Preliminary thoughts on organizational communication theorizing within the nonprofit sector:

Knowledge sharing among development nongovernmental organizations

Melissa Bator

University of California Santa Barbara
Although different sectors of society (i.e., market, government, and civil society) are acknowledged in academic literature and the popular press, a lack of organizational communication theories reflecting on the distinct organizational characteristics of nonprofit organizing stints the development of the organizational communication discipline within the nonprofit context. Eisenhardt (1989) contends that organizational theories born out of specific contexts (e.g., institutional theory and large public bureaucracies) are best tested in those organizational contexts. Unfortunately, organizational communication scholars studying interaction within the nonprofit sector are often limited in their empirical predictions by the lack of organizational theories born out of a not for profit context. This paper contends that distinct organizational differences within the nonprofit sector present opportunities for organizational scholars to add to the literature on nonprofit organizing. I will base these preliminary thoughts on a distinct set of nonprofits, nongovernmental organizations (NGOs) doing international development work, and the interorganizational activity of knowledge sharing.

**Development NGOs and Knowledge**

Nongovernmental organizations operating within the international development (development NGOs) sector face a unique organizational context due to the nature of the knowledge development NGOs produce. Stiglitz (1999) conceptualizes knowledge for development as a global public good (i.e., goods with value that is not diminished when used, which may be used worldwide),

Much of the knowledge that is required for successful development is not patentable; it is not the knowledge that underlies new products or new processes. Rather, it is equally fundamental knowledge: how to organize firms, how to organize societies, how to live
healthier lives in ways that support the environment. It involves knowledge that affects fertility and knowledge about the design of economic policies that promote economic growth. (p. 318)

In this respect, much of the knowledge produced by development NGOs (i.e., private organizations operating within a nonprofit context) may be considered a global public good. What sort of implications might this have for interorganizational interaction? The remainder of this paper will scrutinize the organizational differences between for profit and nonprofit organizations and acknowledge the impact of these differences on key variables within the knowledge sharing literature, by suggesting three possible spaces for organizational communication theorizing.

**Similarities and Differences Between the For Profit and Not for Profit Sector**

Although a robust literature exists on the knowledge sharing behaviors within the for profit sector, few researchers have examined knowledge sharing behaviors within the nonprofit sector. While many names exist for the organizations within this sector (e.g., nonprofit, private voluntary organizations, nongovernmental organization), this paper speaks of an overarching nonprofit sector within which nongovernmental organizations doing development work exist. The nonprofit sector is known by different names including, the third sector and civil society, and it is repeatedly conceptualized as distinct from the government and market sectors.

The nonprofit sector is typically defined by what it is not. Nonprofits are not mandated to act on behalf of its citizens like the government, hence these organizations voluntarily form often due to a government failure to provide a good or service (Weisbrod, 1977), when consumers face
situations where quality of service is difficult to discern or evaluate (i.e., asymmetric information context) (Hansmann, 1980), and/or to fill the space where neither the market nor government enjoys a large enough advantage to develop (Douglas, 1981). Economically speaking, nonprofits operate under a nondistribution constraint, which mandates that any profit created may not be distributed to shareholders. This is a negative constraint, defining what the organization may not do with any profit made. Hansmann (1980) argues that this nondistribution constraint increases consumer trust because it reduces the probability that sacrifices in quality of goods and services will be made by management in favor of increased returns on investment.

However, Brody (1996) disputes this increased trust argument suggesting that all organizations are interested in survival above all else\(^1\). He argues that all organizations are affected by resource dependencies, institutional isomorphism, and organizational slack; hence, organizational decision making is unlikely to be rational and more likely to be political. His analysis suggests that differences among for profits and not for profits are likely to be of degree rather than kind because both nonprofits and for profits tend to be governed by a self perpetuating management regime that is only weakly accountable to any one governing body (e.g., absent shareholders or abstract mission). Thus, trust cannot be derived from the nondistribution constraint alone. Yet, considerable scholarship originating from noneconomic areas of study, which probe deeper into the organizational processes and contexts of nonprofit organizations, indentify distinct organizational differences between organizations operating in the for profit and nonprofit sector.

\(^1\) Alter and Hage (1993) also suggest that the organizational form of NGOs creates a supreme goal of organizational survival leaving all firms to behave in a similar way (i.e., in its best interests).
For example, Levitt (1975) distinguishes the market and civil or third sectors of society by the tools the organizations in that sector typically use to accomplish their day to day tasks. In business or the market sector, exchange and rational competitive market calculations are the tools of choice; whereas the third sector utilizes the donation of time and money, which must be mobilized by the organization through persuasion (p. 49). Young (1983) opts for a cultural distinction among sectors, noting that individuals operating within each sector become used to certain norms. He cites nonprofits as operating under norms of volunteerism and community involvement, while for profit firms operate under norms of efficiency. Finally, Najam (1996) conceptualizes business as the merchant and nonprofits as the citizen\(^2\). The merchant represents the self interested and is concerned with profit maximization through the production of goods and services. The citizen (i.e., civil society) represents marginalized interests and people and is concerned with “the articulation and actualization of a particular social vision through the shared normative values of its patrons, members and clients” (Najam, 1996, p. 212).

