The Organizational Culture in Community Foundations

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THE ORGANIZATIONAL CULTURE IN COMMUNITY FOUNDATIONS

by

Nanette Marie Keiser

A Dissertation
Submitted to the
Faculty of The Graduate College
in partial fulfillment of the
requirements for the
Degree of Doctor of Education
Department of Teaching, Learning, and Leadership

Western Michigan University
Kalamazoo, Michigan
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Because of the current and future critical roles community foundations play in their geographical areas, the limited research to inform the community foundation field, and the importance of studying organizational culture, there was a need to study the organizational culture of community foundations. A questionnaire was sent to 179 community foundation staff members in one state in the Midwest. Responses were received from 98 of the 179 staff members.

It was found that the actual organizational culture of the community foundation "industry" was differentiated across all variables (staff overall, paid staff size, asset size, and age of foundation). Organizations with a differentiated culture have many small, sometimes competing "subcultures" within a larger culture (Martin, 1992; Martin & Myerson, 1988). Relationships between paid staff size and the age of the foundation and actual organizational culture were found to be significant. This was not the case for the relationship between asset size and actual organizational culture.

It was found that the desired organizational culture of the community foundation "industry" was integrated across all variables (staff overall, paid staff size, asset size, and age of foundation). Community foundation staff members expressed a desire to have an integrated organizational culture, a homogeneous culture characterized by "comprehensively" shared cultural knowledge and organization-wide consensus (Martin, 1992; Martin & Myerson, 1988). Relationships between
paid staff size, asset size, and the age of the foundation and the desired organizational culture were found to be nonsignificant.

Community foundation staff members overall and within each level of paid staff size, asset size, and the age of the foundation desired to have an integrated culture rather than a differentiated culture, supporting the existence of a culture gap. The magnitude of the difference between the two cultures for all variables was large.
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This study would not have been possible without the cooperation of staff members of the community foundations and the regional association of grantmakers.
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Nanette Marie Keiser
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CHAPTER I
INTRODUCTION

Statement of the Problem

Why is there a need to study the organizational culture of community foundations? Community foundations have emerged as significant entities in the geographical areas they serve since their inception in 1914. These philanthropic entities are stewards of billions of permanent charitable dollars, the charitable assets of the communities they serve. Community foundations not only play a crucial role in monetarily supporting the nonprofit sector, but also bring together community leaders to address pressing needs.

As community foundations become more visible across the world, there is an ongoing movement to develop best management practices. Yet, research to inform these best practices and the community foundation field is limited. Research examining the organizational culture of community foundations is virtually nonexistent. Without studying community foundation organizational culture, community foundation behavior and practices cannot be fully understood. Clearly, there is a need to study the organizational culture of community foundations.

A community foundation is defined as a “collaboration of diverse interests, organized for permanence, which attempts to strengthen a geographically defined community by providing services and nurturing leadership among charitable donors, nonprofit organizations and the community at-large” (Bartenstein, 1988, p. 5). It is
also defined as a “publicly sponsored organization that makes grants for social, educational, religious, or other charitable purposes in a specific community or region” (Falkenstein & Jacobs, 1999, p. viii).

The community foundation field is the fastest-growing segment of philanthropy (Bartenstein, 1988; Freeman, 1997; Mandelker, 1993). Assets held by community foundations, much of which are permanent, have grown from $7 million in 1921 to over $25 billion in 1998 (Columbus Foundation, 1999; Council on Foundations, 1988; Magat, 1989). The assets of community foundations range from a few million dollars for fledging foundations to more than $1.8 billion for the New York Community Trust, the largest community foundation (Columbus Foundation, 1999; Freeman, 1997).

The growth in community foundations can be attributed mainly to the Tax Reform Act of 1969 and the new federal tax rules that were enacted in 1976. These changes in the tax laws have made it more advantageous for wealthy individuals to give to community foundations rather than to set up private foundations, since community foundation donors receive the maximum tax deduction allowable under the law for charitable contributions (Blattmachr, 1993). Community foundations also have fewer limitations on operations and have been relieved of the excise tax placed on other types of foundations (Edie, 1982). Donors have also found community foundations attractive because of the foundations' ability to locate and invest in causes unknown to donors, the perpetual management of donors' gifts after their deaths, and low operational overhead (Mandelker, 1993). As a result, there are now over 555 community foundations across the United States and abroad (Columbus Foundation, 1999).
The growth in community foundations is projected to accelerate in the next decade due to the anticipated intergenerational wealth turnover of over $12 trillion in the U.S. alone. Individuals receiving some of this turnover have a need to shelter their new found wealth from taxes, which can be accomplished through charitable contributions to nonprofit organizations (Opiela, 1998). Consequently, community foundations have become the preferred vehicle for donors, primarily because of the greater tax deduction donors receive.

In addition to their attractiveness to donors, community foundations have a great influence on the geographical areas they serve. Because of the size and permanence of assets held, community foundations are the stewards of community charitable assets. The 356 community foundations members of the Council of Foundations collectively hold more than $15 billion in assets and annually contribute over $900 million to numerous nonprofit programs in their communities (Council on Foundations, 1999a). These foundations also play valuable community-serving roles by promoting organized philanthropy by individuals, corporations, and organizations and convening leadership to respond to community needs. Community foundations nurture the nonprofit sector by not only providing a source of funds for both routine and emergency needs but also technical assistance and training (Bartenstein, 1988). These foundations act as vital bridges between assets and needs in the community (National Civic Review, 1998).

Due to the additional public scrutiny that has accompanied the community foundation field's burgeoning growth, there is an ongoing movement in the community foundation field to develop best management practices and possibly standards (Council of Michigan Foundations, 1999; Council on Foundations, 1999a; Minter, 1989). For example, one goal of the Council on Foundation's 1999–2006
strategic plan for its Committee on Community Foundations is to assemble and disseminate information on sound management practices to guide community foundation boards and staff. The Council on Foundations defines management practices as those practices and policies related to compensation, portfolio compensation, investment management, administrative expenses, governing boards, program issues, staffing, benefits, and personnel policies (Council on Foundations, 1997, 1998a).

There is little research to inform management practices of community foundations. In fact, in 1989, Magat reported that there was virtually no research regarding community foundations. This has not changed significantly. Further, the research conducted in the community foundation field has been largely limited to gathering information about community foundations and their management practices (e.g., number, types, and salary levels of staff; types of benefits, types of investment policies, functions, etc. [Bruce, 1980; Council on Community Foundations, 1961; Council on Foundations, 1989b, 1992, 1996a, 1997, 1998a; Marble, 1988; Struckoff, 1991; Zurcher & Dustan, 1972]).

Research in the community foundation field has also focused on the number and types of grants, gifts, and funds and the growth in asset size (Ambler, 1994; Council on Foundations, 1996b, 1998b, 1998c; Foundation Center, 1999; Greco, 1995; Hall, Lee, & Solomon, 1999; Kroll, 1992; MerKersie, 1992; National Puerto Rican Coalition, 1987; Renz, 1995; Scheie, 1997; Siska, 1998). Some research regarding attitudes and perceptions of the public regarding community foundations (Council on Foundations, 1999b), the number of foundations using evaluation (Alie & Seita, 1997), and the role of foundations in American society (Council on Foundations, 1994; Rogers & Keenan, 1990) has been done. However, research on
organizational elements in community foundations that could inform management practices, such as organizational culture, had not been conducted at the time of this study.

Organizational culture is defined, for purposes of this study, as a system of knowledge that is shared, to varying degrees, by members of the organization, and which characterizes the organization to both employees and outsiders (Sackmann, 1991). Culture has been viewed as the personality of an organization—a hidden, yet unifying theme that provides meaning, direction, and mobilization (Kilmann, Saxton, Serpa, & Associates, 1985). Every organization has a culture, and this culture has a powerful influence (Deal & Kennedy, 1982). According to Shafritz and Ott (1996), an organization's behavior cannot be understood or predicted by studying its structural or systems elements—its organizational culture must be studied. Organizational culture is central to understanding any behavior and practice of an organization, including management practices (Deal & Kennedy, 1982).

Additionally, it has been found that organizational culture can influence critical organizational areas. These areas include: (a) job satisfaction (Deshpande, 1996; Ma & MacMillan, 1999; Nystrom, 1993); (b) employee turnover (Stum, 1999; Vandenberghe, 1999); (c) employee commitment to the organization (Nystrom, 1993; Stum, 1999); (d) organizational ability to change (Molinsky, 1999; Tushman & O'Reilly, 1996); (e) productivity (Gunter & Furnham, 1996; Wellman, 1998); (f) performance (Deal & Kennedy, 1982; Nystrom, 1993; Randall, Cropanzano, Bormann, & Birjulin, 1999); and (g) organizational effectiveness (Denison & Mishra, 1995). Therefore, because of the current and future critical roles community foundations play in their geographical areas, the limited research to inform the
community foundation field, and the importance of studying organizational culture, there is a need to study the organizational culture of community foundations.

Significance of the Study

Since organizational culture can impact crucial areas like organizational performance, ability to change, and effectiveness, this study may provide valuable insights to community foundation members regarding their types of culture. This research may also allow community foundation members to positively influence their culture, and in turn, benefit the communities the foundations serve.

Leaders create organizational cultures. One of the most decisive functions of leadership may well be the creation, management, and when deemed necessary, the destruction of culture (Schein, 1985). Therefore, the insights furnished by this study can be particularly useful to leaders of community foundations.

