarily on aligning incentives of involved stakeholders. Calzolari and Nardotto (2017) and Golensky and Hager (2020) built from Valentinov (2008), noting that the most valuable areas of time spent fundraising were identified in networking with government officials, fostering relationships with corporate foundations, and meeting face-to-face with large donors that yield long-term (slower developing) financial success. Furthermore, usage of the TCT framework brought about cost-related questions about underlying opportunity costs that arise while fundraising (Calzolari & Nardotto, 2017; Damgaard & Gravert, 2018). Damgaard and Gravert (2018) provided evidence of an underlying cost while fundraising through a nonprofit field experiment testing donor reaction to an increase in fundraising mail outreach. Damgaard and Gravert found that increased mail solicitation efforts incite an increase in avoidance behavior of potential donors through the results of subscriptions from the mailing list. The TCT allowed Damgaard and Gravert to analyze the tradeoff between an increase in donations compared to the quantity of donors lost for future donations because of the increased mail solicitations sent out. Calzolari and Nardotto (2017) supported this transaction cost analysis through their study of the effects of e-reminders and mail reminders on an individual's behavior categorized by up-front costs versus delayed benefits. Both Damgaard and Gravert (2018) and Calzolari and Nardotto (2017) utilized transaction cost analysis and the TCT to demonstrate the short-term and long-term price associated with time spent seeking an investment from a solicited individual. Ultimately, the utilization of the TCT and transaction cost analysis could provide nonprofit fundraisers with the ability to focus their time on efficient (lowest cost) fundraising efforts because of the inherent costs.

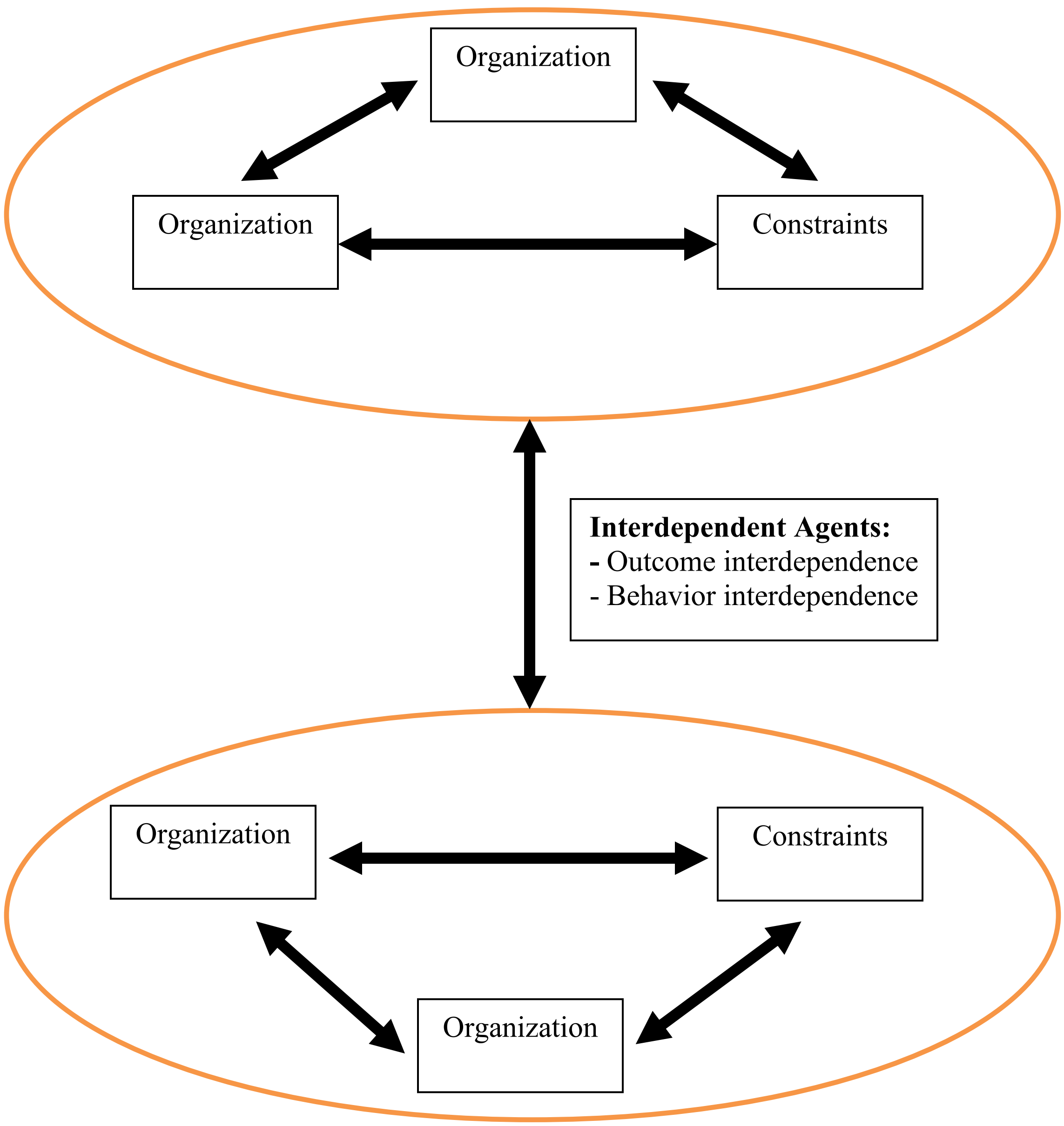
Resource Dependence Theory

The resource dependence theory (RDT) proposes that an organization must take part in transactions with other individuals/organizations in their given field to acquire necessary resources (Aldrich & Pfeffer, 1976; Berrett & Holliday, 2018). The RDT hypothesizes that even though specific transactions result in attained advantage, there are also interactions that evolve to produce organizational dependencies detrimental to the existence of the overall business function (Aldrich & Pfeffer, 1976; Berrett & Holliday, 2018). Under the RDT the assumption is made that organizational resources deemed necessary may be limited and/or not readily available as the sought-after assets may potentially be under the control of external industry entities. As a result, uneven levels of mutual aid present differences in power, authority, and access to further resources (Putnam Rankin & Archibald, 2016). To avoid market interaction dependencies, organizations can utilize the RDT as a framework to develop internal and external strategies to enhance their resource-related negotiating position. When employing the RDT as a lens to analyze fundraising challenges, nonprofits have implemented strategies for the purpose of pursuing political interactions for networking purposes, expanding the scale of production to serve a broader demographic, diversifying revenue sources for long-term financial stability, and cultivating relationships with value-adding organizations to promote increased market leverage/positioning (Putnam Rankin & Archibald, 2016). A conceptual model of the interdependencies within the RDT are shown in Figure 2, mapping out the engagement of transactions with other individuals and organizations to acquire resources (Putnam Rankin & Archibald, 2016.). This particular conceptual model illustrates how organizational effectiveness, the organizational environment, and various constraints or organization limitations affect one another. These internal interactions determine an outcome that then affects how an organization intermingles with a neighboring organization also in pursuit of financial resources. The higher the level of interdependencies between individuals and organizations, the higher the level of need for more interdependencies linked to other individuals or organizations.

As it specifically pertains to nonprofits, the RDT provides a framework to examine the challenge nonprofit organizations face amid their attempts to fundraise on a perpetual basis. RDT provides the necessary platform to view the varying external environmental characteristics of fundraising that can potentially compromise the ability of a nonprofit organization to acquire the necessary resources for its survival (Malatesta & Smith, 2014). Specifically, RDT lays the foundation (theoretical assumption) that resource dependence negatively impacts the diversification of organizational behavior (Lee & Nowell, 2015). A subsequent advantage of utilizing the RDT as a theoretical framework is seen through the emergence of resource dependence patterns (RDPs). A recognition of RDPs through the synthesis of RDT remains relevant as this can potentially aid nonprofit decision makers in identifying needed areas of improvement within organizational behavior and performance pertaining to the challenge of securing diversified funding sources (Seo, 2018).

Figure 2

Conceptual Model of the Independent Agents Within the RDT



Mosley et al. (2012) provided relevant research relating to the core problem of securing nonprofit funding sources as they utilize the RDT as a platform to analyze organizational behavior and performance, acknowledging that more dependable funding sources promote longevity for nonprofit organization. Furthermore, additional research from Henderson and Lambert (2018) validated Mosley et al. (2012) when their research established evidence that during periods of economic uncertainty, the combined usage of the RDT and RDPs can be leveraged to strategically analyze the potential need for diversified nonprofit funding sources.

While analyzing the industry-wide nonprofit challenge of fundraising, the theoretical framework of the RDT has been woven into scholarly research to provide a lens through which nonprofit professionals can address varying elements of existing fundraising challenges. As a prevalent theory, the RDT has been effectively utilized to mitigate the nonprofit fundraising problem with the supplementary addition of the five dimensions of RDPs (resource dependency, resource diversity, resource uncertainty, resource abundance, and resource competitiveness). Existing research in the field of nonprofit fundraising supports the opportunity to effectively utilize the RDT and RDPs as the platform to address the central problem of fundraising.

Population Ecology Theory

Hannan and Freeman's (1977) population ecology theory (PET) supports the notion that changes take place at the population level because of the development of organizational selection and replacement resulting from a lack of adaptation. From this foundation, PET progresses to reason that an organization's existence hinges on environmental selection. More specifically, organizations that conflict with their environment are ultimately replaced through the realities of intensified competition among organizations that may potentially be a better fit to satisfy external demands (Nelson et al., 2016). Analyzing PET from a practical perspective uncovers theoretical implications that are rooted in the notion that unmanageable organizational behaviors/tendencies and strategies are chosen because of ecological pressures, ultimately leaving organizations to face potential declines in overall population density (i.e., organizations go out of business exiting the industry; Krause et al., 2019). Conversely, sustainable organizational practices may potentially enable increased industry density and heightened survival rates for organizational populations (Miller, 2018). Most simply put, the PET describes organizational change with an evolutionary view. Nelson et al. (2016) noted that under this evolutionary perspective, organizations originate from a prior or remaining organization, and then changes at the population level lead to changes in organizational forms and/or their propensity to survive.

The PET remains relevant for nonprofit organizations seeking to analyze their external environment to avoid risk factors that may stifle their future fundraising initiatives (Krause et al., 2019). Maintaining the ability to survey the density of the competitive landscape for nonprofits will allow them to understand when it will be most beneficial to launch varying fundraising strategies (Krause et al., 2019). As mentioned earlier as a characteristic of the PET, organizations (including nonprofits) are subject to coercive forms of market demands to remain relevant in their respective field. Without the willingness of nonprofits to adapt to the ways in which funding sources prefer to exercise their philanthropic intent, the potential to solidify dependable revenue streams becomes increasingly uncertain (Krause et al., 2019). An example of how the PET can be directly applied to the industry-wide problem of fundraising difficulties can be seen through the research of Woronkowicz and Nicholson-Crotty (2017). Their study specifically focused on the effects of capital campaigns on the fundraising execution of other nonprofits within a specific geographic proximity. Woronkowicz and Nicholson-Crotty utilized a combination of the PET and organizational ecology to theorize that a neighboring (physical location) capital campaign impacts the effective delivery of a competitor's simultaneously introduced capital campaign. Eight years (1999 to 2007) of financial data were collected from U.S.-based art nonprofits across 48 states to test their hypothesis of how regional capital campaigns impact neighboring nonprofit fundraising potential. Woronkowicz and Nicholson-Crotty (2017) concluded that a large-scale capital campaign positively affected neighboring nonprofit fundraising initiatives and showed that the financial (fundraising) effects vary dependent upon the given phase of each overlapping capital campaign. This type of theoretical framework can enable nonprofit organizations to make strategic decisions to restructure internally to adjust capital campaign fundraising efforts to maintain industry relevance (adapting to market trends).

Resource dependence continues to be a topic of research as it remains an area of influence upon nonprofit organizational behavior and efficiency. Existing literature supports the idea that nonprofit organizations seek to achieve diversification among various revenue sources as an appropriate method to ensure organizational stability (Webb & Waymire, 2016). Schnurbein and Fritz (2017) conducted supportive research that utilized data collected from over 200 nonprofits to attempt to prove the contrary. According to Schnurbein and Fritz, a higher level of revenue concentration within one funding source stabilized nonprofit organizations over the sampled course of an 8-year period (2005 to 2012). Identifiable influential factors behind this chosen revenue structure were characterized by the organization's age, size, and preselected solicitation methods (Schnurbein & Fritz, 2017). Conflicting with the previously mentioned research (Henderson & Lambert, 2018; Seo, 2018; Webb & Waymire, 2016) in this study, Schnurbein and Fritz (2017) concluded by finding that revenue source concentration is positively influenced by the nonprofit organization's (NPO's) geographic range of activity and dependence upon their most financially stable revenue source. Furthermore, they suggested that a singular funding source dependence is negatively influenced by heightened board size and overdiversification of revenue sources (Schnurbein & Fritz, 2017).

In terms of this specific study analyzing the problems nonprofits face when attempting to secure funding sources, Schnurbein and Fritz (2017) are the minority but are referenced for consistent objectivity. Additionally, Mozos et al. (2016) shared in this minority stance by exploring nonprofit fundraising efficiencies and how they are affected by changes in revenue diversification. Mozos et al. used random-effect regression models to study a sample of over 10,000 U.S. nonprofits during a 10-year period (1997 to 2007) and found a negative impact on fundraising efficiency when nonprofit organizations alter their locus of dependence (change their pattern of revenue diversification). The data compiled for Mozos et al. (2016) were derived from the IRS 990 filing, which includes American tax-exempt organizations with IRS code section 501(c). Their regression model data consisted of the dependent variable of *Fundraising Efficiency* (EFFIFUN), which is calculated as donation revenue divided by fundraising costs. Mozos et al. (2016) described this ratio as providing an indication of how much it costs the nonprofit organization to fundraise one dollar.

$$\textbf{EFFIFUN} = \frac{\textbf{Contributions; gifts; grants; and similar amounts received}}{\textbf{Fundraising Expenses}}$$

Mozos et al. (2016) mentioned that a high fundraising efficiency can be solidified through limiting expenses spent on fundraising. Low fundraising costs are widely viewed as desirable by the majority of modern-day nonprofits but have been disputed by more mature scholarly sources, showing that an increase in fundraising spending increases revenue (e.g., Weisbrod & Dominguez, 1986). Despite this aging criticism, measures of fundraising efficiency are frequently used in research concerning nonprofit organizations (Erwin, 2013). Operational efficiency remains important as there are correlating charity ratings that serve as indicators that lead donors to highly efficient (well-run) organizations. Carroll and Stater (2008) and Mozos et al. (2016) concluded that nonprofits with lower fundraising costs relative to fundraising revenue can allocate more resources into mission fulfillment. More simply put, fundraising expenses exhaust resources from service delivery; therefore, nonprofits that reduce fundraising expenses remain nimble in their ability to apply a larger percentage of total revenue to programmatic expenses (Carroll & Stater, 2008). Furthermore, donors take into consideration fundraising costs as a factor in making donation decisions (Tinkelman & Mankaney, 2007).

The independent variable within the regression model presented by Mozos et al. (2016) is labeled as *Increase in Diversification*:

Revenue Diversification (RD) = 3/2 (1 – DN2 – EI2 – INV2)

Mozos et al. (2016) noted that the RD variable ranges from 0 when all revenues come from the same source (max revenue concentration) to a value of 1 when each revenue source provides a third of total revenue (max revenue diversification). RD formula descriptors as noted by Mozos et al. (2016) are outlined as follows:

- Donations (DN) equal the total sum of public support (line 1d on IRS Form 990), and total revenue from public fundraising events (line 9a on IRS Form 990).
- Earned income (EI) represents the sum of program service revenue (line 2 on IRS Form 990), membership dues and assessments (line 3 on IRS Form 990), and other revenue (line 11 on IRS Form 990).
- Investment income (INV) is the sum of gross sales of securities (line 8a on IRS Form 990), interest (line 4 on IRS Form 990) and other investment income (line 7 on IRS Form 990).

Mozos et al. aimed to show a connection by using a change model of diversification by looking at the changes in RD between years t and t + 1 (independent variable) along with change in efficiency between years t and t + 1 (dependent variable). Overall, Mozos et al. tested whether or not changes in RD are associated with changes in nonprofit fundraising efficiency.