Therefore, for profits and nonprofits can be seen to differ on the concreteness of benchmarks of success (i.e., profit v. ambiguous social vision) and the tools used to achieve them (i.e., rational competitive market calculations v. mobilization of volunteers and/or donations). Indeed, Edwards and Fowler (2002) delineate a wider range of stakeholder groups that nonprofits may be accountable to because these organizations straddle the space between communities and institutions and have no single bottom line, like businesses (i.e., profit) and government (i.e., elections). Furthermore, research suggesting that nonprofit employees are more likely to be

\(^2\) Government is conceptualized as the prince, representing the major dominant group and mostly concerned with preserving social order through its legitimate authority.
intrinsically motivated than employees of for profit firms provides evidence of the differential organizational norms and tools used to accomplish organizational work.

Yet, Brody’s critiques of the emphasis on the similarities and differences between for profits and nonprofits may be warranted as evidence exists that nonprofits often choose organizational survival in the face of obsolescence (e.g., March of Dimes mission shift from polio to newborns when polio was nearly eradicated). Furthermore, Eisenberg and Eschenfelder (2009) point out that all organizations are vulnerable to societal changes (e.g., science and technology, dominant ideologies, population fluctuations, societal inequality). Thus, organizational issues studied in the for profit context, such as competition, may still arise. The charge for organizational communication scholars, then, is to articulate how interaction both within and among nonprofit organizations is theoretically distinct and/or similar to for profit organizations. Given the similarities and differences discussed and using the context of interorganizational knowledge sharing, I now pose different spaces within not for profit organizing that organizational communication scholars may find fruitful for theoretical study.

**Knowledge Sharing Among Development NGOs**

Barnard (2003) suggests that given their altruistic ends, development NGOs have fewer reasons than for profit firms to be protective of organizational knowledge. This insight, when considered in tandem with nonprofits’ lack of concrete benchmarks for success, suggests that knowledge sharing goals for development organizations are not as clear cut as for profit firms

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3 Leete (2000) finds that wages for white collar workers on the whole within the nonprofit sector are less dispersed than within the for profit sector, supporting the view that nonprofits employ compensation equality to create an appropriate motivational context. Young (1983) refers to this as self screening, whereby individuals self select themselves into a sector based on their primary motivation (e.g., high income, self actualization).
that simply want to increase efficiencies and stay innovative to increase profit margins. NGOs not only need efficient internal coordination, but knowledge sharing should also increase organizational abilities to be responsive to afflicted populations and to influence debates and policy processes (Hovland, 2003). Organizations within the international development sector, then, possibly face different contextual constraints than the for profit sector in their knowledge sharing endeavors.

The first space for organizational communication scholarship relates to the wider range of stakeholders to whom development NGOs are potentially beholden. For instance, donors may not value interorganizational knowledge sharing activities. Quaggiotto (2005) suggests that development NGOs operate in a scarce resource environment where organizational allocation of funds to activities not considered concrete development projects is frowned upon. Thus, resource dependencies on stakeholders that do not value knowledge sharing can dampen knowledge sharing activities. It could also create alternative means for knowledge sharing, such as having external partners manage interorganizational knowledge sharing systems. Barnard (2003) proposes that such a system allows knowledge sharing to be expensed as a project expenditure rather than an administrative cost. Thus, the limited resource environment and multiplicity of stakeholders could induce novel forms of organizing for knowledge sharing.

Marwell and Oliver (1993) cite communication as a key factor when mobilizing a collective into action. However, due to the divergent goals of principals and agents in organizations (Eisenhardt, 1989) communication dilemmas may arise whenever individual interests motivate employees to withhold information from a collective even as the organization’s interests demand that employees share their knowledge (Kalman, Monge, Fulk,
Heino, 2002). Kalman et al. (2002) find organizational commitment to be a significant factor in overcoming communication dilemmas. However, given an apparent self selection mechanism at work among employees choosing to work within a nonprofit organizational context, which purportedly creates an intrinsically motivated workforce (Young, 1983), employees may be more broadly committed to an issue or goal rather than their employer. The presence of a broader conceptual commitment to a particular issue or population within the development community could reduce the presence of communication dilemmas among people working within the international development sector by reducing the goal conflict among the organizational principal and the agent. Thus, the study of communication dilemmas and the motivations of employees operating within the international development community provide a second space for organizational communication scholarship.

Finally, the presence of intrinsically motivated employees and an organizational focus on a social mission rather than an economic end may induce different organizational norms within development NGOs that should favor interorganizational knowledge sharing. However, the environment within which development NGOs operate can create factors that constrain knowledge sharing activities. For example, competition is a prominent concern within the for profit knowledge sharing literature. Although competition for profits does not tend to occur among development NGOs, the growing number of NGOs worldwide (Keck & Sikkink, 1998) creates greater competition for funding dollars. Within the international development sector, competition introduced by scarce resources is one of the major barriers to interorganizational networking (Abelson, 2003; Kilby, 2008). Furthermore, competition for ideological dominance in different issue areas can arise as organizations attempt to differentiate themselves from other development NGOs (Cooley & Ron, 2002; Johnson & Prakash, 2007). Hence, the role of
competition and organizational culture in development NGO interactions should be a fruitful area of research for organizational communication scholars.

**Conclusion**

This paper seeks to identify preliminary areas of study that may be fruitful for organizational communication scholars seeking to build theories within a nonprofit collective organizing context. After laying out the organizational differences that create distinctions among for profit and nonprofit organizational forms, I suggest three areas for research—the role of multiple stakeholders in novel interorganizational forms, the presence of communication dilemmas and the different motivational factors affecting interorganizational knowledge sharing, and the possible effects of an intrinsically motivated workforce operating within a social mission oriented context on traditionally theorized constraints for knowledge sharing (e.g., competition). While this research agenda is not exhaustive, it seeks to highlight relevant issues that could inform both scholars and practitioners in the important work related to international development.
References


