VOLUNTEER MANAGEMENT IN MICRO NON-PROFIT ORGANIZATIONS: A REVIEW AND CASE STUDY

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Abstract

This scholarly introduction and teaching case outline the resource endowment issues of micro-nonprofit organizations in sport and illustrate a difficult situation that founders often encounter. How to manage volunteer agendas when they diverge from the corporate mission? Micro-nonprofit organizations are typically resource poor, and human capital in the form of volunteers is often the most critical resource available. The case describes how the founder of a youth soccer club finds himself dealing with upset families on one side, and a valuable volunteer coach on the other. The case asks the reader to sort through the background information (the

mission, consumer base, etc.) and provide recommendations as to how the founder should proceed. The teaching note and available instructional material review possible options for how to resolve the situation as well as the actual decision made and the associated outcome of that decision. This teaching case is suitable for all Entrepreneurship, Leadership, HR, Strategy, Non-Profit, and Sport Management courses. It is also appropriate for any course which covers the Resource-Based View or RBV.

Keywords: RBV, non-profit organizations, strategy, sport management, volunteer management, volunteerism, HRM

INTRODUCTION

Micro-nonprofits, or not-for-profit organizations employing ten or fewer people (Muske, Stanforth, & Woods, 2004), typically have resource restrictions that hamper their ability to serve constituents. Their missions are just as critical as larger, more well-known nonprofits, but with less access to significant sources of funding and facilities these tiny organizations require efficient resource management for survival. They do not have the slack resources to afford the same levels of bureaucracy or red tape that larger organizations may be able to accommodate.

The volunteer-base is at the forefront of micro-nonprofit resource management (Lasby & Sperling, 2007). Without a well-trained and motivated volunteer core, many would struggle to make a significant impact, and network relations would suffer in the communities served (Omoto & Snyder, 2002; Vecina, Chacón, Marzana, & Marta, 2013). As such, effective volunteer management is a tool that allows micro-nonprofits to positively engage the community network while differentiating themselves apart from others who are directly competing for the same volunteer hours and donations. A nonprofit that successfully manages its volunteer-base can expect to have an easier time recruiting additional help, soliciting donations or sponsorships, and maintaining its brand awareness in the markets it serves.

There are many industries which heavily rely on volunteers for manpower, branding, and funding. The sport industry is a good example (Cuskelly, 1998; Lasby & Sperling, 2007). It not only includes the four major league organizations (NBA, MLB, NFL, NHL), but these highly profitable markets are supported by the hundreds of thousands of members who volunteer with micro-nonprofits that make up community sport organizations such as leagues, clubs, and teams (Misener & Doherty, 2009). Nowhere is there more passion and enthusiasm for volunteering evidenced by ex-players or parents “giving back” as coaches or clubs, which bring the healthy benefits of sport to lower income neighborhoods. These micro-nonprofits are the backbone of the sport industry and without the markets they create and the constituents they serve, the major league organizations would not be nearly as successful (Cuskelly, 2004).

This manuscript discusses the relatively scant background literature on micro-nonprofits and the typical resource constraints for non-profits in the sport industry. We then present a teaching case which highlights the specific dilemma that founders of micro-nonprofits in sport encounter when volunteer agendas diverge from the organization’s mission. Comprehensive teaching resources are available to professors who wish to adopt this case including: (1) presentation of strategies options, (2) case outcomes, (3) case debrief, and (4) detailed slide deck. Please contact the authors for these resources if desired.

LITERATURE REVIEW

Micro-nonprofit organizations have commendable missions for serving communities, but they must overcome significant barriers towards achieving their goals due to a lack of key resources such as major government/foundation grants, brand recognition, or facilities. Granting agencies tend to favor larger organizations (which use grants to fund additional paid positions) with an extensive history of already receiving grants (Lu, 2015). Unknown micro-nonprofits often take a backseat to well-known, branded nonprofits as results have shown that giving of

time and money are positively associated with nonprofit brand image (Michel & Rieunier, 2012). In a vicious cycle, branded and well-funded nonprofits secure more resources for capital projects or facility purchases than micro-nonprofits which in turn allows them to grow larger and extend their reach.

A general lack of resources forces micro-nonprofits to be more efficient with the resources they do have including volunteers. The cost to recruit and train volunteers is significant; therefore volunteer management and retention become crucial strategies in determining whether micro-nonprofits remain competitive in their communities (Kuo, Lin, & Lan, 2013). Existing research on employee turnover suggests that the total cost of employee turnover can be up to two times their annual salary (Phillips, 1990). Therefore volunteer turnover must also be kept as low as possible for resource preservation.