Opposed to previous research demonstrating that income heterogeneity is associated with increased organizational stability and financial strength, Mozos et al. (2016) used the funding diversity change model mentioned in the previous paragraph to conclude that increased diversification contributes to higher levels of operational inefficiency. The opportunity to acknowledge affirmative and opposing literature has been implemented within this analysis to focus on nonprofit funding source acquisition challenges, ultimately to present impartial approaches to organizational behavior and managerial structures that may reduce the issues nonprofits face when attempting to fundraise for the purpose of financial stability.

Another aspect of resource dependence as it pertains to organizational behavior/performance includes the current economic climate, the psychological factors of frontline fundraisers, and the way they simultaneously impact the ability of a nonprofits to secure funding (Carroll & Stater, 2008; Tinkelman & Mankaney, 2007). Arik et al. (2016) analyzed nonprofit funding source problems with consideration of the decision-making tendencies of fundraisers during periods of economic fluctuation. For reflection of nonprofit funding issues during a period of economic instability, Arik et al. examined approaches used by the nonprofit sector in response to the 2008 economic crisis (period of recession). Arik et al. provided supporting evidence of the effective use of the RDT and as a portion of their analytical framework, explored the influential strategies of varying nonprofits as they sought to increase organizational performance during a recessionary timeframe. Arik et al. analyzed 280 surveys from the Nashville Metropolitan Statistical Area (MSA) as their primary source of where nonprofits registered their strategic response to the 2008 economic crisis. The use of surveys within their study estimated human resource capacity (resource strength), quantifiable resource dependency, overall organizational financial performance, and a visibility index. Descriptors of each as noted by Arik et al. (2016) are listed as follows:

- Human Resource Capacity Index (HRCI) = FT + PT/3 + PT/40
    - FT = Number of full-time employees
    - PT = Number of part-time employees weighted by 3

- WVH = Weekly volunteer hours weighted by 40

- Quantifiable resource dependence = Used the Shannon-Weaver Diversity Index, which is calculated using seven self-reported revenue sources: (a) admission fee, sale of services, membership; (b) contributions and grants from individuals; (c) contributions and grants from businesses; (d) contributions and grants from foundations; (e) contributions and grants from government; (f) investment income; and (g) all other sources (Shannon & Weaver, 1949).

$$DI = \sum pi\ X \ln(pi)$$

  - Where DI = Diversity index
  - pi = Funding share of each funding source
  - $\ln(pi)$ = Natural log of pi

- Organizational financial performance = Determined by a self-report response to the survey question, "How has the recent economic crisis affected organization's revenue?" A categorical variable was used: decreased revenue (0) remained the same (1) or increased revenue (2).

- Visibility index = Calculated the nonprofit's visibility within the internet.
  - Visibility index = Average (web presence; board presence, standardized board size)
  - Nonprofit website: Yes (1) or No (0)
  - Board of directors: Yes (1) or No (0)

- Board of director size: Standardized to have a value between 1 and 0, 1 being the largest and 0 being the smallest.

- $f\,(Size, \mu, r) = 1/\sqrt{2\pi r}(e) - [(Size - \mu)^2 / 2r^2]$

- $Size$= Board size
- μ = Average board size
- r = Standard deviation of board size distribution

- Higher the visibility index, higher the nonprofit organization's outreach activities.

Conclusions depicted that nonprofits showing fewer funding sources had a higher likelihood of having a less effective strategic response (Arik et al., 2016). However, Arik et al. (2016) found that an e-presence (website) and publicized visibility of a board of directors resulted in nonprofits showing their resource levels remaining the same or increasing. Longevity within the nonprofit industry and the size of the organization did not emerge as a significant predictor of any strategic response level success. Arik et al. presented valuable information pertaining to the added layer of nonprofits positioning themselves for financial stability during an economic crisis.

Mosley et al. (2012) explored the approaches nonprofits employ in response to funding source uncertainty related to the organization's ability to accomplish goals and solidify sustainable success. Lee and Nowell (2015) validated the importance of acknowledging that reactionary organizational behavior resulting from obligatory funding source efficiency measurables can impact a nonprofit organization's overall performance. Their study examined how characteristics involving managerial and financial structures impact human services nonprofit organization fundraising during periods of economic uncertainty. The internal methodologies analyzed comprise adding new programs, reducing workforce and program offerings, introducing joint programs, seeking earned income as a new funding source, and increasing expanding promotional efforts (Lee & Nowell, 2015; Mosley et al., 2012). Their study tracked, collected, and utilized protracted data from human service nonprofits during 2002–2003, which spanned both sides of an economic downturn (Mosley et al., 2012).

Findings within their study established that larger human services nonprofits have increased adaptability to survive economic instability because of their ability to freely open new programs, close existing programs, increase advocacy, or pursue earned income (Mosley et al., 2012). Of these survival tactics, the most positive impact on organizational success was attributed to initiating joint programming to reduce expenses and the pursuit of earned income. Additionally, Mosley et al. (2012) and Lee and Nowell (2015) concluded that the reduction of primary funding sources resulted in human service nonprofits being forced to internally cut expenses but inadvertently placed abnormal amounts of pressure on frontline fundraisers to perform beyond previously set expectations. Recorded proactive behaviors in response to financial stressors was reduced as the size of the nonprofit increased, ultimately proving to reduce the stress felt by the fundraisers.

Mosley et al. (2012) concluded their study noting that human service nonprofit managers (decision makers) experience levels (time in their job) did not dictate their ability to adapt and respond to the economic downturn. Furthermore, Mosley et al. mentioned that organizational age and the implementation of performance management tracking had no effect on the employed strategies to reduce fundraiser stress levels and guide the organization's strategic plan process. Analyzing periods of economic prominence and/or instability along with the variable of amount of professional experience of an individual fundraiser holds relevance when addressing the challenges nonprofit fundraisers face when they attempt to pursue funding sources.

Resource Dependence Impact on Organizational Performance

Moving on to address the influence of resource dependence on organizational performance is yet another aspect of this examination when analyzing how nonprofits organizationally approach funding source attainment and retention. The RDT helped in framing the issues nonprofits encounter when attempting to adhere to the external accountabilities applied by funding sources pertaining to the overall performance of a nonprofit. Evidence of such an approach to measure organizational performance (fundraising revenue/fundraising expenses) is found in Greiling and Stötzer (2015) as they studied Austrian nonprofit organizations, concluding that there are ever-increasing obligatory requirements for nonprofits to record and report their efficient utilization of donated funding. This research recorded efficiencies and noted them as accounting performance measurement (PM) systems (Greiling & Stötzer, 2015). Greiling and Stötzer analyzed nonprofits in the field of social services and the realities they face given the growth in popularity of the heavily regulated nonprofit–government PBCs, which are inclusive of extremely specific accountability measurements placed on fundraising professionals. Greiling and Stötzer assumed that these externally imposed PM systems negatively affect both the nonprofits' strategic focus and the resulting relationship with their given funding sources, ultimately reducing the nonprofit funding source to a transactional level, which damages overall performance long-term. Given these assumptions, Greiling and Stötzer investigated nonprofit's funding source focus, the correlating relationship between the nonprofit fundraiser and the funding source, and the extent to which the implemented PM systems influence a fundraiser's assessment of cost–benefit ratio to uphold the funding source relationship as it affects organizational performance. Essentially, do the external performance measures applied by the funding source deter the fundraising professional from optimizing fundraising revenue, ultimately increasing organizational efficiency (fundraising revenue/fundraising expenses)?

Khieng and Dahles (2015) and Seo (2018) aligned with Greiling and Stötzer (2015) illustrating the conclusion that nonprofit organizations are increasingly pressured to administer exorbitant amounts of time and energy to appease funding sources, an action that trickles down to frontline fundraisers adding inherent pressure to bring in any stream of revenue possible, regardless of mission alignment. Self-inflicted complications occur after a funding source has been secured because of increasing demands of the funder. After a substantive donation has been accepted by a nonprofit organization, nonprofit decision makers are coerced into formulating strategic plans to decipher where they will receive the greatest return on investment of their time stewarding the given relationship (Greiling & Stötzer, 2015). From this existing scholarly evidence, the aspect of measuring organizational performance (fundraising revenue/fundraising expenses) after a donation has been attained brings attention to nonprofit fundraising as it relates to potential problematic trends that arise given the chosen stewardship tactics post gift acceptance. These stewardship tactics can be realized as any form of time and attention allocated to the donor (written communication, personal in-person visits, phone calls, etc.; Mosley et al., 2012).

This research also presents a crucial organizational-level view of nonprofits through the lens of the RDT and acknowledges the impact of RDPs when assessing resource dependence reduction strategies. Tangible evidence from Khieng and Dahles (2015) examined Cambodian nonprofits and how resource dependence affects their mission, programming, fundraiser turnover, and funding (current and future). Observations within their research demonstrate findings that suggest that analyzed nonprofits dependence on international funding sources has a muddled effect on the overall performance of the organization as it pertains to the focus areas of goal shifting, organizational autonomy, and internal accountability (Khieng & Dahles, 2015). However, Khieng and Dahles delivered evidence that commercial funding was identified as a more rhythmic/dependable revenue source that fostered bottom-up accountability inclusive of heightened organizational autonomy.

From a theoretical perspective, this study focused on RDT as a lens to analyze nonprofits' funding source challenges, ultimately to potentially uncover comparative funding source challenges from estate to state and country to country. As studies continue to grow pertaining to nonprofit fundraising challenges, Khieng and Dahles (2015) concluded that the examined strategic responses to attempt to lower resource dependencies must be rooted in increasing organizational autonomy to be most effective.

Further evidence provided by Seo (2018) built an area of focus on the attainment of resources from a survival perspective for nonprofit organizations. This brought about another characteristic of fundraiser performance (fundraising revenue/fundraising expenses) as it influences overall organizational performance (ROI of fundraising efforts). Seo introduced important findings concerning the fact that nonprofit organization fundraisers are never free of the inherent burden to unwillingly shift organizational goals to please the demands of various funding sources. Seo examined the correlating relationship between RDPs and associated goal changes and how that relationship involuntarily risks the social value of a nonprofit organization. Essentially, Seo suggested that the aggressive resource acquisition landscape all nonprofits face brings about organizational goal changes that are connected to a loss of social value and performance for the given nonprofit organization. To combat this reality, research from Seo (2018), Henderson and Lambert (2018), and Barrett and Holliday (2018) observed that revenue source diversification can serve as an aid to sustain social value as this type of structure reduces the need for nonprofit fundraisers to overaccommodate a single funding source.

From a practical perspective, these studies show that recurring organizational goal shifting is damaging to a nonprofit's social value. Related to the existing literature that analyzes nonprofit organizations through the lens of the RDT, Seo (2018) can be understood as a key contributor to recognizing the impact that it has given a potential funding sources level of involvement. Furthermore, the influence of RDP remains a significant piece to this investigation as it can conceivably act as a catalyst behind goal shifting, which has been illustrated by existing literature as detrimental to a nonprofit organization's fundraising staff and overall social value. Through the recognition of negative nonprofit RDPs, the recommendation can be proposed to mitigate this overdependence problem by diversifying revenue sources (Krause et al., 2019). Existing literature supplied a platform for this research to consider that the diversification of funding sources will not only increase organizational autonomy reducing fundraising pressure but will also strengthen social value among the public, ultimately solidifying their long-term financial impartiality (overall performance; Seo, 2018; Krause et al., 2019).

Lu et al. (2019) and Berrett and Holliday (2018) provided evidence that all nonprofit organizations continually face financial challenges while striving to bring their mission to fruition. Lu et al. (2019) along with Barrett and Holliday (2018) recognized that both academic literature and nonprofit experts have explored the managerial strategy to diversify revenue source dependence using RDT as their analytical lens while attempting to take on the challenge of fundraising. Even though the strategy of diversifying funding sources is disputed by Schnurbein and Fritz (2017), Barrett and Holliday (2018) argued that revenue diversification can create positive outcomes for nonprofit organizations. Furthermore, Lu et al. (2019) examined whether revenue diversification leads to greater financial stability and less long-term organizational vulnerability. Lu et al. used a sample collected from 86 existing studies to further explore the connection between revenue diversification, financial stability, and organizational vulnerabilities. A meta-analysis was conducted to quantitatively breakdown 258 effect sizes from 23 existing empirical studies, concluding that revenue diversification had only a small effect on financial vulnerability but had a larger negative effect on financial capacity (Lu et al., 2019).

Utilizing the RDT as their theoretical lens, Barrett and Holliday (2018) analyzed/tested two conflicting hypotheses to understand the potential influence of funding source diversification more clearly amid the industry-wide fundraising continuum quandary. Utilizing a dataset built to approximate a zero-inflated negative binomial regression model (ZINB), Berrett and Holliday evaluated the connection between revenue diversification and mission outputs. Most simply put, the ZINB is implemented to inspect the relationship between interest exposure and over dispersed count outcomes that exhibit many zeros (Preisser et al., 2016). Barrett and Holliday (2018) concluded their study with outcomes that reveal that revenue diversification is positively associated with an increase in efficiently delivering the organization's mission given the related natural ability to potentially turn down funding that may not align with the nonprofit's core purpose.

The challenge of nonprofit fundraising as it pertains to funding source attainment can be partially mitigated by revenue diversification (Berrett & Holliday, 2018; Lu et al., 2019; Schnurbein & Fritz, 2017). Furthermore, the RDT was applied in this research as a theoretical guide to locate the positive association between revenue diversification and how organizational performance aligns with the existing reviewed literature. The positive correlation between funding source diversification and effectively carrying out a nonprofit's mission presented by Berrett and Holliday (2018) brought further relevant evidence supporting ways to potentially approach the overarching problem of nonprofit fundraising within this investigation.

Henderson and Lambert (2018) supplied current evidence of this utilizing nonprofits in the United Kingdom (UK) that have been hindered by resource dependence as it relates to carrying out a nonprofit's mission. Within their examination, the resource dependence theoretical framework was used to explore midsize nonprofits (based on their annual revenue) that are primarily supported by grant funders and are struggling to secure adequate annual revenue (Henderson & Lambert, 2018). The critical issue that Henderson and Lambert highlighted is the imposition funders place on nonprofit organizations that coerces them into reducing focus on the organizational mission and shifting organizational behaviors to fulfill the donor's performance criteria.

Related to this research, Henderson and Lambert (2018) evaluated the core problem of nonprofit fundraising using the RDT and evidence of shifting organizational behavior through four nonprofit case studies. Grant funder interviews were conducted to demonstrate how nonprofits can approach mission delivery while maintaining the performance related relationship with the grant funder (Henderson & Lambert, 2018). Lu et al. (2019) and Barrett and Holliday (2018) similarly built this area of research as they also illustrated the negative effects of nonprofit resource dependence but uniquely exhibited a solution-oriented approach to safeguard the nonprofit's mission. As it connects to this analysis, a negative association between grant funding and internal organizational behavior resulting in mission drift are closely correlated. Within this research, the RDT was employed to acknowledge the burden external funders place on nonprofit fundraisers. Most importantly, this resource dependence theoretical framework will provide the managerial tools to strategically cope with external requirements and enable mission-focus retention (Webb & Waymire, 2016).

Nonprofit Industry Research Findings

This review of existing research offers continued evidence that nonprofit organizations are most heavily reliant on three specific funding sources to be able to continue delivering their varying mission-based initiatives (Arik et al., 2016; Khieng & Dahles, 2015; Lee & Nowell, 2015). Those three revenue sources are foundation/government grants, individual donations, and corporate funding (Arik et al., 2016; Khieng & Dahles, 2015; Lee & Nowell, 2015). The dependence upon these three sources of revenue brings about inherent issues for all nonprofit organizations beginning with the potential instability (revenue fluctuation) of external donor contributions decreasing the opportunity for any singular revenue stream to remain sustainable. Additionally, the sensitivities surrounding the external impact of the given economic climate (e.g., a global economic crisis) stimulates concerns among most nonprofit organizations as found in existing research (Arik et al., 2016). Furthermore, current literature centered on this research topic shows that a potential dependence on a particular funding source brings about increased pressure to connect potentially biased donor initiatives and the organizational mission of the nonprofit (Khieng & Dahles, 2015; Krause et al., 2019). In several instances within current research, nonprofit organizations most often experience mission drift during periods of economic uncertainty when survival becomes the main goal (Khieng & Dahles, 2015; Krause et al., 2019).