Additionally, the findings from this study may be useful to the community foundation field in regard to informing community foundation management practices. The findings may also provide useful information to regional management support organizations (e.g., The Forum of Regional Association of Grantmakers). These organizations support community foundations through technical assistance in the management practices and capacity-building areas. Finally, the findings may contribute useful information to funders and potential funders (e.g., Ford Foundation, W.K. Kellogg Foundation, Mott Foundation) that have provided dollars to community foundations in the capacity-building area (Magat, 1989).
Methodology

A questionnaire that measures three types of organizational culture (integrated, differentiated, and fragmented [Martin, 1992]) was used in the study. Integrated cultures are characterized by organization-wide consensus, exclusion of ambiguity, and consistent cultural manifestations (e.g., manager says and does the same thing). Cultures that are differentiated tend to have inconsistent cultural manifestations (e.g., manager says one thing and does another), consensus only within subcultures, and clarity within subcultures but ambiguity outside the subcultures. Fragmented cultures tend to focus on ambiguity. There are a multiplicity of views and complex cultural manifestations under this type of culture.

The questionnaire was mailed to all 179 staff members of 58 community foundations in one state in the Midwest of the United States. Questionnaire respondents and their foundations remained anonymous and completed the questionnaire twice—once for the culture as they perceived it at the time (actual culture) and again for the culture they would like to see in the future (desired culture).

The Statistical Package for the Social Sciences (SPSS) was used as the statistical analysis package. Data collected from the questionnaires were analyzed for staff overall and within the categories of the size of the paid staff, the asset size of the foundation, and the age of the foundation for the actual and desired cultures. The community foundation field frequently uses these three categories to ensure meaningful analysis, since these categories provide homogenous subgroups (Council on Foundations, 1998a; Zurcher & Dustan, 1972).
Size of paid staff is defined as the number of all paid employees (i.e., part-time and full-time) in a foundation at the time the questionnaire was filled out by the community foundation member. Asset size of the foundation is defined as the amount of capital and principal—money, stocks, bonds, real estate, or other resources—controlled by the foundation at the end of the last completed fiscal year (Falkenstein & Jacobs, 1999) (e.g., Foundation A has 100 million in assets as of December 31, 1999). Age of foundation is defined as the number of years the foundation had been in existence at the time the questionnaire was filled out by the community foundation member.

So as to further protect the identity of the particular respondents and their foundations, ranges (e.g., 0–5 staff, 5–10 staff, etc.), based on ranges developed for other surveys in the community foundation field, were used for size of paid staff, asset size, and age of foundation. Some information collected through the essay questions was also examined.

As described in detail in Chapter II, community foundations, because of certain common characteristics (e.g., service to a specific geographical area, permanence of funds supported by a wide range of donors, grantmaking for several charitable purposes, and 501(c)(3) public charity and not a private foundation status) have been collectively viewed as an “industry” (Minter, 1989). Chatman and Jehn (1994) found empirical support for similarities among organizational cultures in the same industry and recommended that future research take the industry context into account in order to fully understand organizational cultures.

Thus, this study focuses on community foundations collectively as an “industry,” and the community foundation “industry” is the unit of analysis (Chatman & Jehn, 1994). Findings are reported across foundations (i.e., all staff in foundations
[staff overall], all staff in foundations of a certain asset size, etc.) rather than at the foundation level. This investigation is an exploratory study that describes the types of culture discovered and suggests how the findings could inform management practices.

Purposes of the Study, Research Questions, and Hypotheses

One of the purposes of exploring the organizational culture in community foundations is to build on the limited research conducted to date in the community foundation field. Specifically, no study of organizational culture in community foundations had been conducted at the time of this study. Another purpose of the study is to provide information about the actual and desired types of culture in community foundations (i.e., integrated, differentiated, fragmented) and suggest how the findings could inform management practices.

The following is a summary of the research questions and hypotheses that were examined in this study:

1. **Research Question #1**: What is the actual organizational culture of community foundations as perceived by staff overall and within the categories of the size of paid staff, the asset size of the foundation, and the age of the foundation?

   a. **Hypothesis 1**: There is a relationship between the size of paid staff and the actual organizational culture in community foundations.

   b. **Hypothesis 2**: There is a relationship between the asset size and the actual organizational culture in community foundations.

   c. **Hypothesis 3**: There is a relationship between the age of the foundation and the actual organizational culture in community foundations.
2. Research Question #2: What is the desired organizational culture of community foundations as perceived by staff overall and within the categories of size of paid staff, asset size of the foundation, and the age of the foundation?

a. Hypothesis 4: There is a relationship between the size of paid staff and the desired organizational culture in community foundations.

b. Hypothesis 5: There is a relationship between the asset size and the desired organizational culture in community foundations.

c. Hypothesis 6: There is a relationship between the age of the foundation and the desired organizational culture in community foundations.

3. Research Question #3: Is there a difference between the desired and actual organizational cultures of community foundations as perceived by staff overall and within the categories of size of paid staff, asset size of the foundation, and the age of the foundation?

a. Hypothesis 7: There is a difference between the desired and actual organizational cultures in community foundations for staff overall.

b. Hypotheses 8–11: For each level of size of paid staff, there is a difference between the desired and actual organizational cultures in the community foundations.

c. Hypotheses 12–15: For each level of asset size, there is a difference between the desired and actual organizational cultures in the community foundations.

d. Hypotheses 16–18: For each level of the age of foundation, there is a difference between the desired and actual organizational cultures in the community foundations.
Organization of the Study

This dissertation is divided into five chapters. Chapter I contains the statement of the problem, the significance of the study, a brief description of the methodology, purposes of the study, research questions, and hypotheses, and an outline of the contents of the study.

Chapter II, the literature review, provides a context for the study by providing information about the history, purposes, growth, anticipated growth, common characteristics, and internal structure of community foundations. The roles of organizations providing support to community foundations and the research conducted on community foundations are also discussed. The origins and the evolution of organizational culture and the roles of leaders are also described in Chapter II. The theoretical framework for the study's questionnaire and the research conducted on the three types of culture, organized within this framework, are also presented.

Chapter III describes the methodology for the study in detail, including the sampling procedures, the questionnaire, data collection methods, the sample, and the data analysis procedures. The findings are presented in Chapter IV, and Chapter V contains conclusions and how the findings could inform management practices. Limitations and recommendations for future studies are also provided.
CHAPTER II

REVIEW OF RELEVANT LITERATURE

Introduction

This literature review section provides a context for the study of organizational culture in community foundations. First, an overview of the history, purposes, growth, anticipated growth, common characteristics, and internal structure of community foundations is given. The roles of organizations providing support to community foundations are discussed, and the research conducted to date in the community foundation field is reviewed.

The origins and the evolution of organizational culture and the roles of leaders in organizational culture are then detailed. Finally, the theoretical framework for the study's questionnaire and research conducted on the three types of culture, organized within this framework, will be described.

Community Foundations

History: Purposes, Growth, and Anticipated Growth

1914: Origins of the First Generation

Banks and trust companies began the first generation of community foundations (Leonard, 1989). These entities identified community foundations as vehicles to attract wealthy clients, increase fee income through the management of
foundation funds, and retain control of these funds. Specifically, in 1914, Frederick H. Goff, president of the Cleveland Trust Company of Cleveland, Ohio, developed the concept of the community foundation (Hammack, 1989). Goff, as a founder of the Cleveland Foundation, the first community foundation, defined a community foundation as a private, nonsectarian organization with public purposes. For the Cleveland Foundation, these purposes included providing funding for the mental, moral, and physical improvement of the inhabitants of the City of Cleveland (Howard, 1963).

Goff wanted community foundations to serve two specific purposes and to remove the “dead hand” from doomed bequests (Hammack, 1989; Leonard, 1989). First, community foundations were to accumulate and manage permanent charitable endowments, rather than to raise annual operating funds. Endowments are defined as “funds to be kept permanently by an organization and invested to provide income for continued support of an organization” (Falkenstein & Jacobs, 1999, p. xxi). Second, community foundations were to play a leading part in defining the needs of the communities they served. This second purpose was accomplished through the use of independent surveys of social and civic problems and a committee of citizens selected by representative community leaders. These leaders, usually from the court systems, chambers of commerce, and universities, selected citizens based on their knowledge of community needs and services.

1915-1945 (Prior to End of WWII): Initial Growth and Decline

From 1914 to 1929, the community foundation movement grew quickly with expansion first to the Midwest and then to the Northeast of the United States (Hammack, 1989). During this time, in the Midwest, foundations were formed in
such major cities as Chicago (1915), Detroit (1915), Milwaukee (1915), Minneapolis (1915), and Indianapolis (1916). In the Northeast, community foundations were also forming in major cities like Boston (1915), Philadelphia (1918), Buffalo (1920), Hartford (1925), and New York (1920). Foundations were also created in others parts of the United States and Canada as well. Trust companies, banks, and chambers of commerce played active roles in promoting and forming community foundations.

Across these community foundations, two groups of donors were attracted to contribute (Hammack, 1989). The first group consisted of prominent business leaders. These leaders helped to form the foundations, define their purposes, and lend them credibility. Many of these leaders also contributed significant initial endowments. Less well-known citizens, who identified with the community, also contributed, but not to a significant degree.

The Great Depression almost derailed the community foundation movement (Hammack, 1989). Because of the Depression, the public no longer trusted banks, trust companies, or their leaders. Many wealthy individuals lost or significantly reduced their fortunes and were reluctant to part with any of the remainder. World War II also negatively impacted the community foundation movement, since resources that may have been given to community foundations were diverted to the war effort.

As a result of the Great Depression and World War II, a number of community foundations became inactive, and of the 91 community foundations that were formed between 1914 and 1939, only 66 were operating in 1949 (Loomis, as cited in Magat, 1989). However, a new umbrella organization, the National Committee on Foundations and Trusts for Community Welfare, was formed in 1944 to address issues facing the community foundation field (Magat, 1989). This
organization was the forerunner of the Council on Foundations and was instrumental
in putting the community foundation movement back on track.