Community sport organizations.

These small nonprofits often form the foundation which supports the viability of professional and elite sport leagues (Cuskelly, 2004). They consist of community-based leagues, clubs, and teams. They also support many paid employees and many more volunteers who serve their communities as coaches, trainers, officials, and administrators. Without these volunteers, community sport organizations do not have the capacity to fulfill their missions. One supporting study found that 75% of community sport organizations have no paid staff at all and depend entirely on volunteerism (Lasby & Sperling, 2007). Despite the general increase in participation of youth and amateur participants over the years, there has been a noticeable decline in volunteerism at the same time which presents a relatively unique problem (Cuskelly, 2004).

What this means for micro-nonprofits in sport is that not only do they deal with the increased pressure of limited resource endowments, the resources they do have (i.e. volunteers) are becoming more difficult to recruit over time. The general trend is that volunteer labor hours

required to run community sport systems are outpacing recruitment, and this significantly increases the pressure upon micro-nonprofits to keep the volunteers they have. Micro-nonprofits in sport are extremely vulnerable to fluctuations in resources (Lasby & Sperling, 2007). To lose an experienced volunteer not only results in loss of manpower, but more importantly, also results in a loss of institutional knowledge.

We now present a teaching case that outlines this issue. Participants are exposed to a volunteer management problem that micro-nonprofit founders often encounter. As they work through the events of the case, they will learn that resources like volunteers are mission critical for micro-nonprofits (Lasby & Sperling, 2007), but as the availability of strong volunteers decreases, the pressure for them to give in to diverging volunteer agendas increases.

A CASE STUDY

Case Question: What to do when corporate mission and volunteer agendas diverge?

Current Situation

Jason, the founder and Director of Coaching (DOC) of East Coast Soccer Club (ECSC), had a difficult decision to make. His non-profit organization was growing and in order for him to get the desired impact in his community, he needed competent volunteers who shared in his mission. One coach who he thought had great potential was Chris. He had recruited Chris to join his volunteer staff three years ago and since then Chris' team rose through the divisions to become a premier team which competed at the highest levels of the local soccer league.

Chris was living up to all expectations and more until the current issue began. Jason heard that Chris was finalizing his divorce. After that, Chris' ambitions began to stray from the mission of ECSC. The club's corporate strategies catered to multi-sport families and those who needed flexibility,

but who still wanted to have their children play competitively. Chris, over time, began to ask families for larger time commitments and to prioritize soccer activities over other activities. It all came to a head when Jason learned from an upset parent that Chris had asked the families to pay his Assistant Coach a monthly “optional” coaching fee. Jason knew then that something had to be done, but what exactly? Chris had never taken any additional money from the families. He had simply asked the families to pitch in voluntarily to help support his Assistant Coach. What made things even more complicated was that many of the families had previously asked Chris to fill out extracurricular recommendation forms for competitive secondary school applications. These were due soon and the parents had concerns of being held hostage because they feared retaliation might result from any lack of support from their end.

Background Information

ECSC was founded back in 2005 as a 501(c)(3) (non-profit or charitable organization). Jason, who was the founder, and DOC envisioned an organization that would not only be self-sufficient, but also one which would “give back” to the community. As it turned out, the organization became a stable community fixture with a solid reputation for being flexible while still achieving overall player development. After several years, ECSC had grown to about ten teams. Annual revenue never exceeded \$100K, but this was never Jason’s primary source of income so he was extremely satisfied with the result. ECSC had not only grown in size but also in reputation. Through his effort, Jason carved out a niche market of multi-sport athletes and busy families. This micro non-profit organization clearly had a double bottom line (profitable with a social benefit) and Jason was proud to provide such a service for players who may not have had the same opportunities in premier clubs where soccer had to come first. The mission of ECSC was “To develop the whole person for success in soccer and beyond.”

The Issue

The soccer community was growing overall and through the years clubs came and went while ECSC remained. Jason's club did not charge as much as premier clubs because the expectations of parents in those markets did not align with ECSC's focused low-cost corporate strategy. ECSC catered to a very specific niche of busy parents who needed flexible scheduling and could not make soccer activities the priority. ECSC encouraged flexible scheduling, larger roster sizes, and yet could still compete at higher levels with multiple tournament championships to show for it. Moreover, the club heavily depended on volunteers to keep the labor costs down. Quality coaches who were willing to volunteer were extremely scarce. Most competitors either paid their staff and charged higher fees or would take anyone willing to help regardless of coaching quality in an effort to stay competitive. ECSC was only as successful as the quality of its volunteer staff. Coaches who were a good fit were few and far between.

PREVIEW COMPLETE

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