Contemporary literature introduces the common thread that nonprofit organizations often take part in a variety of donor-specific initiatives, all for sake of continued existence, regardless of whether the new potential engagement aligns with the organization's exiting mission (Chikoto-Schultz & Neely, 2016; Helmig et al., 2014). Overall, existing literature suggests that the core problem within nonprofit fundraising involves concerns about revenue volatility, mission/goal displacement, and correlating internal structural effects on organizational efficiency (viewed as fundraising expenses compared to fundraising revenues).

Concluding Literature Review Discussion

Even though it has been over 40 years since Aldrich and Pfeffer (1976) formulated the seminal work on the RDT, Hannan and Freeman (1977) developed the population ecology theory (PET), and Williamson (1975) assembled the transaction cost theory (TCT), they all remain prevalent lenses that current researchers use as a framework to analyze various topics. Across the existing literature reviewed in the previous sections, the RDT, the PET, and the TCT continue to be applied to explain the various ways in which nonprofit organizations may try to decrease environmental interdependence and organizational uncertainty. Within the scholarly evidence provided in existing literature, the authors assessed the theoretical development, practical research, and the application of RDT, PET, and TCT.

The current state of the literature reviewed encompasses the testing of varying fundraising strategies and how associated organizational decision making (stewardship of donors) can potentially affect overall organizational performance (fundraising revenue/fundraising expenses). The vast majority of existing literature in this field refers to these theoretical frameworks as tools to understand the behavior of nonprofit organizations and their fundraising efforts given the varied context of their potential economic outlook. Furthermore, nearly all reviewed existing literature, as it connects to nonprofit funding source attainment, agrees that the RDT, PET, and TCT deliver a platform to recognize the influence of external factors on organizational decision making and the ability to deliver the nonprofit's mission with the lowest cost. Effectively, the fundamentals of these theoretical frameworks are universally approved by existing research pertaining to addressing nonprofit fundraising difficulties. Of the literature reviewed, very few scholarly sources demonstrated research that incorporated negative results from reducing resource dependence for nonprofit organizations as it is associated with taking on the challenges of increasing fundraising revenue sources.

Equally established among the reviewed authors was the realization that the RDT allows for a lens to understand that nonprofit organizations are constrained by an external network of interdependent funding sources, ultimately placing undue pressure on frontline fundraisers that becomes detrimental to mission delivery and cost of fundraising (fundraising revenue/fundraising expenses). From these agreed upon fundamentals, existing research moves in predominant unison when noting that these frameworks equip nonprofit organizations with the tools to manage external funding source dependencies with improved internal organizational behavior, ultimately leading to increased efficiencies when attempting to deliver the organizational mission (Hillman et al., 2009; Kim, 2017; Lee & Nowell, 2015; Valentinov, 2008).

Although analysis has been done focusing on the varying ways nonprofit organizations can address fundraising issues using the RDT, PET and TCT, there appear to be geographical and behavioral (decision making focused) gaps in the research that need to be addressed to strengthen this field of study. Although analyzing the landscape of existing research related to nonprofit funding source attainment, very few studies specifically illustrate how the RDT, PET, and/or the TCT have been leveraged to identify how to optimize or improve the decision-making abilities of fundraisers for U.S.-based nonprofit organizations. Fundraiser behavior as it connects to nonprofit performance within U.S.-based nonprofits remains to be a scarce area of research when using RDT, PET, and TCT as the theoretical frameworks. What appear to be most prevalent across current research are studies about resource dependence of overseas nonprofit organization and their struggle to reduce funding source concentration through the implementation of revenue diversification as the primary solution (Greiling & Stötzer, 2015; Khieng & Dahles, 2015).

Furthermore, differences in geography may present changes in funding source relationships that require a location specific approach. For example, government-funded grants may have different performance measure systems (varied external levels of applied pressure on the nonprofit) dependent upon the specific government policies in place (i.e., United States vs. Cambodia). Furthermore, a deeper understanding of the psychological and sociological characteristics that dictate a fundraiser's performance level when attempting to fund the mission of a U.S. nonprofit is also important. The potentially varied pressures applied to a geographically specified nonprofit fundraiser may also be dictated by the given government structure; therefore, the level of pressure to deliver associated performance efficiencies may vary as it correlates to overall success of the individual fundraiser.

Given these geographical gaps, a necessary extension of current research would be to investigate the psychological and sociological triggers that determine a fundraiser's ability to perform efficiently in addition to the utilization of RDT, PET, and TCT correlated to organizational behavior and overall performance within U.S.-based nonprofits. Framed in that manner, the following will aid this research in deciphering which of these variables (or all) most heavily influences mission drift, a potential reduction in public perception, and overall financial performance:

- The financial performance of region-specific nonprofits
- A broadened understanding of fundraising professional decision making
- Inherent pressures of funding source intent (a form of resource dependence)
- Varying levels of revenue source diversification.

CHAPTER 3: METHODOLOGY

Purpose

The overarching challenge of nonprofit fundraising has shown to bring about correlating issues regarding resource dependencies and resulting organizational efficiency. The purpose of this study was to uncover the cascading effects of how resource dependencies affect the fundraising efforts of nonprofit professionals, which then potentially impacts the organization's financial stability and efficiency. Analyzing nonprofits' resource dependencies, fundraiser decision making, and associated organizational performance can potentially enable nonprofit executives to make sound fundraising decisions that produce long-term organizational efficiency (Mayer et al., 2014; Mitchell & Calabrese, 2019).

Research Questions

This study contends that a nonprofit's attempt to address the challenge of fundraising affects their level of existing resource dependence, which then has a trickle-down effect on fundraising efficiency (net fundraising positive or negative) and ultimately the nonprofit's long-term stability. The main research question was framed as "Are resource dependencies of nonprofit organizations influencing fundraiser decision making, fundraiser performance, and the financial stability of the organization?" This study was principally focused on the acquisition of resources (revenue) of nonprofits:

- How and where do nonprofits acquire resources?
- Are there obstructions of any kind and/or saturated competition with other nonprofits to secure sought after resources?

- Do nonprofit organizations adequately fundraise at a high enough volume to carry out their chosen mission?
- Do nonprofit organizations annually possess the necessary revenue resources to remain in business?

Research Design and Significance

The aim of this research was to investigate the following:

1. How do resource dependencies affect the decision making (behavior) of the nonprofit fundraiser?
2. How does the fundraiser's decision-making behavior affect their performance?
3. How does fundraiser performance affect organizational performance?

This study focused on RDPs, fundraiser decision making, and the way fundraiser performance affects the financial stability of the given nonprofit. Semistructured interviews with fundraising professionals are the main tools used to obtain the targeted information. Unlike structured interviews that include a tightly coordinated set of predetermined questions, semistructured interviews involve a sequence of open-ended questions. The open-ended nature of the nonprofit fundraising-related questions provides the opportunity for both interviewer and interviewee to discuss specific topics in more detail (Irvine et al., 2013). For example, if the interviewee struggles to answer any given question or provides too brief a response, the interviewer maintains the flexibility to prompt the interviewee to expand and consider the question further (Frels & Onwuegbuzie, 2013). Additionally, the interviewer also possesses the autonomy to inquire about more in-depth information if the interviewee is unable to initially elaborate upon their original response to a given question (Brown & Danaher, 2019).

The sample data collected for this research consisted of nonprofits from the Southern California region implementing qualitative research methods. A phenomenological approach is utilized to analyze the interview data to highlight specific information and locating phenomena. A well-formed hypothesis was not articulated, and the study used a homogeneous set of interview participants, which built a dataset that focused on evolving themes. Additionally, the case method and triangulation techniques were employed to increase rigor and validity of findings across the different datasets (interviews, print media, and financial reports).

This investigation of nonprofits' resource dependencies, fundraiser actions/behavior, and subsequent organizational performance can foster the implementation of potentially more effective nonprofit fundraising strategies. Using the RDT, PET, and TCT as a framework highlights that there are existing external environmental characteristics that can potentially compromise an organization's capacity to fundraise effectively (Aldrich & Pfeffer, 1976; Malatesta & Smith, 2014; Williamson, 2016). This research provided the opportunity to test the RDT, PET, and TCT that have been noted to negatively impact the diversification of organizational action. Testing the effectiveness of these frameworks is useful because nonprofit organizations naturally develop dependencies given the acquisition of resources from varying funding sources (Aldrich & Pfeffer, 1976). Essentially, nonprofit organizations develop trends of naturally administered amounts of time micromanaging fundraising-related relationships that may be detrimental to their overall success (Seo, 2018). This research can advance the field of nonprofit fundraising by empirically testing the relationship between resource dependencies, fundraiser decision-making behavior, and the organization's financial performance. Investigating the multilayered relationship between resource dependencies and fundraiser behavior can empower nonprofit organizations to adequately take on the challenge of fundraising with more effective strategies that sustain long-term financial stability (Chikoto-Schultz & Neely, 2016; Webb & Waymire, 2016).

Population, Sample, and Instrument

The population or broader group of individuals whom these research results may apply to include any individual tasked with fundraising initiatives by their nonprofit employer, particularly, those fundraising professionals in positions of leadership/management where long-term fundraising strategies are considered. Within this phenomenological research, the sample data were derived from fundraising professionals actively employed (full time) by a 501(c)(3) nonprofit organization based in Southern California. Phenomenological research was chosen because of its structural formatting inclusive of various forms of experiences ranging from perception, thought, memory, imagination, emotion, desire, embodied action, and social activity (Lien et al., 2014). Phenomenological studies such as this one involve a goal-directed sampling strategy that asks respondents to describe their lived experience that elicit concrete professional events (Mayoh & Onwuegbuzie, 2015). For practicality, the selected interview participants were recruited based on their potential to provide the richest information in addition to having an awareness of the fundraising phenomenon to be able to articulate their lived experiences.

As an overarching guideline, this qualitative research derived a sample using the instrument of semistructured interviews until data saturation was achieved. Data saturation is defined as the collection of qualitative data to the point where substantive closure is reached and newly recorded data yield redundant information (Quinney et al., 2016). More simply put, the sampling of data ceased when the findings provided maximum information on the phenomenon. While designing this qualitative sampling plan, the estimation was made that phenomenological studies require fewer than 10 interviews (Guest et al., 2006). For this research, the estimation was that saturation would be reached with 12 to 13 interviews, given the homogenous audience interviewed. The sample was analyzed with a focus on describing and interpreting the meaning of the participant experiences by identifying critical themes. Most importantly, the analysis of the data sample included a detailed description of emerging themes that encapsulate the meaning of the participant's lived experience. To elevate the rigor of this study, the utilization of the case method and the research technique of triangulation were implemented to investigate, compare, and contrast the semistructured interview data with organizationally produced print media and annual financial reporting for the purposes of creating a more comprehensive image of the research problem (Denzin, 1978; Nightingale, 2020). The three nonprofit organizations analyzed represent varying sizes of higher education institutions that are registered with the IRS as 501(c)(3) nonprofits. The analyzed nonprofits provided diverse characteristics given their academic focus, mission, student body size, tuition costs, and annual fundraising revenue to name a few, yet they still offer the controllable variable of all three nonprofits residing in the same category of higher education in the Southern California region.

Data Collection

The data collection activity within this study included organization-specific annual financial reports, organizationally produced print media, and semistructured virtual interviews that lasted approximately 30 to 40 minutes each, all of which was recorded and transcribed. Semistructured interviews were selected as the instrument to collect the data because of the structure providing full autonomy for the researcher to request interview elaboration when needed (Brown & Danaher, 2019). An overview of the study was provided to each participant prior to the beginning of each interview. For the sake of collecting trustworthy responses, each interview began with nearly 5 to 7 minutes of rapport building to enhance the likelihood of honest outcomes (Ahlin, 2019). Void of a predetermined sequence, the interview process did not follow an arrangement of overly formal questions to capture the utmost objectivity. Each participant was asked open-ended questions concerning their personal experience when faced with the challenge of fundraising for their given nonprofit organization. The questions presented to each interview participant are (not in any sequential order)

- How many years have you worked for a 501(c)(3) nonprofit?
- Of those years, how many years have you worked in frontline fundraising?
- Which specific fundraising revenue sources are you tasked to pursue (foundation/government grants, individual donations, corporate funding, etc.)?
- Do you feel emotionally connected to the mission of the organization you currently work for?
- Have you ever fundraised for a nonprofit organization that had a mission you did not believe in?
- Do you feel pressure to meet external expectations of your donors before or after a donation has been received?

- Do you feel pressured to accept donations from any particular funding sources (foundation/government grants, individual donations, corporate funding, etc.)?
- If so, which set of expectations (internal or external) brings about more stress to the fundraising you do?
- Have these pressures changed how you steward the existing relationships you have with your portfolio of donors/funding sources?
- When pressure is felt, do you tend to spend more time and resources on the specific relationship the pressure is coming from?

Each of the interviewee's responses were transcribed manually, which brings about the opportunity to note each detail of the participants' responses inclusive of their body language and usage of emphasis upon specific word choices (Ahlin, 2019). The manual method of transcription additionally enables the establishment of a nearly clean transcript that includes corrected grammatical errors and improved sentence structure and reduces natural conversation fillers (um, uh, you know, etc.), incomplete sentences, and repeated words/sentences (Ahlin, 2019).

Data Analysis

For optimal rigor, this research also included inductive coding (open coding) to analyze each interview. Effectively, inductive coding is a process of code formulation based on the qualitative data in which all codes arise directly from the conducted interviews (Thomas, 2006). Thomas (2006) noted the coding process steps are as follows:

1. Break qualitative data into smaller samples.
2. Read each sample of the data.

3. Create applicable codes that cover each section of the divided data.
4. Reread each section and apply codes.
5. Review a new sample of data, applying the codes originally created.
6. Note where coding does not match well or needs additional codes.
7. Create new codes based on needs to cover data.
8. Reread all responses for any recoding needs.
9. Repeat from steps 1–9 until all data have been coded.

Inductive coding yields thorough strategic results, supplying the researcher with a more objective view of themes across the data (Thomas, 2006). An example of code descriptions and code definitions are provided in Table 1.

After the coding process was completed, the qualitative data collected were analyzed using the following seven steps to deliver credible and trustworthy interpretations. The seven steps are outlined as follows (Miles et al., 2018):

1. Think display – How the data will be represented to draw meaningful conclusions.
2. Openness to invention – Think beyond biases while analysis takes place.
3. Expect iteration – Recognize that data analysis is an evolving process that requires multiple observations (looking at data more than once).
4. Seek validation and remain skeptical – Need for continued questioning as coded themes emerge.
5. Entertain mixed models – Acknowledgment that there is more than one way to understand the collected data.

6. Heightened self-awareness – When a potential conclusion has been reached, return to the data for another look.
7. Reveal methodologies – The analytical findings are the priority, but how the analysis was conducted is also significant to record.

Ultimately, the utilization of these data analysis steps supports the researcher in confronting biases, acknowledging the need for varying interpretations of emerging themes, in addition to validating the credibility of findings (Miles et al., 2018).

Table 1

Code Descriptions and Definitions

Code description	Code color	Code definition
Funding source pressure	Yellow	Respondent feels pressure to give extra time to specific funding sources because of their level of donated funding, and existing revenue dependence.
	Blue	Respondent does not feel pressure to give extra time to specific funding sources because of their level of donated funding, and existing revenue dependence.
Fundraiser decision making	Red	Fundraiser makes biased assumptions about funding source donation capacity because of biases surrounding gender, race, political affiliation, etc.
	Orange	Fundraiser does not make biased assumptions about funding source donation capacity.
Funding source diversification	Green	Respondent feels it is a positive to receive a donation from a funding source that increases revenue source diversification.
	Purple	Respondent does not feel it is necessary to seek donations from a funding source that increases revenue source diversification.