Post War II 1945–1968: Rejuvenation and the Second Generation

After World War II, community foundations were rejuvenated as the United
States once again prospered (Hammack, 1989; Leonard, 1989). This revival was also
partly due to an increase in the number of smaller contributions to community
foundations, probably stimulated by a new national pride and a more inclusive sense
of community that followed World War II. This increase in contributions was also
attributable to a strong postwar suspicion of government and a growing commitment
to voluntarism. The second generation of community foundations, with a broader
donor base, slowly emerged (Leonard, 1989).

The second generation of community foundations, rather than adopting the
bank trust agreement form used in the past, preferred the charitable corporation
form—a freestanding nonprofit corporation (Leonard, 1989). Instead of having
leaders from the banks and trust companies of old, “leaders in community planning”
(Hammack, 1989, p. 32) directed the community foundation movement. These
leaders included donors, attorneys, corporations, foundations, United Ways, Junior
Leagues, chambers of commerce, city councils, and even other community
foundations (Leonard, 1989).

The second-generation leaders of community foundations, spurred on by
private foundations (e.g., Ford Foundation), emphasized the creation of a
strengthened framework for private charity and a more inclusive view of community
(Leonard, 1989). Community foundations also focused their efforts and dollars on the
local community chests (i.e., forerunners of the present day United Ways) and
policies and programs to address poverty and inequality.

The committee representing community foundations also was transformed
during this time. In 1957, the National Committee on Foundations and Trusts for
Community Welfare changed its name to the National Council on Community
Foundations and incorporated itself. In 1964, the National Council changed its name
to the Council on Foundations.

1969 to Present: A Pause and Then Continued Growth

Donors, community leaders, and politicians often criticized the new policies
and programs to address poverty and inequality that the community foundation field
had adopted in the mid 1960s (Hammack, 1989). This criticism and subsequent
decrease in contributions, along with the failure of the stock market to keep pace
with inflation during these same years, were all factors in the stagnation in community

In the 1970s, the Tax Reform Act of 1969 was another factor in the
stagnation in community foundation asset growth (Hammack, 1989). Concerns
regarding perceived abuses by many family foundations led the U.S. Congress to
enact this new law. However, treasury officials did not issue regulations required by
the Act until 1976, and a period of negotiation then followed. As a result, donors
were reluctant to contribute to community foundations during this time because of
the uncertainty regarding the tax deductibility of their contributions.

Once enforced, the Tax Reform Act of 1969 and the rules and regulations
issued in 1976 to accompany it were very beneficial to the community foundation
field (Hammack, 1989). These changes in the tax laws have made it more
advantageous for wealthy individuals to give contributions to community foundations rather than to set up private foundations, since community foundation donors receive the maximum tax deduction allowable under the law for charitable contributions (Blattmachr, 1993). Community foundations also have fewer limitations on operations and have been relieved of the excise tax and annual 5%-of-assets-payout requirement placed on other types of foundations (Edie, 1982). Donors have found community foundations attractive because of community foundations' ability to locate and invest in causes unknown to donors, the perpetual management of donors' gifts after their deaths, and low operational overhead (Mandelker, 1993).

Because of the increased interest in community foundations due to the tax law changes, 62 additional foundations were formed in the 1980s (Leonard, 1989). This growth has continued, and there were over 555 community foundations across the United States and abroad in 1998 (Columbus Foundation, 1999). The United States had over 400 community foundations, and Canada had 81 community foundations with combined assets of more than $1 billion (Kaihla, 1998). Additionally, there were foundations in countries such as Great Britain, the Philippines, Australia, New Zealand, Costa Rica, Italy, Kenya, Japan, and South Africa (Community Foundations of Canada, 1999). The former Soviet Union and East European countries have also been interested in establishing community foundations (Ylvisaker, 1989).

After 1981, assets of community foundations also grew quickly from approximately $1 billion in 1981 to $25 billion in 1998 (Columbus Foundation, 1999; Council on Foundations, 1988; Magat, 1989). Figure 1 illustrates the growth from 1988 to 1999. This growth was a result of gifts received by the foundations and a rising stock market. To put this growth into perspective, in 1974, after 60 years of existence, the field reached $1 billion in assets. That amount of growth, through
contributions and investments, was reached in a few months in 1998. Grants made to the communities served by the foundations were over $1.5 billion in 1998 (Columbus Foundation, 1999).

The growth in community foundations is projected to accelerate in the next decade due to the intergenerational wealth turnover of over $12 trillion in the United States alone. Turnover beneficiaries have a need to shelter their newfound wealth from taxes, which can be accomplished through charitable contributions to nonprofit organizations (Opiela, 1998). Additionally, there is a group of “ordinary” people who have benefited from the economy and now plan to share a portion of their good fortune with others (Geier, 1997).

A community foundation is a preferred vehicle for such donors, primarily because donors receive the maximum tax deduction allowable under the law for

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Source: Columbus Foundation. (1999). *1998 community foundation survey.* Columbus, OH: Author, p. 5. Used with permission from the Columbus Foundation, Columbus, OH.
charitable contributions (Blattmachr, 1993). Donors have discovered that, rather than taking millions of dollars to establish a private or family foundation, donors can establish funds targeted toward their specific areas of charitable interest (e.g., youth, arts, etc.) for thousands of dollars (Geier, 1997).

Common Characteristics

Definitions of Community Foundations

In 1914, Goff first defined a community foundation as a private, nonsectarian organization with public purposes (Hammack, 1989). A primary purpose, in Goff's view, was to accumulate and manage permanent funds. Bartenstein (1988) defined it as a "collaboration of diverse interests, organized for permanence, which attempts to strengthen a geographically defined community by providing services and nurturing leadership among charitable donors, nonprofit organizations and the community at-large" (p. 5).

In tax code language, it is defined as a

501(c)(3) organization that makes grants for charitable purposes in a specific community or region. Funds are usually derived from many donors and held in an endowment independently administered; income earned by the endowment is then used to make grants. . . . most are classified as public charities eligible for maximum income tax-deductible contributions from the general public. (Falkenstein & Jacobs, 1999, p. xxi)

Section 501(c)(3) of the Internal Revenue Code defines nonprofit, charitable tax-exempt organizations (Falkenstein & Jacobs, 1999, p. xxii). Organizations defined by this section are also further described as public charities. That is, community foundations generally derive their funding or support primarily from the general public in carrying out their social, educational, religious, or other charitable
activities serving the common welfare and are considered public charities and not private foundations by the IRS.

The four common characteristics of community foundations, based on this tax code language definition, are: (1) the provision of services to a specified geographical region; (2) permanent funds derived from many donors; (3) grantmaking from the income from the permanent funds for multiple charitable purposes; and (4) classification as a 501(c)(3), public charity and not a private foundation by the IRS. This classification as a public charity allows donors to receive the maximum charitable tax deduction under the law for their contributions to community foundations.

These four common characteristics, taken in combination, distinguish community foundations from other types of organizations (e.g., for profit business, government, other nonprofit organizations, private foundations) and will serve as the definition of a community foundation for purposes of this study.

The community foundation field has organized these four common characteristics, along with several others, into three broad areas—legal, philosophical, and operational (Council on Foundations, 1989a). These characteristics have also made it possible to view community foundations as an “industry” (Minter, 1989).

**Legal Characteristics**

Community foundations have several legal characteristics in common. These characteristics are defined by federal laws and foundation governing documents, and describe community foundations’ purpose, status, area, permanence, stewardship, and fiduciary role (Council on Foundations, 1989a).
**Purpose.** Community foundations are organized and operated to attract and receive funds from a wide range of donors and to provide services to these donors. Community foundations manage several types of funds. These types of funds include unrestricted (i.e., no specific purpose established by the donor) and restricted (e.g., advised by donor, designated for a nonprofit organization, field of interest [e.g., education, youth], and scholarship) (Scanlan & Scanlan, 1988). For example, The New York Community Trust had over 1,000 funds ranging in size from $5,000 to over $30 million in 1990 (Metcalfe, 1990).

**Status.** Community foundations are classified as 501(c)(3), public charities and not private foundations under federal law. Thus, there is a requirement to raise annual contributions from donors and to meet the public support test for charities (Edie, 1989). That is, a community foundation must derive one third of its new funds over a given 4-year period from government sources and/or a representative number of donors (Minter, 1989). If a foundation cannot meet this first threshold, it must meet a “facts and circumstances” test that sets a 10% minimum for funds from government and/or donors. This test also imposes additional minimum requirements for board composition and authority, public accountability, and mechanisms for attracting new funds.

**Area.** The community foundation governing documents often specify the geographical area served by the foundation. These geographical areas served can encompass cities, counties, states, and even countries.

**Permanence.** The funds held by community foundations are preserved either by foundation governing bodies or their trustee banks (first-generation form). The
funds are invested and managed to assure a steady stream of income for grants and other charitable activities.

Stewardship. Community foundations follow the written intents of donors whenever possible while keeping in mind that their primary responsibility is to assist in the accomplishment of community goals. Should the reason for the original restrictions placed on funds by donors becomes no longer applicable, community foundations have a Cy Pres or variance power in their governing documents that allows their boards to change the written intents of donors for donor-established funds. For example, a donor left a fund to a community foundation for the benefit of a specific nonprofit. When this nonprofit closed its doors, because of the Cy Pres power, the board of the community foundation was able to change the restriction on this fund. In this particular case, the board changed the restriction so that another nonprofit organization with a similar charitable purpose would be the beneficiary of the fund.

Fiduciary Role. The governing bodies of community foundations, usually the boards, ensure that annual audits occur and that investment managers undergo periodic review regarding the investment rate of return on all funds entrusted to the foundations.

Philosophical Characteristics

Community foundations also have several philosophical characteristics in common. These characteristics detail community foundations' grantmaking, leadership, growth, disclosure, and representation (Council on Foundations, 1989a).
Grantmaking. Community foundations function primarily as grantmaking institutions, but they also provide other support and services to their communities. A grant is defined as a disbursement made to a nonprofit organization or equivalent by a community foundation for a charitable purpose (Falkenstein & Jacobs, 1999). Community foundation boards have the final authority over grants from all funds (Minter, 1989). Community foundations use a variety of grants (e.g., general support to program specific, small to large, one-time-only to long-term commitments [Noland, 1989]) and fund several areas of interest (e.g., arts, education, economic development, health, the environment, etc.)

Leadership. Working with other local resources (e.g., other nonprofit organizations, government, etc.), community foundations use the influence they have acquired in the geographical areas they serve to address immediate and emerging needs.

Growth. Community foundations proactively seek new, unrestricted funds for the benefit of future generations.

Disclosure. Community foundations make annual reports available to the public. These reports give a full accounting of community foundation programs and financial operations. As required by law, foundations also make their tax forms and other documents available to the public.

Representation. Community foundations strive to recruit their governing bodies and staff in accordance with principles of equity and diversity.
**Operational Characteristics**

Certain operational characteristics are prevalent in community foundations. These characteristics include inclusiveness, responsiveness, community involvement, and governance (Council on Foundations, 1989a).

*Inclusiveness.* Community foundation grantmaking policies and guidelines encourage the fullest possible public participation in the grant application process. Grantmaking policies and guidelines also reflect this philosophy.

*Responsiveness.* Policies and guidelines of community foundations are periodically revised to make certain these policies and guidelines reflect current and emerging community concerns.

*Community Involvement.* In addition to grantmaking, community foundations serve as facilitators, conveners, or mediators around significant community issues. These foundations also provide technical assistance to other nonprofit and civic organizations.

*Governance.* Individuals broadly representative of the communities the foundations serve govern community foundations. Governing bodies have limited terms and serve without compensation.

**Internal Structure**

Boards of community foundations are usually comprised of individuals from the communities served by the foundations. These individuals are recruited because of their knowledge of community needs. Board members are primarily responsible for
setting policy, performing oversight responsibilities, and approving grants (Council on Foundations, 1996a).

Community foundation staff is responsible for developing policy and running the foundation on a day-to-day basis (Odell, 1994). The number of paid staff in a community has ranged from 0 to over 50 (Council on Foundations, 1996a).

There are three primary functional areas in most community foundations: (1) fundraising or development, (2) programming (grantmaking), and (3) finance and administration (Odell, 1994). Fundraising or development staff solicits contributions and funds from individuals, corporations, and nonprofits and develops long-range fund development plans. This staff is also responsible for public relations functions. Programming staff is in charge of grantmaking and technical assistance to nonprofits. Fiscal and administrative staff oversees foundation funds and general day-to-day foundation operations related to systems, technology, and human resource management. Executive directors (i.e., presidents/CEOs) usually supervise all three functional areas. Additionally, executive directors often play the community-leader roles for their community foundations in the geographical areas the foundations serve.

In smaller foundations, staff may be responsible for two or all three functional areas (Odell, 1994). As foundations can afford it, specialization of staff occurs along the three functional areas (fundraising or development, programming [grantmaking], and finance and administration) (Council on Foundations, 1996a).

Organizations Providing Support to Community Foundations

As the community foundation field evolved, organizations like the Council on Foundations and regional associations of grantmakers were created to provide
several forms of support. Funders, interested in maximizing the impact of community foundations, have increasingly provided support to community foundations.

The Council on Foundations

The Council on Foundations has provided services to community foundations since 1944 when it was formed under the name of the National Committee on Foundations and Trusts for Community Welfare (Magat, 1989). It had 1,700 private, corporate, and community foundation members of which 356 were community foundations in 1998 (Council on Foundations, 1999a).

Services the Council on Foundations provides community foundation members include: (a) technical assistance on various topics; (b) an information clearinghouse; (c) Community Foundation Week, a special week-long effort to raise public awareness of community foundations; (d) publications specifically tailored to community foundation issues; (e) networking and annual educational opportunities; and (f) collaborative opportunities with affinity groups of grantmakers (Council on Foundations, 1999a).

Through the Committee on Community Foundations, the Council on Foundations also established a strategic plan to help guide the community foundation movement through the year 2006. This plan focused on assembling and disseminating information on sound management practices to guide community foundation boards and staff.

Regional Associations of Grantmakers

Regional associations of grantmakers, commonly referred to as RAGs, serve a useful role to their community foundation members as moderators, educators,
conveners, and collaborators that unite diverse interests and solve community problems (National Civic Review, 1998). In 1998, there were over 3,200 such associations in the United States (Forum of Regional Associations of Grantmakers, 1999) and one in Canada (Community Foundations of Canada, 1999).

The Forum of Regional Associations of Grantmakers was created in 1995 and is a membership association of 29 of the United States’ largest RAGs. The Forum seeks to strengthen the capacity of member RAGs by helping these RAGs to:
(a) achieve greater efficiencies through reducing duplication of effort and sharing research and development costs; (b) improve their effectiveness by providing a national forum for replicating best management practices, developing products and services, and sharing information; (c) increase their capacity to address common issues on behalf of grantmakers through collaboration; and (d) enhance RAG staff and board skills through conferences, workshops, and peer exchanges.

Other Foundations

In the last decade, a number of large private foundations found it beneficial to collaborate with local community foundations (Farrell, 1995). A private foundation is defined as a

nongovernmental, nonprofit organization with funds (usually from a single source, such as an individual, family, or corporation) and programs managed by its own trustees or directors that was established to maintain . . . charitable activities serving the common welfare, primarily through the making of grants. (Falkenstein & Jacobs, 1999, p. xxi)

The Ford, Charles Stewart Mott, W. K. Kellogg, and John S. and James L. Knight foundations, and the Lilly Endowment all granted millions of dollars to community foundations (Farrell, 1995). For example, the Charles Stewart Mott Foundation granted more than $50 million for seeding and nurturing community
foundations. This resulted in increased resources, technical assistance regarding management practices, national exposure, and prestige for the community foundations in the partnerships (Berresford, 1989).

Research in the Community Foundation Field

As described in detail in Chapter I, there is little research in the community foundation field (Magat, 1989). Further, the research conducted in the community foundation field has primarily focused on gathering information about community foundations and their management practices (e.g., number, types, and salary levels of staff; types of benefits, types of investment policies, types of grants, gifts, and funds; growth in asset size, types of functions, etc. [Ambler, 1994; Bruce, 1980; Council on Community Foundations, 1961; Council on Foundations, 1989b, 1992, 1996a, 1996b, 1997, 1998a, 1998b, 1998c; Foundation Center, 1999; Greco, 1995; Hall et al., 1999; Kroll, 1992; Marble, 1988; MerKersie, 1992; National Puerto Rican Coalition, 1987; Renz, 1995; Scheie, 1997; Siska, 1998; Struckoff, 1991; Zurcher & Dustan, 1972]).

Only a few studies have been conducted outside these areas (Alie & Seita, 1997; Council on Foundations, 1994, 1999b; Rogers & Keenan, 1990), and only limited research into organizational elements that could inform management practices has occurred. Specifically, one such critical element that has not been researched for community foundations at the time of this study is organizational culture.
Organizational Culture

Origins and Evolution of Organizational Culture

The concept of culture originated in the anthropology field, although culture was acknowledged in the sociology and social psychology fields before it was "discovered" in the fields of management and organizational theory (Sackmann, 1991). Tylor (1971), one of the first anthropologists, introduced the concept into the English language over 125 years ago by defining culture as "that complex whole which includes knowledge, beliefs, art, morals, law, custom and any other capabilities and habits acquired by man as a member of society" (p. 1958).

1930s–1970s: The Emergence of Culture in Organizations

The concept of culture in organizations was first discussed in the literature in the 1930s and 1940s (Owens, 1995; Shafritz & Ott, 1996). During the 1930s, Chester Barnard (1938) described culture as a social fiction created by people to give meaning to work and life. Early studies included the Western Electric studies of the 1930s (Mayo, 1977) and the Lewin studies of the 1940s. In these studies, researchers focused on elements of the "culture" (e.g., management styles, social norms of leaders and employees) and manipulated these elements to determine if organizational productivity and effectiveness would be impacted.

Phrases like organizational culture and culture of a factory could be found in management books written in the 1950s (e.g., The Changing Culture of a Factory by Elliot Jaques, The Organization Man by William H. Whyte, Jr.). During the 1960s, the limited research conducted focused on the process of socializing employees into existing organizational cultures and the impacts of existing cultures on organizational

In the early 1970s, the concept of organizational culture began to gain significant attention (Shafritz & Ott, 1996). During these years, the orientation was on organizational symbolism or symbolic management. Bolman and Deal (1991) identified three basic tenets of symbolic management. These tenets are:

1. The meaning (i.e., socially constructed reality) of what was happening in the organization is more important than what is actually happening.
2. Ambiguity and uncertainty preclude rational problem solving and decision-making processes.
3. Organizational members use symbols to reduce ambiguity and to gain a sense of direction when they are faced with uncertainty.

Bolman and Deal (1991) also believed that the organizational culture established meanings (realities) for and among organizational members. This view of culture as socially constructed reality and shared meanings is incorporated into the concept of culture in the 1980s and 1990s.