Limitations

Similar to all existing research, this study has its own potential set of limitations that need to be acknowledged. Because this was a phenomenological study, interview limitations may have arisen because of limited experience in managing and carrying out the anticipated interviews, interfering with the intentionality of the research (Ataro, 2020). Additionally, the relationship between the researcher and the interviewee may have been another expected limitation that may have potentially created somewhat of a power struggle that affects the perceived level of trust and honesty of the participant reflections (Flynn & Korcuska, 2018). Furthermore, the limitation of time may have obstructed the participants' reflection process throughout the interview process (Ataro, 2020). Time constraints appear to be the most critical limitation within this study given the fact that the ability to understand the crux of the analyzed phenomenon requires a suspension of judgment during the interviews (Ashworth, 2017). More simply put, if participants hastily responded, this could have potentially led to the interviewer rushing the dialogue out of respect for the participants' time.

Additionally, limitations arise in connection with time constraints in the form of asking the right combination of questions to capture the fullness of the participants lived experience as a professional fundraiser (Flynn & Korcuska, 2018). The questions asked within a semistructured interview have a more fluid nature to allow the participants the flexibility to expand where they feel they can, but this might also have taken up critical amounts of time, given the interviews themselves were only 30 to 45 minutes in length. The constraint of time in combination with the semistructured format may develop into a limitation from the perspective of not having the opportunity to ask deeper questions that may bring about meaningful findings.

Another influential limitation takes shape in the form of the participants fearing a lack of anonymity or the potential that their responses may be traceable back to their employer (Ashworth, 2017). This limitation can be mitigated by sharing with the participants the many layers of discretion taken by the researcher to ensure a small likelihood of recognizable data being exposed. However, even when the researcher carefully conducts each interview to put the participant at ease, the underlying anxiety the participant feels may alter their responses, limiting the overall authenticity (Ataro, 2020; Flynn & Korcuska, 2018).

Furthermore, the researcher is continuously susceptible the pitfalls of a potentially leading question. Given the free-flowing nature of a semistructured interview, it is possible for the researcher to overly structure questions to guide the conversation, which then could conceivably insert bias into the interview (Flynn & Korcuska, 2018). Upon the onset of any given level of perceived bias, the interview participants' feedback can become slanted in the influenced direction. When addressing this limitation, the researcher must remain committed to asking structured questions that gently funnel the conversation in an open-ended manner to not excessively pressure the participant's responses (Ashworth, 2017).

A limited sample size across the quantity of participants interviewed as well as the amount of higher education institutions used to collect the sample data were added limitations within this study. It would be a near statistical impossibility to interview each professional fundraiser across the near 200 nonprofit higher education institutions established in Southern California (Jackson et al., 2017). Therefore, the restricted sample size within this study (three institutions and 22 interview participants) provided a relevant foundation for findings that may be expounded upon with added research and an increased sample size.

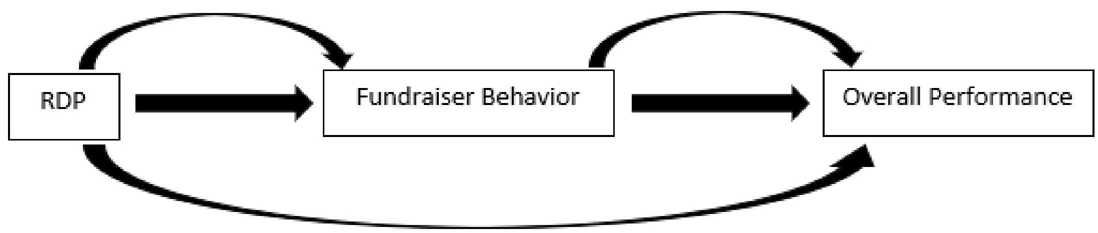
Summary

This chapter presented the research framework including the purpose statement, research questions, research design (supported with appropriate literature), population, targeted sample, the data collection instrument, the data collection process, data analysis, and limitations for understanding the correlating relationship between resource dependencies, fundraiser decision making (fundraising behavior), and organizational performance. This examination used qualitative methodologies for collecting data via semistructured informal interviews from actively employed fundraising professionals in Southern California. In this study, a phenomenological approach was employed to analyze the collected interview. The purpose behind the phenomenological process is to highlight information to locate phenomena through how it may be perceived by involved participants. This translates as gathering information surrounding participant perceptions through broad qualitative methods like interviews inclusive of participant observations (Lundh, 2020). Ultimately, the phenomenological methodology involves a centralized focus on the lived experiences and perspectives of the interviewed individual while also considering their personal knowledge and subjectivity (Pietkiewicz & Smith, 2014). Noting these characteristics of the phenomenological approach demonstrates the authority this method provides when seeking to understand biases and provide critical insight to motivations and actions (Lundh, 2020).

The semistructured interviews conducted within this research aimed to develop a deeper understanding of how resource dependencies affect the actions of fundraisers, which then may or may not affect their given organization's overall performance. Using the case method and triangulation technique to compare and contrast findings from the interview analysis enhanced the validity of findings. Figure 3 illustrates the path of effects of RDP on fundraising behavior and overall performance.

Figure 3

Path Effects of RDP on Fundraiser Behavior and Overall Performance



Adapted from "The relationship Between Nonprofits' Revenue Composition and Their Economic-Financial Efficiency, by S. Ecer, M. Magro, & S. Sarpça, 2017, *Nonprofit and Voluntary Sector Quarterly*, *46*(1), 141–155 (https://doi.org/10.1177/089976401664 9693).

Within the phenomenological methodology implemented in this examination, a well-formed hypothesis was not articulated and the study used homogeneous interview participants to build a dataset that was analyzed to focus on evolving themes. This phenomenological study conducted interviews until a level of saturation was reached (no new information presented among interviewed audience; Quinney et al., 2016). Reaching a point of saturation of participants in a singular profession has been shown to enhance the relationship between responses and trending results (Nielsen et al., 2019; Quinney et al., 2016). For this study, all the interview participants were fundraising professionals currently employed by qualified 501(C)(3) higher education nonprofit organizations found in Southern California.

The interviews conducted invited fundraising professionals to describe their experience, feelings, and actions when pursuing and securing various funding sources, without directing/influencing their description. Participants were encouraged to give as full a description as possible of their experience, inclusive of their thoughts, feelings, and memories, in addition to a description of the situation in which the experiences took place. Clarification of certain responses were needed during the interviews, but the follow-up questions did not suggest any type of desired response.

CHAPTER 4: PRESENTATION OF RESEARCH

This study argues that a nonprofit's effort to address the challenge of fundraising affects its level of resource dependence, which then influences fundraising behavior, and ultimately may affect the nonprofit's level of long-term financial durability. The main research question can be formulated as "How are resource dependence patterns (RDPs) of nonprofit organizations connected to fundraiser performance and the financial stability of the organization?" Overall, this study is an effort to more clearly understand how RDPs and changes in RDPs are associated with nonprofit fundraiser's efficiency (net fundraiser output in the form of revenue received as compared to fundraising expenses) and organizational success. Additional assumptions within this research are

- RDPs influence fundraiser behavior.
- Changes in RDPs affect fundraiser behavior.
- Fundraiser behavior influences the nonprofit's overall financial performance.

The qualitative research conducted involved three 501(c)(3) nonprofits, all categorized as higher education institutions of varying student body sizes, degree programs, and annual tuition costs.

The information to follow supplies an overview of the 22 interview participants from Organization A (10 participants), Organization B (five participants), and Organization C (seven participants) inclusive of the interview participants' experience level (noted by years) as a professional fundraiser. Additionally, the broad individual characteristics of each of the three higher education institutions are outlined in the following sections. Because of a continuous effort to support the anonymity of the institutions and interview participants, there was no direct stating of personal or professional participant information or their correlating organization.

Interview Coding

The manual interview coding process emerged from the lived experience of 22 frontline fundraisers of varying ages, title levels, and professional experience during the 30- to 45-minute semistructured interviews. This study's data consisted of interview transcripts, print/digital media, and annual financial reports, but the coding process involved the verbal semistructured interview data as the main source. The establishment of an individual code is simply a qualitative inquiry shown as a word or short phrase that characteristically assigns a summative attribute for a portion of language-based or visual data (Saldaña, 2014). The first cycle of coding includes a wide range of processing involving researcher notes and more lengthy detailed descriptions that resulted in broad themes and tendencies. The second and third cycles of coding brought about a refinement/shortening of long text descriptions and condensing to a few descriptive words that were then categorized into a hierarchical coding frame. A hierarchical coding frame organizes the third round of coding into single word codes or short phrase codes based on how they relate to each other across each interview (Elliott, 2018). The first, second, and third coding cycles derived from each respective institution, and the hierarchical coding frames for each are outlined in the following sections.

Organization A: Descriptive Characteristics

Organization A is a private institution with a total undergraduate enrollment of over 1,000 students and annual tuition and fees of over $50,000. Its fundraising team consists of 10 frontline fundraisers, all of whom were interviewed for this study.

Additionally, their fundraising numbers (revenue and expenses) from fiscal year 2019/2020 are included and were retrieved from the organization's 990 IRS form. The 990 IRS form is the IRS's centralized tool for gathering information about tax-exempt organizations, including higher education institutions (IRS, 2021). Additionally, this form provides a mechanism for nonprofit organizations to share information with the public about their specific programs (IRS, 2021):

- 2019/2020 endowment over $850 million
- Over 10,000 alumni
- 2019/2020 fundraising revenue of approximately $182,000,000
- 2019/2020 fundraising expenses of just over $4,000,000
- 2019/2020 net fundraising revenue of approximately $178,000,000.

Organization A: Media Presence

Organization A demonstrates consistent stability across multiple mainstream digital nonprofit media outlets.[1] During the global pandemic, Organization A launched a sizeable fundraising campaign demonstrating their confidence in their donor relationships and internal capabilities (see Footnote 1). The campaign went public in 2021 and includes a nine-digit fundraising goal by 2023. To date, this specific campaign has already raised over 75% of the overall goal during a 7-year silent phase. (see Footnote 1).

Additionally, after spending an entire year off campus (students, faculty, and staff) because of the coronavirus pandemic, Organization A maintained adequate funding through specific person-to-person fundraising efforts that resulted in having the financial flexibility to hold a unique (socially distanced) in-person graduation ceremony. Several

[1]Citation not included to protect the confidentiality of the research site.

hundred members of the 2021 graduating class attended the student only event while parents, family members, faculty, and staff joined virtually. The graduation ceremony was a direct result from specialized fundraising efforts and left a positive mark on students who had experienced an interrupted senior year of college. One student who attended Organization A expressed their gratitude when they shared, “All of us struggled through the same thing so it’s nice that we all get to be together and celebrate [graduation] as a whole” (Anonymous student from Organization A). Another anonymous student echoed a similar sentiment when they said, “I’m really grateful to just be here. None of us really thought we’d get an in-person graduation, so we appreciate the little things” (Anonymous student from Organization A).

Overall, current nonprofit media outlets illustrate a strong financial presence when discussing Organization A. Noted across various digital nonprofit media sources was the recent success of sending their senior class off with an in-person graduation ceremony, tied directly to Organization A’s ability to effectively fundraise during and before the pandemic (see Footnote 1). Furthermore, these same media outlets received quotes from faculty at Organization A that emphasized that the relationships the internal fundraising team maintains with key donors and supporters make these types of meaningful impromptu initiatives take shape, leaving a lasting impression upon graduates that contributes to perpetuated philanthropy (see Footnote 1).

Coding Cycle 1: Organization A

The first cycle of manual coding included researcher notes and more lengthy detailed descriptions that resulted in broad themes and tendencies. Derived from each of the 10 interviewed fundraisers lived experiences (listed in Table 2), all 10 participants organically shared how many years they had spent as frontline nonprofit fundraisers and the specific (or general) revenue sources they had pursued. During this portion of the semistructured interviews, 10 of the 10 interview participants shared that they had professional fundraising experience pursuing multiple revenue sources (individual donors, corporate sponsors, grants, etc.). The natural flow of the conversation lent itself to 10 of the 10 participants sharing that the most successful type of fundraising realized over their career as professional fundraisers had been found in individual giving (gifts given from individual donors). Specific to this section of the interview, Participants 1, 3, and 9 hold a combined 93 years of fundraising experience in this professional field, and all emphatically shared that individual donor relationships are the key to finding success in professional nonprofit fundraising.

Table 2

Interviewee Information From Organization A

Organization A interview participant	Years of experience
Participant 1	27
Participant 2	3
Participant 3	25
Participant 4	7
Participant 5	4
Participant 6	2
Participant 7	7
Participant 8	1
Participant 9	41
Participant 10	6

After gathering this feedback from all 10 participants, the participants were asked to share the connecting effects of successful fundraising from the source of individual donors. Ten of the 10 participants from Organization A mentioned in varying ways that this success with securing individual donor revenue created pressure to give time/attention to other revenue sources (grants, corporate sponsors, etc.) if their job description included assignment to fundraise from multiple revenue sources. However, when participants were only assigned to pursue individual giving (one revenue source), eight of the 10 participants shared that they did not feel pressure to pursue other revenue sources (dictated by internal expectations/job requirements).

As the interviews progressed, each of the 10 interview participants shared that the end result of being internally pressured to pursue multiple revenue sources left them seeing year-to-year decreases, even within the revenue sources in which they once had previous success. Key participant reactions pertaining to feeling pressure to pursue multiple revenue sources simultaneously are noted in the following:

Participant 1 shared, "I felt forced to prioritize aspects of my job that I felt weren't a top priority at the time."

Participant 2 shared, "Feels overwhelming to juggle all these relationships."

Participant 3 shared, "It's definitely not my favorite way to fundraise. Too many balls in the air makes the stewardship process superficial."

Participant 4 shared, "An oversized portfolio is impossible to deal with and stresses me out. Sometimes I literally sit and spin."

According to Participant 5,

> I truly do my best to take an individualized approach with each of my donors, but when the boss says I have to take on more [revenue sources], I don't really have a choice but to cut my time short across the board.

Participant 6 shared,

> When it comes down to it, you gotta juggle the best you can. Feels like a lot most of the time, but you do the best you can knowing you only have so many hours in the day. You just hope it's enough to meet your numbers.

Participant 7 shared,

> Reaching each donor is always my goal. In the beginning of my career when I had a smaller portfolio it was way easier to meet my goals (said with laughter). After 7 years in the game, it can feel like I'm drowning (said with sarcastic laughter). I hate hearing my donors say, "It's been a while!"

Participant 9 shared,

> You take the good with the bad. As long as I've been doing this (fundraising) you develop a ton of great relationships. Makes it really tough to have to cut time short with people you really care about because you're trying to reach all your [donors].

Participant 10 shared, "I'm a bit jaded and just know it's part of the job to be spread thin."

Prevalent in these responses is the shared sentiment that the more their attention had to be spread among different revenue stream relationships, the more they received negative results. Only Participant 8 felt it helped to be pressured to fundraise from multiple revenue sources. Concerning the same topic of feeling applied pressure, all 10 interview participants from Organization A said that external donor pressures (pressures associated with donor recognition/stewardship preferences) are not a factor that dictates a change in their fundraising-related behavior. Among all 10 interview participants, internal pressure set by their supervisor to simultaneously pursue multiple revenue streams (individual giving, corporate sponsors, grants, etc.) arose as the most powerful catalyst that brought about negative (less effective) fundraising behavior. Internal pressure to diversify the sources of pursued fundraising revenue was specifically noted by Participants 1 and 3 as bringing about more revenue volatility because of less concentrated stewardship efforts spread across all pursued revenue streams.

Participant 1 shared,

> Being spread too thin never got me anywhere. I felt scattered, flustered, and honestly, more stressed when I've tried to fill too many buckets at the same time. I'm grateful that the structure here [Organization A] frees me up to specialize in one specific type of fundraising.

Participant 3 shared,

> Asking me to fundraise for individual giving, corporate sponsors, and other revenue streams at the same time are a disaster (humorously said). I feel like a chicken with their head cut off, and I end up being average in several areas [of fundraising] instead of being really good at one thing.