1980s and 1990s: Organizational Culture Reform Movements

In the early 1980s, a widespread fear that U.S. companies had lost their competitiveness, especially with the Japanese, was an impetus to the organizational culture movement in the United States. Concurrently, organizational culture reformists were strongly committed to their theory that changing an organization's culture in certain ways could increase organizational effectiveness, competitiveness, flexibility, and responsiveness (Shafritz & Ott, 1996).
Specifically, in 1982, with the publication of *In Search of Excellence* (Peters & Waterman, 1982) and *Corporate Cultures* (Deal & Kennedy, 1982), the concept of organizational culture became more widely recognized as an important characteristic of an organization. However, the first comprehensive, theoretically based literature on organizational culture did not appear until 1984 and 1985 (Shafritz & Ott, 1996) with the publications of *Leadership and Organizational Culture* (Sergiovanni & Corbally, 1984), *Organizational Culture and Leadership* (Schein, 1985), *Culture and Related Corporate Realities* (Sathe, 1985), and *Gaining Control of the Corporate Culture* (Kilmann et al., 1985).

Advocates of the culture reform movements that began in the 1980s and continued into the 1990s sought to increase organizational productivity, flexibility, responsiveness, and customer service by re-shaping organizational cultures (Shafritz & Ott, 1996). Examples of these movements, in addition to Peters and Waterman's (1982) work, include: (a) Ouchi's (1981) Theory Z, (b) Deming's (1986) "Total Quality Management" (TQM), (c) Senge's (1990) learning organization, (d) Weisbord's (1991) quality of work life, and (e) Osborne and Gaebler's (1992) entrepreneurial government.

Many studies during this time reflected the emphasis on linking culture to critical organizational areas in cause and effect relationships. For example, the type of culture (e.g., command-and-control culture vs. a participatory, empowering culture) was found to directly or indirectly influence several critical organizational areas including levels of: (a) job satisfaction (Deshpande, 1996; Ma & MacMillan, 1999; Nystrom, 1993); (b) employee turnover (Stum, 1998; Vandenberghe, 1999); (c) employee commitment to the organization (Nystrom, 1993; Stum, 1999); (d) organizational ability to change (Molinsky, 1999; Tushman & O'Reilly, 1996);
(e) productivity (Gunter & Furnham, 1996; Wellman, 1998); (f) performance (Deal & Kennedy, 1982; Kanter, 1983; Nystrom, 1993; Randall et al., 1999); and (g) organizational effectiveness (Denison & Mishra, 1995).

**Studying and Defining Organizational Culture**

Many perspectives exist on how to study and define organizational culture. According to Sackmann (1991), the variable perspective focuses on expressions of culture (i.e., verbal and physical behaviors or practices, artifacts, and their underlying meanings). Culture is viewed as one of several organizational variables that can be controlled, managed, or changed once it is known and understood. The more visible and tangible aspects of culture are studied, i.e., culture is something the organization has.

The cognitive perspective for studying and defining organizational culture focuses on ideas, concepts, blueprints, beliefs, values, or norms that are viewed as the core of “culture” (Sackmann, 1991). These cognitive aspects of culture are also described as “organized knowledge.” These aspects include: (a) the form of things that organizational members have in their minds; (b) organizational members’ models for perceiving, integrating, and interpreting; and (c) the ideas or theories that organizational members use collectively to make sense of their social and physical reality. The more invisible and intangible aspects of culture are studied, i.e., culture is something the organization is.

Several researchers, including the author of the questionnaire used in this study, combine these two perspectives when defining organizational culture. For example, Pettigrew (1979) defined culture as a system of shared meaning based on a cluster of key concepts that are interrelated: symbol, myth, ritual, ideology, belief,
and language. Smircich (1983) similarly described culture as the beliefs, values, sagas, rituals, symbols, and patterns of meaning shared by organizational members. Deal and Kennedy (1982) defined culture as a system of shared values and beliefs that interact with an organization’s people, organizational structures, and control systems to produce behavior norms. Further, Deal and Kennedy defined shared values as “what is important,” beliefs as “what we think is true,” and behavioral norms as “how we do things around here.”

Schein (1985, 1992) defined culture as:

A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. (p. 12)

Schein (1985, 1992) identified three levels of culture—artifacts, espoused values, and basic underlying assumptions—again combining the variable and cognitive perspectives. The three levels of culture were described as:

1. Artifacts, the visible organizational structures and processes (e.g., products, myths, stories, published lists of values, rituals and ceremonies, observable behaviors like dress behavior, etc.) that are difficult to decipher but easy to observe.

2. Espoused values and norms, “what we say we do.” These values and norms include the values, beliefs, norms, and day-to-day operating principles held by the culture. These values and norms are described as strategies, goals, and philosophies (e.g., mission and vision statements) and are referred to as espoused justifications. Values and norms at this conscious level are used to predict much of the behavior that can be observed at the artifact level. Norms are defined as the standard of right and wrong (how one should behave), and values provide a scale for judging (how one would like to behave).
3. Basic underlying assumptions, the unconscious, taken-for-granted beliefs, perceptions, thoughts, and feelings—the cultures’ theories-in-use (Argyris & Schon, 1978). This level of culture is implicit and “this is what we actually do.”

The essence of all these various definitions is that culture can be viewed as an organization’s shared knowledge system, since the culture of an organization reflects the sum-total of what is known, how it is known, and how it is used by all members of the culture (Sackmann, 1991). Further, as members try to make sense of a particular situation, they draw on the understandings maintained, created, and shared throughout the culture to solve problems. Therefore, for purposes of this study, organizational culture will be defined as a system of knowledge that is shared, to varying degrees, by members of the organization, and which characterizes the organization to both employees and outsiders (Sackmann, 1991).

Organizational Culture and Organizational Climate

Over the years, the lines between organizational climate and organizational culture have become blurred in the research literature. In many studies, researchers have used the terms climate and culture interchangeably. Climate has been defined as the perceptions of persons in the organization that reflect norms, assumptions, and beliefs while culture has been defined as the behavioral norms, assumptions, and beliefs of an organization (Owens, 1995). However, as Denison (1996) concluded in his examination of the culture and climate research literature, the differences between organizational climate and organizational culture were more closely linked to differences of perspective rather than to differences of substance. To illustrate this conclusion, dimensions such as risk, consideration, and aloofness researched in early “climate” studies (Campbell, Dunnette, Lawler, & Weick, 1970 [consideration];
Halpin & Croft, 1962 [aloofness]; Litwin & Stringer, 1968 [risk]) were recently considered dimensions of "culture" (Cooke & Rousseau, 1988 [consideration]; Hofstede, 1980 [aloofness]; O'Reilly, Chatman, & Caldwell, 1991 [risk]). Denison (1996) further concluded that the culture and climate literatures actually addressed a common phenomenon—the creation and influence of social contexts in organizations.

Characteristics of an Organizational Culture

Deal and Kennedy (1982) suggested that organizational cultures possess certain characteristics or cultural traits that can be used to assist organizational members in determining and understanding the nature of organizational culture. These characteristics, the basis for the questionnaire used in this study, included: (a) a shared philosophy of management, exemplified by slogans that organizational members know and believe; (b) emphasis on the importance of people to organizational success (i.e., balance between autonomy and control with reliance on unwritten rules); and (c) encouragement of rituals and ceremonies to celebrate organizational events (e.g., informal communication and mingling across groups of organizational members).

These organizational culture characteristics or traits also included: (a) identifiable corporate heroes that are regularly celebrated (e.g., people and products); (b) a functioning network of culture communicators (e.g., storytellers, priests) that carry the corporate values and heroic mythology; (c) shared informal rules of behavior; (d) shared and strong values/norms; (e) the setting of high standards of performance; and (f) a definitive corporate character or identity. This definitive corporate character created a sense of identity for organizational members, making
members feel special and more committed to the organization (Deal & Kennedy, 1982).

The Roles of Leaders in Organizational Culture

Leaders have many roles in organizational culture. Leaders are defined as individuals with certain purposes who mobilize "...in competition or in conflict with others, institutional, political, psychological, and other resources so as to arouse and satisfy the motives of the followers" (Burns, 1978, p. 18). This mobilization is done in order to realize goals mutually held by both leaders and followers.

The roles of leaders in organizational culture include that of a creator, manager or sustainer, and when deemed necessary, destroyer of organizational cultures (Bush, 1995; Hagen, Hassan, & Amin, 1998; Schein, 1985, 1992). Leaders are viewed as the transmitters of the culture (Kilmann et al., 1985). That is, leaders have the primary responsibility for communicating the culture's core values and beliefs both within the organization and to external stakeholders (Bush, 1995) and for using primary embedding and secondary articulation and reinforcement mechanisms (Schein, 1992).

Leaders, in their roles as transmitters, use several primary embedding mechanisms. These mechanisms include: (a) items that get attention, measured, and/or controlled on a regular basis; (b) leader reactions to critical incidents and organizational crises; (c) observed criteria by which leaders allocate scarce resources; (d) deliberate role modeling, teaching, and coaching by leaders; (e) observed criteria by which leaders allocate rewards and status; and (f) observed criteria by which leaders recruit, select, promote, retire, and excommunicate organizational members (Schein, 1992).
Leaders also use secondary articulation and reinforcement mechanisms. These mechanisms include: (a) organization design and structure; (b) systems and procedures; (c) rites and rituals; (d) design of physical space; (e) stories, legends, and myths about people and events; and (f) formal statements of organizational philosophy, values, and creed.

Deal and Kennedy (1982) viewed leaders or “heroes” as having a pivotal role in organizational culture. Leaders or heroes create the role models for employees to follow and personify and reinforce the values of the culture. These leaders may not be “positional” leaders or founders of the organization (e.g., John D. Rockefeller and Standard Oil, Will Durant and General Motors, Mary Kay Ash and Mary Kay Cosmetics), but “ordinary” individuals selected by their peers in recognition for some exemplary behavior (e.g., supersalesperson of the month, the elder statesperson corporate president, the maverick scientist).

In more mature organizations or organizations in crisis, leaders are viewed as central to and responsible for the cultural change process, including changing the cultural assumptions (Deal & Kennedy, 1982; Hagen et al., 1998; Hersey, Blanchard, & Johnson, 1996; Schein, 1992; Trice & Beyer, 1993). Culture change-agent leaders are able to totally transform an imbedded organizational culture by creating a new vision of and for the organization, and successfully selling that vision—by rallying commitment and loyalty to make the vision become a reality (Bennis, 1984; Tichy & Ulrich, 1984). Examples of such transformational leaders included Lee Iacocca of the Chrysler Corporation (Shafritz & Ott, 1996) and Max de Pree of Herman Miller (Senge, 1990).
Theoretical Framework for the Questionnaire

Organizational culture studies, which are widely diverse in nature, have been organized into a theoretical framework that encompasses three perspectives of culture (Frost, Moore, Louis, Lundberg, & Martin, 1991; Martin, 1992; Martin & Meyerson, 1988). Gary Best, the author of the questionnaire used in this study, viewed this framework as the means to describe the nature of organizational culture. Under this framework, the nature of organizational culture is described in three ways—integrated, differentiated, and fragmented.

An Integrated Culture

An integrated culture is homogeneous. All members of the organization “comprehensively” share cultural knowledge, and consensus is organization-wide (Martin, 1992; Martin & Meyerson, 1988). Cultural members agree about what they are to do and why it is worthwhile to do it. There is no room for ambiguity in an integrated culture. According to Martin (1992), “Ambiguity is perceived when a lack of clarity, high complexity, or a paradox makes multiple (rather than single or dichotomous) explanations plausible” (p. 134).

An integrated culture is also consistent, i.e., the pattern of relationships among the various cultural manifestations is consistent (Martin, 1992; Martin & Meyerson, 1988). Espoused values are consistent with formal practices. These formal practices, in turn, are consistent with informal norms, stories, rituals, etc. This consistency promotes a shared sense of loyalty, commitment, and productivity and brings about clarity. Descriptive metaphors for this type of culture are a “clearing in a jungle” (Morgan, 1986) and a hologram (Martin, 1992).
Research focused on organizations with an integrated culture included:
(a) Schein's (1985) study of the role of founders in the formation of organizational cultures in three corporations, (b) McDonald's (1991) study of the development of an integrated culture at the Los Angeles Olympic Organizing Committee (i.e., an integrated culture is key to productivity), (c) Barley's (1983) study of funeral home directors' activities that bind them together into a culture, (d) Deal and Kennedy's (1982) strong corporate culture study, (e) Ouchi's (1981) *Theory Z*, and (f) Peters and Waterman's (1982) best-run companies study.

Additional research involving integrated-culture organizations included:

Across these studies of organizations with integrated cultures, researchers concluded that cultures with higher levels of consistency, organization-wide consensus, and clarity are linked to higher levels of organizational effectiveness (i.e., goal achievement), organizational member commitment, and productivity (Martin, 1992). These researchers also viewed cultural change as leader-centered and a process of either active maintenance or "revolutionary" replacement of one unity with another unity by the leader. According to these researchers, typical integrated-culture
organizations included small, ideology or founder-centered organizations, or large and centralized organizations.

A Differentiated Culture

A differentiated culture is characterized as having many small, sometimes competing "subcultures" within a larger culture (Martin, 1992; Martin & Meyerson, 1988). Martin and Meyerson (1988) described a differentiated culture as a mosaic of inconsistencies. Any consensus that may exist does so only within the boundaries of the subcultures.

Subcultures are defined as whatever cultures arise in the divisions, departments, and other fairly stable subgroups of an organization (Schein, 1992). Subcultures may form along (a) functional lines; (b) geographical location; (c) products, markets, and technologies; (d) hierarchical levels; (e) divisions; (f) opposition to other groups; and (g) arrangements involving more than one organization.

The subcultures in a differentiated culture may co-exist in harmony, conflict, or indifference to each other, but are islands of clarity. Ambiguity is channeled outside these subcultures' boundaries (Martin, 1992; Martin & Meyerson, 1988). Across the organization, there is inconsistency concerning the espoused values and the basic assumptions (theory-in-use) (Martin, 1992; Martin & Meyerson, 1988). This type of culture is metaphorically described as "many small clearings within the jungle" (Morgan, 1986).

Research describing organizations with differentiated cultures included:

(a) Van Maanen's (1991) study of several groups of Disneyland employees and the Disney organizational culture, (b) Rosen's (1985) exploration of subcultural


These differentiated-culture studies described the existence of subcultures and tended to view differences in the organization as functional and organizational conflict as potentially constructive. Subcultures that have higher levels of consistency, subculture-wide consensus, and clarity are linked to higher levels of subculture effectiveness (i.e., achievement of goals), subculture member commitment, and productivity (Martin, 1992). In regard to the cultural change process, researchers of differentiated-culture organizations viewed teams of leaders as having a secondary influence on the change process. These researchers also viewed change as either being localized in a subculture or brought about incrementally throughout the entire subculture configuration. The subcultures, and not the leaders, are the prime movers of the change effort. According to these researchers, typical differentiated-culture organizations have large and/or decentralized organizations, and this decentralization is along functional, geographical, or hierarchical divisions.
A Fragmented Culture

A fragmented or ambiguous culture is characterized as a comprehensive knowledge system that is not shared "comprehensively" by organizational members (Martin, 1992; Martin & Meyerson, 1988). That is, the espoused values and basic assumptions are both shared, and not shared, at different times by different groups of organizational members. There is a lack of consensus and an orientation to ambiguity.

Additionally, the composition of organizational members in groups is not consistent. Groups form, break apart, and re-form around critical issues facing the organizational members and the organization. Metaphorically, this type of culture is described as "a spider web" (Morgan, 1986).

Research involving organizations with a fragmented culture included:
(a) Weick’s (1990) study of the difficulties that complicated decision making at the Tenerife Airport, leading to the deaths of 500 people; (b) Meyerson’s (1991) study of hospital social workers and their reactions to the high levels of ambiguity in their jobs; (c) Feldman’s (1991) examination of the work of policy analysts at the Department of Energy in Washington, DC; (d) Martin’s (1990) study of gender conflict in organizations; (e) Sabrosky, Thompson, and McPherson’s (1982) examination of organized anarchies in the U.S. military; (f) Cartwright and Cooper’s (1989) study of a large multinational information technology company with several joint ventures; (g) Bourantas and Papalexandris’ (1992) study of public and private organizations in Greece; (h) Gherardi’s (1994) study of gender and organizational culture; and (i) Perrow’s (1984) analysis of the Three Mile Island nuclear reactor incident.
Many of these fragmented-culture studies included a variety of opinions about whether ambiguity has positive or negative effects on performance (e.g., Bourantas & Papalexandris, 1992; Perrow, 1984; Sabrosky et al., 1982; Weick, 1990). Innovation and unanticipated benefits are two positive effects on performance cited by many of the researchers of fragmented-culture organizations (Martin, 1992). Other researchers of this type of culture examined ambiguity as an inescapable attribute of working life (e.g., Feldman, 1991; Gherardi, 1994; Meyerson, 1991). Most of the researchers of this type of culture viewed the cultural change process as leaderless (i.e., power is diffused among individuals and the environment). These researchers also viewed the change process as in a constant flux, local, and incremental in nature. According to these researchers, typical fragmented-culture organizations are innovative organizations or public-sector bureaucracies with multiple constituencies.

Summary

Since 1914, community foundations have evolved from organizations controlled by banks to self-sufficient organizations representative of the communities they serve. With over 555 foundations in existence in the 1990s, community foundation assets have grown to over $25 billion in 1998, with grants exceeding $1.5 billion per year. This growth, with the upcoming intergenerational wealth turnover, is anticipated to continue. Further, community foundations can be found in every major metropolitan area and state in the United States and in several countries, providing not only grants but community leadership on pressing needs of the geographical areas the foundations serve. Community foundations have truly become the stewards of billions of permanent charitable dollars, the charitable assets of the communities they serve.
Additionally, as community foundations have evolved, they have developed several common characteristics (e.g., service to a specific geographical area, permanence of funds supported by a wide range of donors, grantmaking for several charitable purposes, and 501(c)(3) public charity and not a private foundation status). As a result, community foundations have been collectively referred to as an "industry." Growth in and specialization of staff have also occurred. Finally, community foundations have formed several partnerships with regional support organizations aimed primarily at increasing capacity and best management practices in community foundations. However, little research has been conducted in the community foundation field and none into the critical organizational element of organizational culture.

Every organization has a culture, and this culture has a powerful influence (Deal & Kennedy, 1982). Experts have viewed culture as the personality of an organization—a hidden, yet unifying theme that provides meaning, direction, and mobilization (Kilmann et al., 1985). According to Shafritz and Ott (1996), an organization's behavior cannot be understood or predicted by studying its structural or systems elements—its organizational culture must be studied.