Overall, all 10 participants shared that when supervisors apply pressure to diversify fundraising sources, they gave more of their attention to the revenue source their supervisor emphasized most. This was not because of perceived need but because of the obligation to appease their boss. From this type of supervisor to employee interaction, all 10 of the participants felt the onset of "transactional fundraising" across all pursued revenue streams because of decreased opportunity to spend time stewarding individual relationships, which was previously identified as the key to fundraising by

Participants 1, 3, and 9. The use of the phrase, transactional fundraising, was used by all 10 participants, but Participants 3, 5, and 6 used the same unique language when they referenced the feeling associated with transactional fundraising, being similar to a used car-salesman. Furthermore, Participants 2, 9, and 10 specifically stated the following:

Participant 2 shared, "I hate only having the time to reach out to my donors to ask for money."

Participant 9 shared, "Feels cheap when I have to cut to the chase so quickly. Not a lot of time for small talk if you know what I mean."

Participant 10 shared, "Certain donors are a lot less responsive now that I'm spread so thin. I had some really strong relationships wither away."

These three participants demonstrated how the pressure to diversify revenue streams cheapened the fundraiser/donor relationship, ultimately resulting in smaller donations received.

As the interviews came a close, the topic of mission alignment was brought up. When participants were asked about fundraising for an organization whose mission they agreed or disagreed with, they unanimously responded that they aligned personally and morally with the mission of Organization A. Interestingly, all 10 participants mentioned that they would not be able to fundraise in any capacity if they were employed by an organization whose mission they did not agree with. The most emphatic response came from Participant 3:

> I cannot imagine working for a place where I don't morally align [with the mission]. I mean, how could you look at yourself in the mirror every morning? Fundraising for something you don't believe in would feel disgusting!

Coding Cycle 2: Organization A

The second round of manual coding encompassed a refinement of the first round of coding text provided previously. The process to refine the text continued to move forward developing comprehensive phrases that shortened the descriptive text into more direct wording. The second cycle of coding results for Organization A are detailed in the following section.

Interview participants from Organization A have experienced fundraising for multiple revenue streams during their careers and have also had the opportunity to specialize in one area (revenue source). In refining this portion of the coding, the researcher found that the participants unanimously responded with feedback that resulted in having more success when pursuing only one form of revenue (individual giving, corporate sponsors, grants). This professional experience was supported by nine of the 10 participants when they shared that although they felt increased stress when pursuing more than one revenue source, they also realized a decrease in fundraising results when tasked to pursue multiple revenue sources simultaneously. This feedback contributed to the subsequent feedback of participants feeling less pressure when given the opportunity to focus on one revenue source. Here again, the participants feel negative pressure to pay more attention to less fruitful revenue sources when tasked to fundraise from multiple revenue sources because of internal structure and supervisory pressure. In terms of the feeling of pressure through the assignment of heightened expectations, all 10 interview participants responded with feedback that they feel more internal pressure (from supervisor) than external pressure (donor related). The internal pressure applied by supervisors within Organization A yields higher levels of job-related stress, which then leads to the scattered and flustered operating nature of the fundraising team.

The characteristic of amplified job-related stress realized through internal pressure dictated a cheapening (shortening) of the time spent on stewardship process/relationship with the revenue source donor. This correlating relationship of internal pressure dictating the amount of time allocated to relationship management brought about increased pressure felt by fundraisers employed at Organization A with the negative attribute of less thoughtful stewardship. Overall, this series of cause and effect brings forth the transactional donor relationship that was referred to as a long-term fundraising "recipe for disaster" (Participants 1, 3, 4, 9, and 10). Additionally, more internal pressure (from supervisors) to fundraise from a specific revenue source results in the fundraiser spending more time pursuing that area of focus. Nine of the 10 fundraisers from Organization A were less successful at bringing in donations when internal pressure mounts and transactional relationship trends are solidified. In regard to applied pressure from supervisors, the findings from interviews with fundraisers from Organization A directly connect a diversified fundraising approach to higher levels of job-related stress in addition to a negative revenue result.

While discussing revenue dependencies and fundraising related behavioral topics with participants from Organization A, the topic of mission alignment/misalignment entered the conversation. All 10 participants agreed to personally/morally aligning with the organization's mission. They similarly shared their desire to only work for a nonprofit that they agreed with on an ethical level. The feedback from Participants 1, 3, and 9 were nearly identical when they referenced feeling intrinsically rewarded to work for an organization where they believe in the institutional mission.

Participant 1 shared, “I couldn’t do what I do for a place I didn’t believe in.”

Participant 3 shared, “I can’t do what I do (fundraise) for a place I don’t believe in. Feels good to raise money for a cause I genuinely believe in.”

Participant 9 shared, “I would never work (fundraise) for a place I didn’t believe in.”

When asked to expand, these same three participants shared that the intrinsic value felt because of mission alignment brings about a sense of purpose and increases their drive to perform (fundraise higher amounts). Conversely, yet still supporting the notion of mission alignment, all 10 participants stated that they would not fundraise for a nonprofit that did not have a mission they morally aligned with.

Coding Cycle 3: Organization A

The third round of coding for Organization A included the reduction/refinement of the second round of codes by associating a positive or negative fundraising result based on the participants’ interview responses. The refined codes from cycle three are listed in the following sections with the addition of the correlating fundraising results (positive or negative).

Singular Revenue Focus

The first key tendency that arose while spending time coding the interview transcripts from participants within Organization A was the opportunity to fundraise for one revenue source. All 10 participants shared in varying ways that when fundraising for one revenue source they experience the following:

- Less job-related pressure
- Intimate donor stewardship process
- Higher level of fundraising results when participant is assigned one revenue source.
- The revenue source was irrelevant and had a positive fundraising result when there was a singular focus for all 10 participants.

Multiple Revenue Source Focus

The second trend to reach the surface of the coding process was the feedback related to the burden of fundraising for multiple revenue sources simultaneously. This characteristic was intimately aligned with the word, pressure. All 10 interview participants from Organization A shared their experience fundraising for multiple revenue sources simultaneously, responding with negative feedback. Under this structure of fundraising, the 10 participants shared the following:

- A feeling of increased pressure to successfully fundraise from all assigned revenue sources.
- An emergence of transactional donor interactions with less time for thoughtful stewardship.
- Year-to-year fundraising results suffered when revenue source diversification was assigned to one individual.

Revenue Source Prioritization

Participants from Organization A referenced that a key contributor to their success as fundraisers hinged on the internal structure of the department. Participant 1 shared a specific sentiment in this area of focus.

Participant 1 shared, “Frontline fundraisers are a product of the system we work in. . . . When I’m spread too thin, I feel stressed, scrambled, and flustered [said with a nervous laugh].”

Ultimately, the 10 participants communicated the common thread inclusive of the following:

- Positive fundraising results are accomplished when the assigned revenue source focus is singular, and the assigned revenue source was individual giving (person-to-person fundraising).
- Negative fundraising results come to fruition when fundraising focus is spread across multiple revenue sources.
    - The type of revenue sources yielding a negative result were irrelevant across all 10 participants.

Mission Alignment

The last common coding theme among the interview participants from Organization A was in regard to the fundraiser’s level of alignment with the institutional mission and how that does or does not affect their fundraising behavior. In unanimous fashion, all 10 participants shared their experience with mission alignment and how it positively affects their drive to fundraise for their organization. Participants 1, 3, and 9 were directly quoted in the first coding cycle as stating that fundraising for an organization that they agree with is intrinsically rewarding from a moral/ethical perspective. Overall, all 10 participants shared the following feedback when speaking about their level of mission alignment and how it translates to influencing their professional behavior:

- Positive fundraising results because of intrinsic fulfillment when morals/ethics align with organizational mission.
- Negative fundraising results when morals do not align with organizational mission. Participants would never agree to work for an organization that held a mission that misaligned with their moral values.

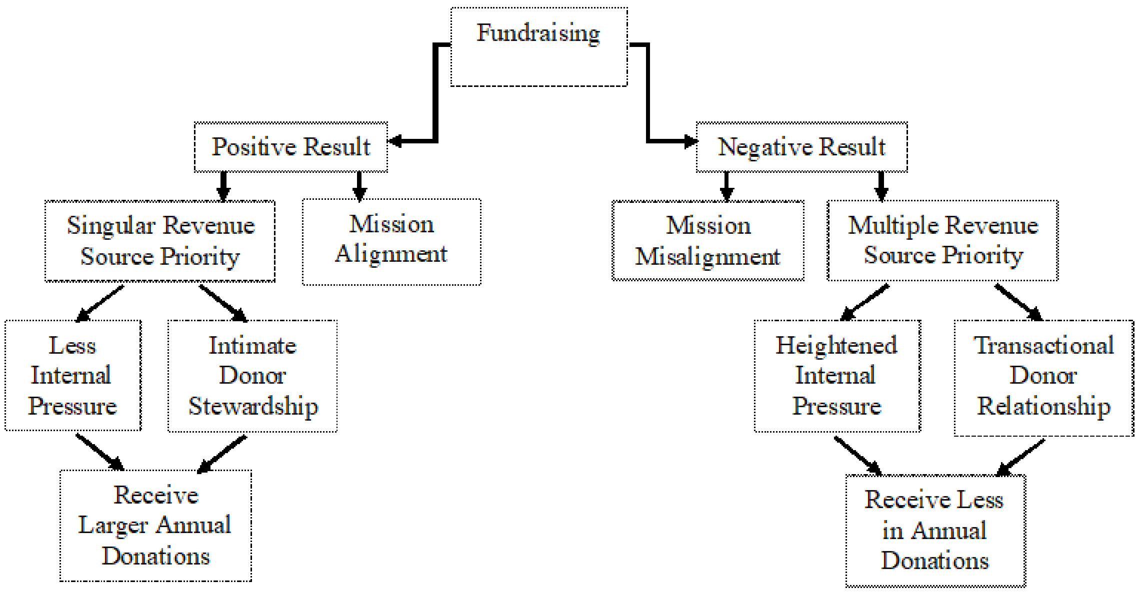
Hierarchical Coding Frame: Organization A

The hierarchical coding frame illustrated below utilizes the third round of coding and moves each code into categories of associated fundraising results. This framework not only categorizes the codes, but most importantly displays the codes in a manner that clearly defines how each code is related to the organization's fundraising tactics, which then leads to a positive or negative fundraising result. The hierarchical coding frame for Organization A is depicted in Figure 4.

Participants from Organization A unanimously responded (10 of the 10 participants) with feedback indicating that a singular revenue dependence yields less perceived pressure from their supervisor, providing them the opportunity to thoughtfully steward their individual donors, ultimately leading to more meaningful donations. Additionally, the opportunity to personally align with their organization's mission heightened their desire to secure increased financial support from their assigned portfolio of donors. Conversely, participants from Organization A responded (nine of the 10 participants) that when tasked with having to fundraise for multiple revenue sources (regardless of the mixture of revenue sources), the fundraising results decreased because of a reduction in time spent stewarding donors from each revenue source. The burden of being spread too thin across multiple revenue sources also brought about more stress for all 10 participants. Specifically, Participant 3 said, "The more success I had fundraising for one [revenue source], the more my boss expected out of me for the other [revenue sources]."

Figure 4

Hierarchical Coding Frame for Organization A



Overall, the consensus from participants employed by Organization A was that the higher the quantity of revenue sources they were tasked to fundraise for, the more transactional their donor relationships became, which then led to decreases in overall fundraising dollars with an increase in job-related stress. Bringing these commonly related themes together, Participants 4, 9, and 10 were directly quoted in the first coding cycle as all similarly sharing that over their tenure at Organization A, they have experienced high levels of supervisory pressure that translated to levels of stress that spurred them to consider leaving their organization for a less stressful fundraising environment.

Participants from Organization A also shared that their current departmental structure to have each fundraiser focus on one revenue stream has promoted steady fundraiser behavior with increased focus on the relationship rather than the transaction. All 10 participants similarly mentioned that the more their manager's focus was on the "long-game" mentality of relationship-centric stewardship, the more success they had in securing larger donations from their individual portfolio of donors.

Organization B: Descriptive Characteristics

Organization B is a private university maintaining enrollment of under 4,000 annually (IRS, 2021). Tuition costs vary dependent upon the selected degree program and range up to nearly $60,000 annually (IRS, 2021). Their fundraising team consists of 5 frontline fundraisers who were interviewed for this study. Additional descriptors for this higher education institution and their fiscal year 2019/2020 fundraising numbers (revenue and expenses) are the following (IRS, 2021):

- 2019/2020 endowment approximately $40 million
- Over 15,000 alumni
- 2019/2020 fundraising revenue of approximately $5,400,000
- 2019/2020 fundraising expenses of just over $4,100,000
- 2019/2020 net fundraising revenue of approximately $1,300,000

Organization B: Media Presence

Coding Cycle 1: Organization B

The first cycle of coding follows the same structure as the earlier coding section, which included researcher notes with lengthy detailed descriptions shown as broad themes and tendencies. The codes that are represented as emerging themes are detailed in the comments that follow as they were derived from each of the five interviewed fundraisers lived experiences within Organization B (listed in Table 3).

Table 3

Interviewee Information From Organization B

Organization B interview participant	Years of experience
Participant 11	22
Participant 12	15
Participant 13	17
Participant 14	25
Participant 15	26

As these interviews progressed, it became clear that the highest revenue source of fundraising was individual giving for four of the five interview participants. Only one of five interviewed participants from Organization B shared that they experienced corporate sponsors as the highest revenue source during their career as a professional fundraiser. Among the five interview participants from Organization B, the success experienced with securing individual and corporate donor revenue created a short-lived sense of confidence and positivity quickly followed with rising pressure to find other revenue because all frontline fundraisers at Organization B are assigned to fundraise from multiple revenue sources. Participants 11, 14, and 15 used similar language when they shared that they felt immense pressure from their supervisors to fundraise from several revenue sources simultaneously.

Participant 11 shared, “Our VP [vice president] feels the heat from up top (the board of directors) and gives us the news. Usually ends up being a new project we have to find funding for.”

Participant 14 shared, “I do as I’m told. Every week, every month, we end up hearing about a new lead to chase down (said with an unamused shoulder shrug).”

Participant 15 shared, “The pressure I feel just depends on the day to be honest. Things will be going good in one area (individual giving, corporate sponsors, grants, etc.) and then one meeting later I’m trying to fill another bucket.”

All five interview participants from Organization B shared experiencing a mixture of pressure-packed feelings as they pursued individual donations, corporate sponsorships, and federal grants. This emotional burden was detailed by Participant 12:

> I think what makes it even harder is that the pressure is coming directly from the board of trustees. The board pressures the VP, and then the VP pressures us fundraisers to secure more donations. It feels like a never-ending cycle of finding donors and then the bar keeps rising.

Within all five interviews for Organization B, the pressure applied by their supervisor (VP level and above) to pursue multiple revenue sources left each participant struggling to meet job-related revenue goals. Each of the five fundraisers has experienced less success with at least one or multiple streams of sought-after revenue under this specific departmental structure. Participants 11, 14, and 15 mentioned that when their attention had to be spread among multiple revenue stream relationships, it yielded negative fundraising results over the calendar year.

Participant 11 shared, “I’m always falling short in one area or another. Never fails!”

Participant 14 shared, “I get frustrated because I can never really hang my hat on any area of success (success within one revenue stream) because the shoe always drops in some way or another.”

Participant 15 shared, “I try to stay neutral across the board, but I inevitably wind up dropping the ball. I can only do so much.”

Participants 12 and 13 shared that the increased pressure to bring in more revenue from multiple sources left them performing at a level of flat year-to-year revenue across the multipronged fundraising goals. They both said that it “felt like a win” to even sustain flat revenue numbers.

Participant 12 shared, “With as much as we’re asked to do, a flat year is a huge win [said with a laugh and a shrug].”

Participant 13 shared, “As long as I’m not down (in revenue year-to-year), I’m happy [said with a smirk].”

As the interviews transitioned to discussing external donor pressure, all five participants noted that donor preferences are not a factor in their behavioral fundraising decision making. Overall, the primary source of pressure that dictates their fundraising behavior was the internal pressure set by supervisor to simultaneously pursue multiple revenue streams (individual giving, corporate sponsors, grants, etc.).

Participant 14 shared, "[Internal pressure] is an extremely influential driver (for behavior)."