Since its origin in the anthropology field, emergence, and then dominance in the management and organizational theory fields commencing in the 1980s, organizational culture has been defined and studied in many various ways. This study, as many studies have (Deal & Kennedy, 1982; Pettigrew, 1979; Schein, 1985, 1992; Smircich, 1983), combines the variable perspective (i.e., culture is a variable to be controlled and is comprised of more visible and tangible aspects) and the cognitive perspective (i.e., culture is comprised of more invisible and intangible aspects) when defining and studying culture.
Thus, for purposes of this study, organizational culture is defined as a system of knowledge that is shared, to varying degrees, by members of the organization, and which characterizes the organization to both employees and outsiders (Sackmann, 1991). Further, organizational culture has three levels as defined by Schein (1985, 1992): (1) artifacts (visible organizational structures and processes), (2) espoused values and norms ("what we say we do"), and (3) basic underlying assumptions (theories-in-use). This study also takes Denison's (1996) view that culture and climate are not substantively different.

Deal and Kennedy (1982) view Schein's three levels as characteristics or traits of an organizational culture. These characteristics, upon which the study questionnaire is based, include: (a) a shared philosophy of management, (b) emphasis on the importance of people, (c) encouragement of rituals and ceremonies, (d) identifiable corporate heroes, (e) a functioning network of culture communicators, (f) shared informal rules of behavior, (g) shared and strong norms/values, (h) the setting of high standards of performance, and (i) a definitive corporate character or identity.

As the study of organizational culture has evolved, many roles of leaders have been identified. These roles included that of creator, manager, destroyer, transmitter, hero, role model, and cultural-change agent.

Over the years, there have been many and diverse organizational culture studies. These studies have been organized into a theoretical framework that views organizational culture from three perspectives—integrated, differentiated, and fragmented. This study uses this theoretical framework as the means to describe the nature of organizational culture. Table 1 summarizes important aspects of these three types of culture.
Using this theoretical framework and the other relevant literature reviewed, the research questions and hypotheses stated in Chapter I were explored in this study.

Table 1
Aspects of the Three Types of Culture

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Integrated</td>
</tr>
<tr>
<td>Consensus orientation</td>
<td>Organization wide</td>
</tr>
<tr>
<td>Relation among manifestations</td>
<td>Consistent</td>
</tr>
<tr>
<td>Ambiguity</td>
<td>Ignore it</td>
</tr>
<tr>
<td>Nature of cultural change</td>
<td>Active maintenance or replacement of one unity with another unity</td>
</tr>
<tr>
<td>Role of leader in cultural change</td>
<td>Leader centered</td>
</tr>
<tr>
<td>Typical organization</td>
<td>Small (founder-centered) or large and centralized</td>
</tr>
<tr>
<td>Research studies focus and links</td>
<td>“Strong” culture and organizational effectiveness</td>
</tr>
</tbody>
</table>
CHAPTER III

METHODOLOGY

Introduction

The purpose of this study was to explore the organizational culture in community foundations. In this methodology chapter, the research design, sampling procedures, instrumentation, data collection methods, sample, and data analysis procedures are described.

Research Design and Research Questions

The research design employed in this study was a survey-based design with a qualitative element. A number of recent studies have applied quantitative research methods or a combination of quantitative and qualitative methods to the study of culture (Calori & Sarnin, 1991; Chatman, 1991; Denison & Mishra, 1995; Gordon & DiTomaso, 1992; Hofstede, Neuijen, Ohayv, & Sanders, 1990; Jermier, Slocum, Fry, & Gaines, 1991; Posner, Kouzes, & Schmidt, 1985). Specifically, these researchers used survey methods to study "dimensions" of culture in order to compare and generalize (Denison, 1996).

Additionally, these researchers acknowledged the existence of "levels of culture" (e.g., Schein's [1992] artifacts, values and norms, and basic underlying assumptions) and the limitations of comparative research to really understand the deeper levels of culture, such as assumptions. To address these limitations, these
researchers focused on an "intermediate" level of culture (e.g., values and cultural traits).

That is, while not denying the existence of either assumptions unique to a culture or the more surface-level artifacts, these researchers focused on comparing and generalizing about cultures at an intermediate level of cultural values and traits. Accordingly, this study adopted this approach through the use of a questionnaire/survey that focuses on certain cultural values and traits and explores the following research questions and hypotheses:

1. **Research Question #1**: What is the actual organizational culture of community foundations as perceived by staff overall and within the categories of the size of paid staff, the asset size of the foundation, and the age of the foundation?
   a. **Hypothesis 1**: There is a relationship between the size of paid staff and the actual organizational culture in community foundations.
   b. **Hypothesis 2**: There is a relationship between the asset size and the actual organizational culture in community foundations.
   c. **Hypothesis 3**: There is a relationship between the age of the foundation and the actual organizational culture in community foundations.

2. **Research Question #2**: What is the desired organizational culture of community foundations as perceived by staff overall and within the categories of size of paid staff, asset size of the foundation, and the age of the foundation?
   a. **Hypothesis 4**: There is a relationship between the size of paid staff and the desired organizational culture in community foundations.
   b. **Hypothesis 5**: There is a relationship between the asset size and the desired organizational culture in community foundations.
c. Hypothesis 6: There is a relationship between the age of the foundation and the desired organizational culture in community foundations.

3. Research Question #3: Is there a difference between the desired and organizational cultures of community foundations as perceived by staff overall and within the categories of size of paid staff, asset size of the foundation, and the age of the foundation?

a. Hypothesis 7: There is a difference between the desired and actual organizational cultures in community foundations for staff overall.

b. Hypotheses 8–11: For each level of paid staff, there is a difference between the desired and actual organizational cultures in the community foundations.

c. Hypotheses 12–15: For each level of asset size, there is a difference between the desired and actual organizational cultures in the community foundations.

d. Hypotheses 16–18: For each level of the age of foundation, there is a difference between the desired and actual organizational cultures in the community foundations.

Sampling Procedures

As described in Chapter II, community foundations, because of certain common characteristics (e.g., service to a specific geographical area, permanence of funds supported by a wide range of donors, grantmaking for several charitable purposes, and 501(c)(3) public charity and not a private foundation status) have been collectively viewed as an “industry” (Minter, 1989). Chatman and Jehn (1994) found empirical support for similarities among organizational cultures in the same industry and recommended that future research take the industry context into account in order to fully understand organizational cultures.
Thus, this study focused on community foundations collectively as an “industry,” and the community foundation “industry” was the unit of analysis (Chatman & Jehn, 1994). Accordingly, responses from community foundations staff members on the questionnaire used in this study were analyzed across the foundations (e.g., means were computed for all respondents (staff overall), all respondents in foundations of a certain asset size, etc.), and these means represented the community foundation “industry” organizational culture (Bourantas & Papalexandris, 1992; Bozeman & Kingsley, 1998; Nystrom, 1993).

Analyzing responses from community foundation staff members on the questionnaire across foundations addressed other issues as well. First, it was believed that the respondents were more likely to give honest answers if they remained anonymous, both at the foundation and individual levels. Second, the identities of the foundations and respondents needed protection, which would have been difficult with an analysis at the foundation level, since the foundations (and respondents) could have been easily identified from this analysis. So as to further protect the identity of the particular foundations, ranges (e.g., 1–5 staff, 5–10 staff, etc.), based on scales developed for other surveys in the community foundation field, were used for staff, asset size, and age of foundation.

All 179 staff members of 58 community foundations in one state in the Midwest of the United States were asked to participate in the study. Restricting participation to community foundations in one state was done so as to minimize the potential influence of other types of culture (e.g., regional, ethnic, and other cultural influences) (Bozeman & Kingsley, 1998; Nystrom, 1993; Sheridan, 1992). A state in the Midwest of the United States was selected because the community foundation movement began in the Midwest in 1914 (Hammack, 1989).
Additionally, the regional association of grantmakers for this state gave the study its endorsement and the researcher access to its staff mailing list database. This endorsement and access were sought to assist in increasing the return rate of the questionnaire. Staff members of the community foundations were asked to participate in the study, since staff members have daily contact with and knowledge of community foundation organizational culture.

This particular state was also chosen because it provided a cross representative sample of the community foundation "industry." The community foundations in the state were of varying asset sizes (less than $5 million to over $50 million), ages of establishment (start up to some of the oldest in the country), and staff sizes (0 paid staff to over 10 paid staff). In 1997, the community foundations in this state had over $1 billion in assets, approximately 5% of the total assets for all community foundations, and represented over 11% of the community foundations in the world (Council on Foundations, 1998a). These foundations also granted over $40 million to nonprofits in the state.

Instrumentation

The Organizational Culture Survey was used as the questionnaire in this study. Gary Best, Ph.D., gave permission to the researcher to use his questionnaire in a nonprofit setting and to make small changes in language to accommodate this setting (Appendix A). Best has over 20 years of management and staff experience in a variety of organizational settings. The questionnaire was first used in the mid 1980s. The present form has been utilized in various corporate settings since the mid 1990s.
The questionnaire is based on Deal and Kennedy's (1982) characteristics or
traits of culture, which were detailed in Chapter II. These traits include: (a) a shared
philosophy of management, (b) emphasis on the importance of people, (c)
encouragement of rituals and ceremonies, (d) identifiable corporate heroes, (e) a
functioning network of culture communicators, (f) shared informal rules of behavior,
(g) shared and strong norms/values, (h) the setting of high standards of performance,
and (i) a definitive corporate character or identity.

Community foundation staff members were asked to react to 34 statements
regarding their organizations related to these traits. Staff members were asked to
evaluate each statement in terms of its descriptiveness of their organization on a
Likert scale of 0 (not at all descriptive) to 4 (strongly descriptive). For each staff
member, the sum of the responses to the 34 questions resulted in a score that
describes the nature of culture from the perspective of the staff member.