This notion was referred to as bringing about negative (less effective) fundraising behavior. Here again, it was shared by all five interview participants that the burden of having to diversify the sources of pursued fundraising revenue brought about more revenue volatility because of less concentrated stewardship of donors spread across all pursued revenue streams. All of the interview participants employed by Organization B noted that an individually assigned diversified fundraising approach forces them into a no-win situation. Participant 15 specifically shared, "When one bucket (revenue source) starts to fill up, it just draws more attention to the empty buckets. Almost makes you feel like it's better to keep all the buckets filled to a lower level."

Participant 15 referred to "buckets" as revenue sources, and that when success is had within one revenue source, it draws attention to the lack of fundraising within another revenue source. All five participants came to the same consensus that they feel unable to effectively fundraise from multiple revenue sources simultaneously.

During this portion of the interview, the participants were asked what other outcomes resulted from the internal pressure they all experienced. When asked this question, the five participants mentioned that when managerial pressure to diversify fundraising sources is applied, they gave more of their attention to the revenue source their supervisor emphasized most. Participants from Organization B shared that their supervisor requested their attention be turned to the revenue source suffering most or continue stewarding their most successful revenue sources. With this assigned directive, Participant 12 shared a telling sentiment:

> If you continue giving attention to your top producing revenue streams, you leave the lower [revenue sources] to continually remain low, but then if you give more time and attention to the lowest [revenue stream], your bread and butter [revenue source] gets neglected and eventually falls apart.

According to Participant 12, both strategies to either serve the highest fundraising source or pay attention to the lowest fundraising sources yielded the shared response of transactional fundraising across all revenue streams. Additionally, all five participants shared that these diversified strategies brought about smaller donations from all assigned revenue streams.

As the interviews continued, the participants were asked how they deal with these pressures, or better yet, what makes them continue to come back to work every day. Each of the five participants said that they genuinely believe in the mission of Organization B and that raising money for student scholarships changes lives (Participants 11, 12, 13, 14, and 15).

Participant 11 shared, "The results of what I do keeps me sane [said with a laugh]. Knowing I'm making a difference in the life of a student is something I know doesn't came with any old job."

Participant 12 shared, "It feels good to make a difference. Even if I lose all my hair in the process [said with a sigh and a laugh]."

Participant 13 shared, "This job is more than just a paycheck. Might sound funny to some, but I like making a difference for someone else."

Participant 14 shared, "We change lives by creating a way (financially) for someone to get a meaningful education. Can't beat that."

Participant 15 shared, "I believe in more than just the mission. I look back on my years of fundraising and know I made a difference in these kid's (students) lives." When asked whether they would continue to work as professional fundraisers for an organization whose mission they did not believe in, all five shared that they could not work there.

Participant 14 shared, "I wouldn't see the point in dealing with the stress if I didn't think my efforts weren't making a difference for someone else."

Coding Cycle 2: Organization B

The second round of manual coding involved a paring down of the first round of coding. Coding results from interviews conducted with Organization B are listed and outline in a more specific fashion, focusing on the tendencies/themes brought about during the five interviews conducted. Overall, the five participants have experienced fundraising for multiple revenue streams simultaneously to be less effective because one revenue stream continually suffers (individual giving, corporate sponsors, grants). Not only has this approach to fundraising been noted as less effective, but it also carries the side effect of adding undo pressure to the daily work of each of the five fundraisers at Organization B. Participant 14 shared the following: "The burden [of fundraising] gives you that hamster wheel effect." Participant 14 was referring to the perpetual process of always needing to secure donations from any combination of individual donors, corporate sponsors, or grants. Along the same line, Participant 13 also shared the following:

> I just wish I could focus on one [revenue source]! I think I could be really good at my job if that ever happened. It actually starts to feel depressing when your boss

> asks you to spend your days working on the revenue that isn't coming in [said frustratingly].

Participants 12 and 13 used similar language when they mentioned the following:

Participant 12 shared, "Sometimes I feel like I have a rain cloud over me at work when I have to go back to the [revenue source] that isn't coming in."

Participant 13 shared, "There's times in the year when things dry up [referring to revenue]. I guess it's my job to find the water [said with a laugh]."

Across all five interviews within Organization B, participants feel a negatively associated pressure to pay more attention to less fruitful revenue sources when tasked to fundraise from multiple revenue sources. A consistent theme was noted that internal pressure applied by a supervisor yields a higher level of job-related stress. Furthermore, higher job-related stress because of internal pressure dictates the amount of time spent on a stewardship process/relationship with the specific revenue source donor, which then yields less thoughtful donor stewardship that translates to more transactional donor relationships. Because of this cascading effect, fundraisers at Organization B were less successful at bringing in larger (higher impact) donations.

When focusing on Organization B's ability to deal with the previously mentioned internal pressure to perform, the five participants remained consistent in their responses and shared that they feel intrinsically rewarded to work for an organization where they believe in the institutional mission. This intrinsic value because of mission alignment brings about a sense of purpose and increases the participant's drive to perform, even within a stressful environment. Furthermore, each of the five participants said that they would not fundraise for a nonprofit organization that did not have a mission they morally aligned with.

Coding Cycle 3: Organization B

The third round of coding for Organization B included a fine-tuning of the second round of codes and then applied a positive or negative fundraising result based on the participants' interview responses. The refined codes from cycle three are listed with the addition of the correlating fundraising results (positive or negative).

Multiple Revenue Source Focus

As the interviews developed for all five participants within Organization B, the internal structure of having to fundraise for multiple revenue sources became a consistent theme. For each of the five participants, the internal pressure they referred to brought about cascading effects that were associated with a litany of negative feelings. Aside from these negative feelings, the end results were perpetually negative fundraising results on a year-to-year basis. The consistently represented themes regarding fundraising for multiple revenue sources within the interviews for Organization B are as follows:

- Increased pressure to successfully fundraise from all assigned revenue sources.
- Transactional donor interactions with less time for thoughtful stewardship.
- Fundraising results suffer when revenue source diversification is assigned to one individual.

Revenue Source Prioritization

Organization B's revenue source prioritization builds upon the environment of being assigned to fundraised for multiple revenue sources. Participants from Organization B shared using varying language that the inconsistent directives from their supervisor to either focus on the most successful or least successful revenue streams brought about revenue instability/inconsistency. Aside from these financial inconsistencies, all five participants shared the onset of lacking confidence and/or feeling burnt out when having to focus on the revenue streams that were least successful.

- Fundraisers are periodically asked by their supervisor to toggle between the most successful and least successful revenue sources at any given time in their fiscal year.
- Negative fundraising results when fundraising focus is spread across multiple revenue sources.
    - The type of revenue source fundraising did not determine a difference in outcome for any of the five participants.

Mission Alignment

The final emerging theme that became clear during the interviews conducted with participants from Organization B was that of realized intrinsic value as it connects with mission alignment. Each interview participant shared a feeling of satisfaction knowing that the daily stress dealt with was for a greater purpose outside of their paycheck. As the participants reflected on the value of having a job that yielded a positive result for someone outside of themselves, that idea enabled them to engage in stressful fundraising directives more positively. The following two core themes were consistent across each of the five interviews:

- Positive fundraising results because of intrinsic fulfillment when morals align with organizational mission.

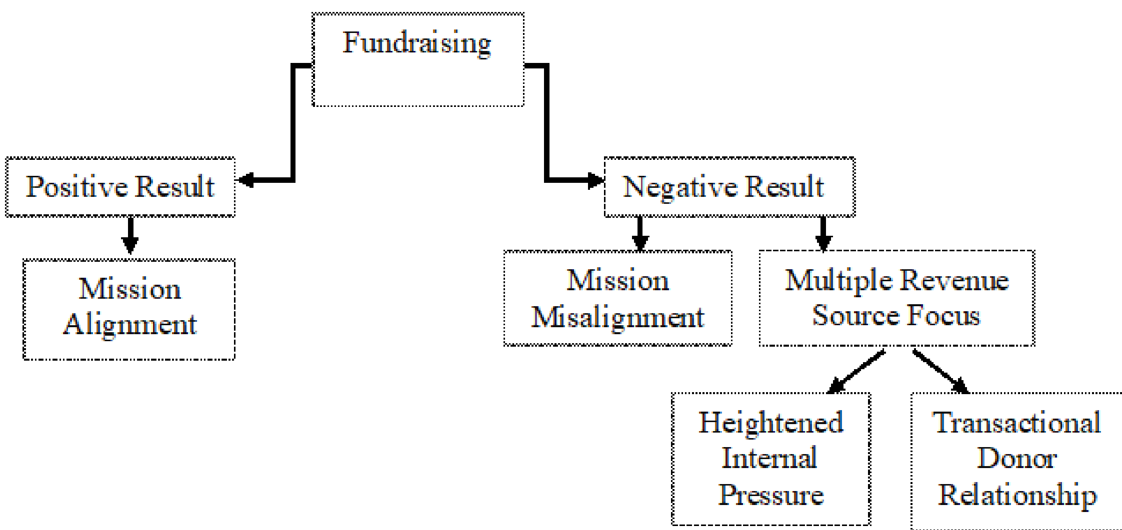
- Negative fundraising results when morals do not align with organizational mission.

Hierarchical Coding Frame: Organization B

The hierarchical coding frame illustrated in Figure 5 utilizes the third round of coding above and moves each code into categories of associated fundraising results. This framework not only categorizes the codes but also, most importantly displays the codes in a manner that clearly defines how each code is related to the organization's fundraising tactics, which then leads to a positive or negative result. The hierarchical coding frame for Organization B is depicted in Figure 5

Figure 5

Hierarchical Coding Frame for Organization B



Participants from Organization B unanimously responded (five of the five participants) with feedback that a focus on multiple revenue sources assigned to each fundraiser yields more perceived pressure applied by their supervisor, removing the opportunity to thoughtfully steward their individual donors, ultimately leading to experiencing less meaningful donations (lower dollar amounts). Furthermore, participants from Organization B responded (three of the five participants) that when tasked with having to fundraise for multiple revenue sources (regardless of the mixture of revenue sources), the fundraising results were negative because of a reduction in time spent stewarding donors from each revenue source. The burden of being spread too thin across multiple revenue sources also brought about more job-related stress for all five participants. Participants 11, 12, 13, 14, and 15 shared that success with one revenue source ended up adding stress to their day-to-day fundraising work because of heightened expectations from supervisors to produce at higher levels for all other assigned revenue sources. The only factor that participants mentioned positively influenced their fundraising behavior came through their personal moral alignment with their organization's mission, which they confirmed enabled a sense of fulfillment by raising funds for current and future students.

Participants employed by Organization B confirmed that fundraising simultaneously for multiple revenue streams brought about a transactional nature within their donor relationships that led to negative or flat fundraising results and increases in job-related stress. All five participants (11, 12, 13, 14, and 15) also confirmed that over their tenure at Organization B, they have experienced increased supervisory pressure that translated to levels of stress that negatively affected their ability to effectively fundraise for their organization.

The lived experiences from all five participants from Organization B indicated that revenue diversification within their individually assigned portfolios has resulted in experiencing more internal pressure to perform with three of the five participants experiencing less overall fundraising revenue. Each of the five professional fundraisers from Organization B noted that their internal organizational structure is to get the greatest amount of fundraising done with the fewest number of fundraisers, a fact that only brings about erratic fundraiser behavior with the unintentional development of transactional relationships with each donor.

Organization C: Descriptive Characteristics

Organization C is an undergraduate university maintaining total enrollment of approximately 3,000 students and has tuition and fees of over $50,000 annually. Its fundraising team consists of seven frontline fundraisers, and their 2019/2020 fiscal year fundraising revenue and expenses are listed as follows (IRS, 2021):

- 2019/2020 endowment over $210,000,000
- Over 50,000 alumni
- 2019/2020 fundraising revenue of approximately $6,000,000
- 2019/2020 fundraising expenses of just over $2,400,000
- 2019/2020 net fundraising revenue of approximately $3,600,000

Organization C Media Presence

Organization C has been highlighted in prominent nonprofit higher education digital journals because of their declining enrollment. Most recently, the COVID-19 pandemic accelerated that trend resulting in an eight-figure deficit that prompted staff reductions and overall restructuring (see Footnote 1). According to an anonymous internal source within Organization C, “The financial reality is that [Organization C] can only rebound if the size of our enterprise is adjusted to our current fiscal situation.”

Aside from declining enrollment, nearly 20 staff positions within Organization C were eliminated as recently as 2020 with additional staff positions eliminated in 2021 (see Footnote 1). Another anonymous source employed by Organization C stated, “We are saddened [nearly 20] colleagues were let go,” adding that the staff reductions took place across nearly all ranks/levels. Further evidence of Organization C’s financial struggles were noted when its board of trustees announced a balanced 3-year budget with no expected large-scale activity in an effort to rebound financially (see Footnote 1).

During what has been noted as a financially challenging period for Organization C, it is also facing presidential turnover. Organization C has appointed a new president after nearly a decade under the leadership of their predecessor (see Footnote 1). To add to this period of transition for Organization C, the current capital campaign that transitioned out of the silent phase within the last few years continues to struggle to meet the previously set metrics/goals (see Footnote 1). The fundraising goal was originally set at a nine-figure mark with an additional goal of also engaging a five-figure number of donors. The campaign is continuing to underachieve to a tune of over a seven-figure amount while also missing the donor engagement goal by a four-figure number as fundraising revenues have come to a startling halt within the last year because of the decline in enrollment, reduced staff, and presidential turnover (see Footnote 1).

Coding Cycle 1: Organization C

The first cycle of coding included researcher notes with lengthy detailed descriptions shown as broad themes and tendencies that appeared from the individual interviews. The codes are outlined in a more detailed fashion and explained as trends derived directly from each of the seven interviewed fundraisers' lived experience (listed in Table 4).

Table 4

Interviewee Information From Organization C

Organization C interview participant	Years of experience
Participant 16	30
Participant 17	2
Participant 18	18
Participant 19	6
Participant 20	7
Participant 21	12
Participant 22	23

When each interview began, the participants were asked which revenue source they have experienced the most fundraising success with. During this portion of the interview, five of the seven participants shared that the highest revenue source of fundraising was individual giving, and two of the seven participants said that corporations and foundations were most successful during their careers. Within Organization C, the success in securing revenue from individual donors, corporations, and foundations created a sense of confidence and positivity and did not bring about pressure to find other revenue from additional sources because they are only assigned to fundraise within one stream of revenue. Participants 16, 18, and 21 shared the following:

Participant 16 shared, "I appreciate that I can focus in on one revenue stream."

Participant 18 shared, "I can't imagine trying to fundraise from more than one revenue source at a time."

Participant 21 shared, "I'm not sure I'd ever raise a whole lot of money if I had to manage that many different relationships at one time."

From this perceived opportunity to only focus on one revenue source, all seven interview participants mentioned that they feel no undue pressure while fundraising for Organization C. All seven professional fundraisers shared in varying ways that they feel as though they have a certain element of freedom and are better at their jobs when focusing on one revenue source.

Participant 17 shared, “Our internal [fundraising] structure gives us an opportunity to be specialists, to a degree. I guess I would call it a feeling of autonomous freedom.”

Across all seven interviews, there was mention of feeling less pressure to diversify pursued revenue sources, which enabled the fundraisers from Organization C to play the long game (more relationship focused) and have more success annually with larger gifts secured over longer periods of time (1 to 3 years). Participant 16 went into greatest detail in this specific area.

Participant 16 shared, “Focusing on the long-game when looking at the donor/fundraiser relationship is the best strategy. Especially, if you’re trying to stay away from a transactional feel.”

Additionally, Participant 16 went on to share that the more their supervisor was focused on a singular revenue stream, the greater their fundraising success became (higher dollars raised). Participants 17, 18, 19, 20, 21, and 22 echoed this sentiment by mentioning in varying ways that the long-game mentality while fundraising has always been proven to net larger gifts and more stable donor/fundraiser relationships.

Participant 17 shared, “The well-being of the relationship has to come first. Then the big money follows.”

According to Participant 18,

> It might sound a little bit backwards, but the relationship can't be primarily based on the money the donors give. You have to be aware of it, sure, but you have to be more in tune with pouring time and energy into the person first.

Participant 19 shared, "You might not get a gift for a few years, but I'm willing to be it will be a much larger gift because of the relationship focus. Donors appreciate it, and usually respond well."

Participant 20 shared, "Relationship first. To me, there isn't any other way to fundraise effectively. The money will come if you're focused on the right donors without a stopwatch in your hand at all times."

Participant 21 shared, "In my experience, the donors can tell if you're applying pressure. If they feel rushed, you just put a cap on the size of your donation."

Participant 22 shared, "You might get a few small donations in a hurry but being patient is a key factor when you're whale hunting."

While discussing pressures that may or may not affect Organization C's fundraising team, the participants were asked about whether or not they feel that external donor behavior influences their stewardship processes (fundraising behavior). All seven participants mentioned that external donor pressures are not a factor in their behavior while making fundraising related decisions. During their responses, they reverted to the portion of the interview regarding internal pressure by saying the internal pressures are the only characteristics that truly influence their fundraising behavior. Participants 19, 20, and 22 supported this notion in greatest detail when they talked about their belief that their behavior hinges on their supervisors' fundraising perspective. Participants 19, 20, and 21 specifically shared the following:

Participant 19 shared, "All internal pressures are set by supervisors, but when they direct you to seek out multiple [revenue streams] (individual giving, corporate sponsors, grants, etc.) is when the worst results usually happen."

Participant 20 shared, "When they (supervisors) ask you to jump, you ask, how high (said with a laugh)."

Participant 21 shared, "This is where you have to be aligned with your boss's style of fundraising. Of course, I have numbers to hit, but it sure is nice to know my boss looks at this profession the same way I do [relationship-first mentality]."

This perception of supervisory influence as the predominant catalyst behind fundraiser behavior also supported responses from Participants 17 and 20 who have the least professional fundraising experience among the other five participants from Organization C.

Participant 17 shared, "My boss has coached me to focus on deepening the relationship with each of my donors, and the money will come."

Participant 20 shared,

> If you only place emphasis on the relationship based on the amount of money they donated in the past, you will end up missing out on a ton of donors who just needed more time to make their large gift.

All seven participants shared that the least effective fundraising takes place when supervisors focus on diversifying revenue sources, an act that creates the highest propensity of revenue volatility. The current leadership within Organization C emphasizes singular revenue source fundraising; therefore, revenue flow has maintained somewhat of a stabilized nature according to Participants 16, 18, and 22.

Participant 16 shared, “Every donor is a different animal. Corporate money is different than an individual gift from an alum. Not having to toggle between two type of relationships makes a difference.”

Participant 18 shared, “I like to be able to concentrate on one type of relationship at a time. Wearing multiple hats has too many ups and downs. Hard to game plan too.”

Participant 22 shared, “I can’t tell you how nice it is to be able to have a rhythm with your donors. Kind of impossible to do that if you’re bouncing around from one [revenue source] to another.”

Participants 16, 18, and 22 went on to share that they greatly appreciate the structure of the fundraising department at Organization C, which is said to foster an environment requiring fundraisers to only take on the responsibility of one revenue source of revenue. In experience, six of the seven fundraisers from Organization C shared that when managerial pressure to diversify fundraising sources has been applied, they redirected more of their attention to the revenue source their supervisor emphasized most. Only Participant 17 responded on the contrary that they have never had to fundraise from multiple sources so they could not adequately answer the question regarding the differences between on revenue source versus multiple.

Participant 17 shared, “I honestly only know what it’s like to have a portfolio of individual donors. I’ve never been asked to wear multiple hats across a bunch of different [revenue streams].”

As the interviews approached the end, the fundraisers were asked whether they align with the mission of Organization C. All seven fundraisers mentioned in varying ways that they align with the institution's mission and would not be able to fundraise effectively if they were employed to fundraise for an organization whose mission they did not agree with. Each of the seven participants had no hesitation when responding to this question. Participant 16 who fundraises from a position of leadership (has a few staff members who report to them) had the most straight forward response when asked about fundraising for an organization where they did not agree/align personally with the mission. Their response to the question was phrased as another question.

Participant 16 shared,

> Who the hell would fundraise for a place they didn't believe in? Of course, I believe in the mission. I can't do what I do, and deal with what I deal with if I didn't believe in the mission. It would be impossible [to fundraise] if I didn't.

Coding Cycle 2: Organization C

The second round of manual coding involved a paring down of the first round of detailed tendency coding. Refined coding results remain in a format of tendencies taken directly from the seven interviews conducted for Organization C. While refining Coding Cycle 1, the researcher found that six of the seven interview responses noted that their experience fundraising for singularly focused revenue streams are found to be more effective than fundraising for multiple revenue streams simultaneously (individual giving, corporate sponsors, grants). Of those six participants, when tasked to pursue multiple revenue sources simultaneously, fundraising results were negative from one or all pursued revenue sources. It was perceived to be a positive experience by all seven interview participants that they keep a singular revenue source focus. From this singular revenue source focus, six of the seven participants feel less internal pressure from supervisors because of the opportunity to focus fundraising for one revenue source. Having the most fundraising experience among the seven participants, Participants 16 and 22 both shared that it is an opportunity to be appreciated to only have to fundraise for one revenue source.

Participant 16 shared, "I've done both. I've had to wear multiple hats, and I've been able to wear just one. Wearing one hat is a heck of an opportunity in the fundraising [profession]."

Participant 22 shared,

> I always appreciate the opportunity to specialize [on one revenue source]. Having the chance to focus on one type of donor makes the job feel winnable. Then you see the donations coming in, and it completely validates that feeling of appreciation.

Six of seven participants supported this with an appreciative perspective to be pursuing only one revenue source.

Under this departmental format, participants shared that when pressure is encountered, they feel the greatest source that influences their fundraising behavior is from their supervisor's directives more than from any donor-related external pressure. Furthermore, Participants 18, 21, and 22 stressed that internal pressure applied by their supervisor yields higher levels of job-related stress.

Participant 18 shared, "There's nothing that makes any of us move quicker than when the boss makes a request."

Participant 21 shared, “When they (the boss) want something, need something, you have to make it happen.”

According to Participant 22,

> There’s not a ton of time to ask questions or over analyze certain situations. It doesn’t happen very often in my experience, but when my boss wants to me to solicit a sizeable gift from one of my donors I gotta move on it.

Concerning this same emerging tendency, all seven participants shared that higher job-related stress because of internal pressure dictates the amount of time spent on donor stewardship processes. More specifically, the higher the intensity of pressure applied, the less thoughtful the stewardship becomes, which then brings about a more transactional donor relationship.

When discussing the perspective of aligning with the institutional mission of Organization C, participants unanimously said that they are intrinsically rewarded to work for organizations where they believe in the mission. This intrinsic value brought on by mission alignment brings about a sense of purpose and increases the participant’s drive to perform (fundraise higher amounts). Here again, it was universally agreed throughout the seven interviews that participants would not fundraise for a nonprofit that did not have a mission they morally aligned with.

Coding Cycle 3: Organization C

The third round of coding for Organization C included a sequence of manual fine-tuning of the second round of codes, and then applied a positive or negative fundraising result based on the participants’ interview responses. The refined codes within cycle three are outlined in the following sections with the addition of the correlating fundraising results (positive or negative).

Singular Revenue Focus

Phrased as an opportunity, participants from Organization C shared their appreciation for the results of fundraising with a singular revenue focus. Under the departmental format inclusive of a singular revenue focus, participants from Organization C overwhelmingly established the following outcomes:

- Less job-related pressure
- Intimate donor stewardship process
- Higher level of fundraising results when participant is assigned one revenue source. The type of revenue source was irrelevant and had a positive fundraising result when there was a singular focus for all seven participants.

Multiple Revenue Source Focus

Six of the seven interview participants from Organization C have also experienced the different departmental structure of having to fundraise for multiple revenue sources simultaneously. Throughout the seven interviews, the participants echoed a disregard for this type of organizational arrangement. While experiencing the assignment to fundraise for multiple revenue sources concurrently, the following tendencies appeared:

- Increased pressure from supervisors was applied to successfully fundraise from all assigned revenue sources (revenue source type was not a factor).
- Transactional donor interactions became frequent with less time for thoughtful stewardship.

- Overall fundraising results suffered when revenue source diversification was assigned to one individual.

Revenue Source Prioritization

While reviewing the differences between the two lived experiences of a singular versus multiple revenue source focus when fundraising, the researcher found that participants from Organization C remained consistent in their feedback. The researcher made the association that the participants experienced positive fundraising results when they were assigned to a single revenue source, but they had negative results when assigned to secure revenue for multiple revenue sources simultaneously. Furthermore, the stress levels of the participants dramatically increased when they tried to manage their fundraising efforts across multiple revenue streams as compared to a singular revenue source. A seemingly critical response across all seven participants was the establishment of the level of stress incurred because of supervisory pressure that directly dictated their fundraising behavior. From this, the following tendencies were uncovered:

- Positive fundraising results were experienced when the revenue source focus is singular.
- Negative fundraising results when fundraising focus is spread across multiple revenue sources.
- The type of revenue sources is irrelevant across all seven participants.

Mission Alignment

The last emerging trend prevalent within the interviews from Organization C was the unanimous response to the effect mission alignment has on their fundraising behavior. Without debate, all seven participants spoke about the intrinsic rewards experienced by raising funds to support a mission they agree with. Conversely, in convincing fashion all seven respondents shared that they would not pursue a professional fundraising position if it were with an organization that did not have a mission that personally aligned with their morals/beliefs. The following tendencies outline the participant's responses to the topic of mission alignment as it pertains to their fundraising behavior:

- Positive fundraising results due to intrinsic fulfillment when morals align with organizational mission.
- Negative fundraising results when morals do not align with organizational mission.

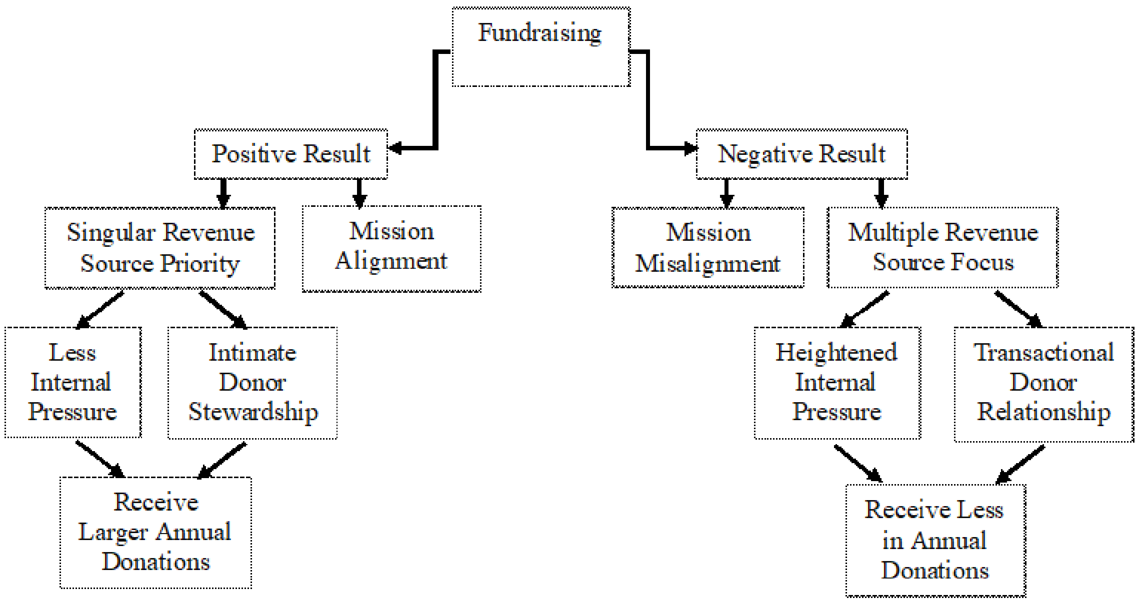
Hierarchical Coding Frame: Organization C

The hierarchical coding frame shown in Figure 6 utilizes the third round of coding and moves each code into categories of associated fundraising results. This framework most importantly displays the codes in a manner that clearly defines how each code is related to the organization's fundraising tactics, which then leads to a positive or negative result. The hierarchical coding frame for Organization C is depicted in Figure 6.

Participants from Organization C unanimously responded (seven of the seven participants) with feedback indicating that a singular revenue dependence yields less pressure from their supervisor, allowing for more thoughtful stewardship and higher donations. All seven participants shared that the opportunity to personally align with their organization's mission heightened their desire to secure increased financial support from their assigned portfolio of donors. Participants from Organization C responded (six of the seven participants) that when previously tasked with having to fundraise for multiple revenue sources (regardless of the mixture of revenue sources) the fundraising results decreased because of a reduction in time spent stewarding donors from each revenue source. The burden of trying to fundraise for multiple revenue sources brought about more job-related stress for six of the seven participants.

Figure 6

Hierarchical Coding Frame for Organization C



Six of seven interview participants from Organization C noted that the higher the quantity of revenue sources they were tasked to fundraise for, the less revenue they brought in. Apart from Participant 17, Participants 16, 18, 19, 20, 21 and 22 all shared that over their tenure at Organization C, they have experienced higher levels of supervisory pressure when tasked to fundraise for multiple revenue sources in comparison to fundraising for one revenue source. Diversified fundraising within each individual portfolio led to higher workplace stress and reduced financial performance at Organization C. Participants from Organization C also communicated that their current departmental structure to have each fundraiser focus on one revenue stream has promoted fundraiser behavior with enhanced focus on the donor relationship. Under this departmental structure and donor-centric focus (no transactional nature), all seven interview participants commented that they have had more success in securing larger donations from their individual portfolio of donors.

CHAPTER 5: RESULTS AND RECOMMENDATIONS

Discussion of Findings

After conducting the semistructured interviews with three different Southern California based higher education nonprofit institutions, several findings emerged that both align with and also oppose existing literature. Additionally, each of the findings to be outlined are analyzed through the lens of their potential to answer the following research questions:

1. How are resource dependence patterns (RDPs) of nonprofit organizations connected to fundraiser performance and the financial stability of the organization?
2. How do resource dependencies affect the decision-making behavior of the nonprofit fundraiser?
3. How does the fundraiser's decision-making behavior affect their performance?
4. How does fundraiser performance affect organizational performance?

In addition to an overview of the most prevalent emerging tendencies from the lived experience of 22 professional nonprofit fundraisers and how they may or may not have answered the four main research questions, this chapter reviews implications for practice and supplies future extensions of research from this study.

Finding 1: Singular Versus Multiple Revenue Source Focus

From this study's research, it was uncovered that diversification of revenue sources within the three higher education nonprofit institutions is a necessary high-level approach to fundraising, but it only truly becomes beneficial from an organizational strategy (top down from trustees, board members, etc.). In reference to this study's finding, a multiple revenue source focus among individual fundraisers evolved to become a negative characteristic/strategy. When compared to existing literature, this finding poses a new perspective concerning resource dependencies and how they affect professional fundraiser behavior. This finding only partially aligns with existing literature that states that revenue diversification is fiscally healthy for a nonprofit organization to pursue (Arik et al., 2016; Barrett & Holliday, 2018; Webb & Waymire, 2016).

As it pertains to existing literature's positive stance on the necessity of revenue diversification, this finding only aligns through the lens of an organization's strategy, not the individual fundraiser experience. The individual fundraiser experiences collected in this study demonstrate ineffectiveness when a multiple revenue focus strategy is adopted. Here again, this study's findings do not completely align with existing literature's supportive perspective concerning their conclusion that nonprofit organizations must seek to achieve diversification among various revenue sources as an appropriate method to ensure organizational stability (Webb & Waymire, 2016).

Additionally, Barrett and Holliday (2018) and Arik et al. (2016) stated that it is financially healthy for a nonprofit to pursue diversified revenue sources as part of an overall attempt to deliver an organizational mission but did not acknowledge the criticalness of how the structure of fundraising for those diversified revenue sources contribute to its longevity. This study's particular findings agree that pursuing/fundraising from a diversified selection of revenue sources is important from an organizational perspective but needs to be allocated according to individual fundraising specialty. This study's finding adds to this viewpoint that each fundraising professional needs to be assigned to one revenue source to most effectively bring in larger donations, which provides the long-term financial stability existing research denotes as achievable through a multiple revenue source focus (Arik et al., 2016; Barrett & Holliday, 2018).

Finding 2: The Impact of Revenue Source Prioritization

This investigation uncovered the reality that diversification of revenue sources within a fundraiser's individual portfolio resulted in less impactful fundraising results. Furthermore, across 21/22 conducted interviews, when fundraisers are asked to wear "multiple hats" and fundraise for a mixture of individual donations, corporate sponsors, grants, and so forth simultaneously, they fail in one or more of the revenue sources because of time constraints and relationships becoming transactional in nature.

This finding aligns with Carroll and Stater (2008) and Tinkelman and Mankaney (2007) regarding the less-than-favorable results transactional fundraising brings about, but it is new from the perspective of why the fundraising relationship became transactional in nature. Is it the fundraiser's lack of experience/knowhow that brings about transactional fundraising relationships? Or is transactional fundraising a product of being stretched across too many revenue sources inclusive of an unmanageable number of relationships to steward? Evidence from this study supports the latter. Moreover, this specific finding on revenue source prioritization concurrently aligns with but also challenges Arik et al. (2016) findings that pursuing fewer funding sources had a higher likelihood of having a less effective strategic response. The finding from this study supports the need to reduce a diversified set of funding sources but only when allocating individual fundraiser assignments. Furthermore, the finding presented in this study to prioritize a singular revenue focus for optimal fundraising results aligns with Schnurbein and Fritz (2017) who concluded that a singular funding source dependence is negatively influenced by overdiversification of revenue sources. Schnurbein and Fritz expanded upon this alignment with the finding that a singular revenue focus yields positive financial results. Schnurbein and Fritz took this association further when they concluded that an organizational initiative to overdiversify funding sources generally results from board/trustee-level planning, not the individual fundraiser level.

Finding 3: Internal Pressure Influences Fundraiser Behavior

Internal pressure from supervisors to increase fundraising revenue (regardless of the revenue source focus) was the most influential factor related to affecting fundraiser behavior across all 22 interviews conducted. The professional fundraisers in this study who experienced internal pressure to perform align with existing literature from a broad perspective of the correlation between applied pressure and employee action (Lee & Nowell, 2015). However, this finding poses a new viewpoint given the evidence from this study supporting the notion that the tangible root of the pressure is felt because of structural inefficiencies rather than fundraiser performance. Nonprofit fundraiser's supervisors continually pushing to raise more money is a widely accepted characteristic throughout the 22 conducted interviews and existing literature, but the level of rising pressure is greatest when the department structure requires each fundraiser to simultaneously seek funding from multiple revenue sources (Lee & Nowell, 2015; Mosley et al., 2012). The identification of this structural issue (revenue prioritization inefficiencies) was also supported by 21/22 interview participants who shared their position of experiencing organizational arrangements that allow fundraisers to specialize/focus on one revenue stream at a time. Ultimately, their professional fundraising experience under a multiple revenue source focus was filled with stress and lower overall fundraising results although their lived experience within a singular revenue focus format brought about stronger donor relationships, larger donations (year-to-year), and a professional environment with lower stress levels. This specific finding most closely aligns with Mozos et al. (2016) who concluded that funding diversity contributes to higher levels of operational inefficiency.

Finding 4: Mission Alignment Influences Fundraiser Behavior

The topic of mission alignment influencing fundraiser behavior was an undisputed finding that resulted in 22/22 professional fundraisers sharing that mission alignment is a necessity for effective fundraising to come to fruition. This specific finding is based on the personal lived experience of the interviewed fundraisers and only partially aligns with existing research. Current research acknowledges the importance of mission alignment from the angle of donor perception in correlation with their likelihood of giving to a nonprofit organization (Barrett & Holliday, 2018). In addition to Barrett and Holliday (2018), Mozos et al. (2016) concluded their study with outcomes that reveal that revenue diversification is positively associated with an increase in efficiently delivering the organization's mission given the related natural ability to potentially turn down funding that may not align with the nonprofit's core purpose. Findings within this research do not completely align with Barrett and Holliday (2018) or Mozos et al. (2016) but provide a bridge that demonstrates the individual alignment of mission within the fundraising team and also positively influences fundraising behavior.

Here again, this investigation agrees that revenue diversification is a positive characteristic that can enable a nonprofit to carry out its given mission at an organizational level, but the detailed structure of revenue source prioritization (singular vs. multiple) blended with individual fundraiser mission alignment further influences a fundraiser's ability to contribute to carrying out the institutional mission. Additional research in the same area of mission focus from Seo (2018) and Henderson and Lambert (2018) observed that revenue source diversification can serve as an aid to sustain social value as this type of structure reduces the need for nonprofit fundraisers to overaccommodate a single funding source. From a practical perspective, these studies demonstrate that recurring organizational goal shifting is damaging to a nonprofit's social value. Although the issue is present in existing literature, this study did not yield conclusive evidence about how the mixture of pursued revenue sources may or may not affect donor perceptions. Mission alignment within this study supported a focus on the lived experience of professional fundraisers and how their personal level of mission alignment influenced their ability to fundraise.

How Findings Answer Research Questions

The four primary research questions are addressed in the following section from the perspective of how definitively the findings respond to each question.

1. How are resource dependence patterns (RDPs) of nonprofit organizations connected to fundraiser performance and the financial stability of the organization?

This study conclusively responded to this question with evidence supporting that the degree to which a nonprofit organization focuses on revenue diversification at the individual fundraiser level dictates the fundraisers' ability to effectively fundraise. The resource dependence is either on multiple or singular revenue sources with the mixture of revenue source diversification not playing an influential role in fundraising outcomes. When the three higher education nonprofit institutions within this study overly depend on any mixture of revenue sources, the associated fundraising behavior produces a negative result across one or several revenue sources. Findings also show that nonprofits are most heavily reliant upon individual giving as a financial resource (Lee & Nowell, 2015; Mosley et al., 2012). Evidence from this study demonstrates that the pursuit of fundraising is only profitable for the organization when the department is structured in a way that allows an individual fundraiser to solely focus on one particular revenue source. This singular focus yields higher fundraising revenue annually and decreased employee stress, which translates to increased long-term stability for the institution.

2. How do resource dependencies affect the decision-making behavior of the nonprofit fundraiser?

Here again, the influential factor associated with resource dependence hinges on the revenue source prioritization of either multiple or singular sources. In looking at the 22 fundraisers across the three higher education nonprofits, this research question can be answered by concluding that resource dependencies (singular vs. multiple) within nonprofits positively and negatively affect fundraiser behavior. The outcome of positive or negative fundraising behavior is most heavily reliant upon the structure of the fundraising department (singular vs. multiple revenue source focus). The supporting evidence was obtained from the feedback from 21/22 professional fundraisers' experience fundraising within departments structured to focus on multiple revenue sources as well as singular revenue sources. The contrast between the two experiences was overtly outlined with stark differences among the two professional experiences.

Negative outcomes with the onset of increased job-related stress were consistently associated with the experience of having to fundraise for multiple revenue sources simultaneously. Conversely, positive participant experiences were associated with the opportunity to focus on a singular revenue source whereby the fundraiser could support a less transactional donor relationship thus bringing about higher annual donations and decreased job-related stress. Additionally, this research suggests that the number of front-line fundraisers and the size of fundraising department budget do not predict performance of the individual fundraisers. Ultimately, the performance of the analyzed fundraisers is most heavily dependent upon internal structure/revenue source prioritization/assignments (individual or multiple revenue source focused).

3. How does the fundraiser's decision-making behavior affect their performance?

This research question can be answered through the lens of first asking what type of departmental structure the fundraiser is working under. According to the 22 interviewed fundraisers in this study, they do not feel as though they are in complete control of their behavior dependent upon departmental constraints or revenue source prioritization sought after by organizational leadership. More simply said, participants from this study shared that their fundraising-related decision making is dictated by their job requirements to fundraise from one or multiple revenue sources. According to 21/22 interview participants, a singular revenue source focus enables the opportunity to more thoughtfully steward the donor, reduces job-related stress levels, and translates to the increased likelihood of receiving larger donations. When working within a multiple revenue source focus, these departmental constraints brought about transactional donor relationships and higher workplace stress and resulted in smaller/less meaningful donations because of time allocation restrictions while trying to steward donors. Understanding these varied circumstances supplies accurate context when responding to this question with evidence supporting the realization that the source of resource dependence (multiple vs. singular) can both positively and negatively affect professional fundraisers behavior. The differing fundraising outcomes based on the emerging trends from the feedback provided by the participants within this study demonstrate an association of positive performance with singular revenue focus and negative performance in connection to a multiple revenue source focus.

4. How does fundraiser performance affect organizational performance?

This research question can be answered through a triangulated effort of bringing together the individual fundraisers' lived experience, the IRS reported fundraising results from the 2019/2020 fiscal year, and nonprofit media sources pertaining to each of the three higher education institutions. Table 5 illustrates the triangulated results contributing to how fundraiser performance influences overall organizational performance.

When reviewing the table provided (information pulled from Chapter 4), the revenue source prioritization (multiple vs. singular) appears to have a direct connection to the fundraising team's financial output, which then contributes to the nonprofit's opportunity to achieve revenue stability. To reiterate, the opportunity to fundraise for the given institution appears to be more meaningfully dependent upon structural limitations within the department as a whole. The frontline fundraisers are not at liberty to decide for themselves whether they are going to be fundraising from one revenue source or multiple sources. Given this fact, the departmental structure they work within dictates their obligation to either specialize within one revenue source or be forced to wear several fundraising hats simultaneously, ultimately leading each fundraiser toward either a more relationship-based fundraising method or transactional fundraising approach. The results reported by the 22 interviewed participants show a stark difference favoring fundraising results brought about by a singular revenue focus that contributes in a more meaningful fashion (larger donations) to the institution's overall financial well-being.

Table 5

Triangulation of Findings

2019/2020 fiscal year	Fundraiser's lived experience	Media presence	Net fundraising revenue
Organization A	Positive; singular revenue focus	Launched largest capital campaign in liberal arts college history; Confident feedback from faculty, students, and donors	$178,000,000
Organization B	Negative; only utilizes multiple revenue source focus	Largest annual fundraising event resulted in 80% decrease; presidential turnover	$ 1,300,000
Organization C	Positive and negative; mixture of singular and multiple revenue focus	Institution running $13,000,000 deficit; extensive layoffs; presidential turnover	$ 3,600,000

Implications for Practice

The findings presented in the preceding sections along with how these findings answer the four main research questions contribute to informing the field of professional nonprofit fundraising. Professional fundraisers have the greatest opportunity to contribute to their organization’s long-term financial success, especially when the assigned fundraising focus is narrowed to one revenue source per each fundraiser. Fundraising from a diversified set of revenue sources is a worthwhile organizational strategy, but it only proves the utmost effectiveness when professional fundraisers have the opportunity to remain revenue source specialists (one revenue source per each fundraiser). The evidence provided from findings within this study enables fundraising managers/decision makers to work toward structural (departmental) fundraising changes that foster specialization.

This study demonstrates that the prioritization of revenue sources (or lack thereof) across the three analyzed nonprofit institutions uncovers key areas that do or do not support long-term financial stability of the nonprofit. As the research shows, the diversified fundraising approach at the individual fundraiser level encourages less intimate donor interactions, which has been noted by interview participants from Organizations A, B, and C as a cheapening of the fundraising process. This cheapening or reduction of time spent with individual donors brings about what was also documented as transactional fundraising tendencies. Transactional fundraising was defined by interview participants from Organizations A, B, and C as an environment where the fundraiser is only reaching out to the donor for financial support rather than a relationship focus. The results that have been recorded from the lived experience of 22 front-line fundraisers bring about tangible evidence as to which fundraising structures have the highest propensity to yield long-term financial stability for a nonprofit organization.

Additionally, the connection between the individual fundraiser’s level of alignment with the institutional mission has shown the significance of hiring likeminded individuals. Feedback from all 22 interview participants revealed that the maximization of individual fundraising efforts can only truly come to fruition if aligned with the organizational mission. To employ fundraisers who do not align with the institutional mission would drastically diminish their financial output as they would effectively be selling a product they would not buy for themselves. Understanding this lived reality of the need for mission alignment, nonprofit decision makers can pursue the assembly of a fundraising team who believe in the organizational mission.

Overall, findings from this study will enable nonprofit leadership to formulate a structurally sound fundraising team. The diversification of revenue sources is a worthy strategy at the organizational level but needs to be divided among several specialized fundraisers for optimal fundraising results. Evidence from this study defines the outcomes from providing fundraisers with the opportunity to focus on a singular revenue source while also outlining the results of burdening fundraising staff to secure multiple revenue sources simultaneously. From this research, fundraising departments will be able to implement a singular revenue focus that will reduce fundraiser stress, enhance donor relationships because of the removal of transactional time constraints, and also fostering an environment that yields larger donations over longer periods of time stabilizing the organization financially.

This study uncovers an opportunity for nonprofits to invest their precious fundraising revenue back into a team of professionals who are enabled to focus on one revenue source at a time. The diversified approach to fundraising is important from the perspective of pursuing revenue from multiple sources (individual gifts, corporate sponsors, grants, etc.), but the method of acquiring donations from this diversified set of revenue streams must be an individualized effort. The sample size of professional fundraisers from this study alone supplies evidence of the need for nonprofits to employ this model to maximize their fundraising efforts. Evidence supports a fostering of donor relationships that only remains sustainable when there is ample opportunity to place primary emphasis on the relationship, not the transaction. When fundraising effectively across each specialized revenue stream, the transaction (financial contribution performed) should take place at the back end (not the front end) of the relationship timeline.

Additionally, this study shows that the specialized “relationship first” approach to nonprofit fundraising promotes a rhythmic nature within the donor/fundraiser connection that enhances the amount of the gifts given. A deepening of an understanding of who the donors are and what their potential philanthropic mission is only becomes a plausible reality when an investment of time is made. This investment of time is the critical piece to fundraising that is only conceivable when the fundraiser has the opportunity to specialize (focus) within one revenue stream at a time. Fortunately, all nonprofits that currently allocate funds to employ professional fundraisers have the opportunity to restructure their teams by modelling this concentrated fundraising method. Testimonial evidence across hundreds of years of professional fundraising experience within this study supports a simplified one-to-one fundraising strategy (one revenue source for each fundraiser) that can be implemented to yield increased fundraising revenue and heightened financial stability for the organization.

Future Extension of Research

Findings from this study have the potential to be extended for further impact upon the profession of nonprofit fundraising. Resource dependence and revenue prioritization related findings in this study show how heavily the assignment of revenue sources influences the fundraiser's overall performance. The existing correlation between specific fundraising behavior and the departmental structure brings an opportunity to expand the exploration of internal factors that may also affect fundraising behavior.

Furthermore, as in all research, there are inherent limitations that need to be addressed for future extensions of research. This study had the specific limitation of sample size that needs to be addressed in future investigations. The limitation of sample size in regard to category of nonprofit is an area that a future study could consider expanding To address this limitation, future researchers are encouraged to expand the type of nonprofit (e.g., hospitals, churches, health/human services, etc.) from which the data were collected to cross-reference the findings from the category of higher education that was used within this research. A broadening of sample size and scope will solidify future findings to determine the potential carryover of results across varying nonprofit types.

Constructing the same research in a new context, location, and/or culture may also strengthen the original conclusions from this study. This research collected data from three 501(c)(3) nonprofit higher education institutions within the Southern California region. Future research should consider addressing the expansion of regions/states to test whether the findings align with the outcomes from this study. Additionally, reassessing and expanding theoretical frameworks or models may uncover supplementary results pertaining to the connection between fundraising behavior and organizational performance. This study employed the resource dependence theory (RDT), the transaction cost theory (TCT), and the population ecology theory (PET) as a theoretical lens to view the research problem of resource dependence as it relates to fundraiser behavior. Future studies may consider using the grounded theory as an additional framework to analyze this research problem. The grounded theory could be employed as a useful tool to discover what problems exist in regard to addressing the challenge of fundraising and the process persons use to handle them. The grounded theory emphasizes observation and the development of relationships between variables and involves formulation, testing, and redevelopment of intentional suggestions until a theory evolves (Timonen et al., 2018).

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