Martin's (1992) theoretical framework of three perspectives of organizational
culture (integrated, differentiated, and fragmented) was the basis for the
interpretation of the scores. As described in detail in Chapter II, integrated cultures
are characterized by organization-wide consensus, exclusion of ambiguity, and
consistent cultural manifestations (e.g., manager says and does the same thing).
Cultures that are differentiated tend to have inconsistent cultural manifestations (e.g.,
manager says one thing and does another), consensus only within subcultures, and
clarity within subcultures but ambiguity outside the subcultures. Fragmented cultures
tend to focus on ambiguity. There are a multiplicity of views and complex cultural
manifestations under this type of culture.

Community foundation staff members were asked to complete the
questionnaire twice—once for the culture as they perceive it now (actual culture) and
again for the culture they would like to see in the future (desired culture) (Bourantas & Papalexandris, 1992). Two scores (i.e., the sum of the 34 responses on the questionnaire), one for actual culture and one for desired, were computed for each community foundation staff member participant.

The questionnaire also collected general demographic information (respondent age, gender, ethnicity) and community foundation demographic data (number of paid staff, asset level, and age of the foundation). The community foundation demographic data categories on the questionnaire were based on similar categories from the community foundation field (Council on Foundations, 1998a). That is, these categories are part of the typology of community foundations. The community foundation field frequently uses these categories to ensure meaningful analysis, since these categories provide homogeneous subgroups (Council on Foundations, 1998a; Zurcher & Dustan, 1972).

The researcher also worked with a staff member of the regional association of grantmakers endorsing this study to collapse demographic categories on the questionnaire when needed to ensure that there would be enough potential respondents in each subgroup and to protect the identities of the respondents and their community foundations. For example, the Council on Foundations uses six levels under the asset level category. This was collapsed into four on the questionnaire (less than $5 million, $5–10 million, $10–50 million, over $50 million).

The questionnaire also contained four essay questions. Community foundation staff members were asked to give specific examples of the cultural traits they had previously rated.
Data Collection Methods

Mailing of the Questionnaire

After receiving the approval letter from the Human Subjects Institutional Review Board (Appendix B), the questionnaire was mailed (Meschi & Roger, 1994) to all 179 staff members of the community foundations through their executive directors. According to the regional association of grantmakers that endorsed this study, mailing items to staff members through their executive directors was the accepted protocol in the state selected. Therefore, to avoid decreasing the response rate, this protocol was followed.

Each executive director was mailed a large envelope with sealed, small envelopes for every staff member, along with a cover letter describing the study and requesting that the executive director distribute the surveys to staff members. The small envelopes were addressed to individual staff members and marked "confidential."

The small envelopes contained (a) a cover letter describing the study (Appendix C), (b) an anonymous survey consent document (Appendix D), (c) directions for the questionnaire, (d) the Organizational Culture Survey, (e) a stamped envelope with the researcher’s address for the return of the completed survey, and (f) a stamped postcard with the researcher’s address (Tsui, Pearce, Porter, Lyman, & Tripoli, 1997). The researcher mailed these packets out by mid September 1999 and requested return of the questionnaires by late October 1999. In mid October 1999, the researcher mailed out a reminder letter to each executive director, again following the protocol recommended by the regional association of grantmakers endorsing the study.
Anonymity of Respondents and Their Foundations

Procedures were used so that questionnaire respondents and their foundations would remain anonymous (Bourantas & Papalexandris, 1992; Nystrom, 1993; Tsui et al., 1997). Respondents were not asked to indicate their names or foundation names when filling out their questionnaires. Respondents mailed their questionnaires in the return envelopes provided by the researcher. These envelopes did not have identifying coding, but only the researcher’s address as both the mailing and return addresses. Further, the questionnaire did not contain any identifying coding. Participants mailed their return postcards separately as these postcards had their names, foundations, and addresses and indicated that they had returned their surveys. Therefore, there were no means for the researcher to match these postcards with the returned questionnaires.

The researcher used the postcards to send an executive summary to respondents. The state has been identified only as a state in the Midwest to further protect the identities of the respondents and their foundations.

Sample

The Organizational Survey was distributed to 179 community foundation staff members. The survey was completed and returned by 98 staff members for a 55% response rate. According to Babbie’s (1989) rule of thumb regarding the return rate, the data were adequate for analysis.

A demographic breakdown of the sample by gender, ethnicity, and age revealed a sample generally reflective of the 179 community foundation staff members as provided by the regional association of grantmakers that endorsed the
study. The sample of 98 staff members consisted of 21.4% males and 78.6% females and 93.9% Caucasian and 6.1% minority. Age distribution of the respondents was as follows: 24 or younger, 3.1%; 25–35, 13.3%; 35–50, 45.9%; 51 or older, 37.8%.

As illustrated in Table 2, a demographic breakdown of the sample by size of paid staff, asset size of foundation, and age of foundation is generally reflective of the 179 community foundation staff members as provided by the regional association of grantmakers that endorsed the study.

Table 2

Demographic Comparison of 98 Respondent Staff Members to 179 Staff Members by Paid Staff Size, Asset Size, Age of Foundation

<table>
<thead>
<tr>
<th>Variable</th>
<th>% of 98</th>
<th>% of 179</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Size of Paid Staff</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No paid staff</td>
<td>5.1</td>
<td>4.5</td>
</tr>
<tr>
<td>1–5</td>
<td>50.0</td>
<td>54.7</td>
</tr>
<tr>
<td>6–10</td>
<td>15.3</td>
<td>10.6</td>
</tr>
<tr>
<td>Over 10</td>
<td>29.6</td>
<td>30.2</td>
</tr>
<tr>
<td><strong>Asset Size</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 5 million</td>
<td>24.4</td>
<td>20.7</td>
</tr>
<tr>
<td>5–10 million</td>
<td>18.4</td>
<td>11.2</td>
</tr>
<tr>
<td>10–50 million</td>
<td>24.5</td>
<td>24.0</td>
</tr>
<tr>
<td>&gt; 50 million</td>
<td>32.7</td>
<td>44.1</td>
</tr>
<tr>
<td><strong>Age of Foundation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 5 years</td>
<td>12.2</td>
<td>10.6</td>
</tr>
<tr>
<td>5–10 years</td>
<td>12.2</td>
<td>12.3</td>
</tr>
<tr>
<td>10–25 years</td>
<td>31.7</td>
<td>34.1</td>
</tr>
<tr>
<td>&gt; 25 years</td>
<td>43.9</td>
<td>43.0</td>
</tr>
</tbody>
</table>
Operational Definitions

Operational definitions were derived primarily from the research literature and practice in the community foundation field. Operational definitions of all the variables in the study are:

1. **Community Foundation**: Those entities in the state selected for this study that have the four common characteristics of community foundations based on the tax code language definition (Falkenstein & Jacobs, 1999). These four common characteristics are: (1) the provision of services to a specified geographical region; (2) permanent funds derived from many donors; (3) grantmaking from the income from the permanent funds for multiple charitable purposes; and (4) classification as a 501(c)(3), public charity and not a private foundation by the IRS.

2. **Actual Organizational Culture**: For purposes of this study, organizational culture is defined as a system of knowledge that is shared, to varying degrees, by members of the organization, and which characterizes the organization to both employees and outsiders (Sackmann, 1991). Further, organizational culture has three levels as defined by Schein (1985, 1992): (1) artifacts (visible organizational structures and processes), (2) espoused values and norms ("what we say we do"), and (3) basic underlying assumptions (theories-in-use).

The sum of the circled responses of a community foundation staff member to the 34 questions on the questionnaire was how the actual organizational culture was operationalized in this study. These 34 responses are on a Likert scale (0: not at all descriptive to 4: strongly descriptive). The respondent score, the sum of the responses to the 34 questions, was interpreted as one of three types of culture
(Martin, 1992) based on its value (integrated: 91–136, differentiated: 46–90, fragmented: 0–45).

3. **Desired Organizational Culture:** Similarly, the sum of the responses indicated by Xs of a community foundation staff member to the 34 questions on the questionnaire was how the desired organizational culture was operationalized in this study. These 34 responses are on a Likert scale (0: not at all descriptive to 4: strongly descriptive). The respondent score, the sum of the responses on the 34 questions, was interpreted as one of three types of culture (Martin, 1992) based on its value (integrated: 91–136, differentiated: 46–90, fragmented: 0–45).

4. **Culture Gap:** This gap exists when the preferred/desired culture form differs from the dominant organizational culture form (Bourantas & Papalexandris, 1992). Taking the difference between a respondent’s desired culture score and actual culture score was how this variable was operationalized.

5. **Size of Paid Staff:** The number of all paid employees (i.e., part-time and full-time) in a foundation at the time the questionnaire was filled out by the community foundation staff member. The four levels of this variable are: (1) no paid staff, (2) 1–5 paid staff, (3) 6–10 paid staff, and (4) over 10 paid staff.

6. **Asset Size of the Foundation:** The amount of capital and principal—money, stocks, bonds, real estate, or other resources—controlled by the foundation at the end of the last completed fiscal year (Falkenstein & Jacobs, 1999) (e.g., Foundation A has $100 million in assets as of December 31, 1999). The four levels of this variable are: (1) less than $5 million, (2) $5–10 million, (3) $10–50 million, (4) over $50 million.

7. **Age of Foundation:** The number of years the foundation has been in existence at the time the questionnaire was filled out by the community foundation
staff member. The four levels of this variable are: (1) less than 5 years, (2) 5–10 years, (3) 10–25 years, (4) over 25 years.

Data Analysis Procedures

This investigation is an exploratory study. This study describes the types of culture found and suggests how the findings could inform community foundation management practices.

The Statistical Package for the Social Sciences (SPSS) was used as the statistical analysis package. Descriptive statistics (e.g., percentages, means, standard deviations) and inferential procedures (one-way ANOVAs, post hoc analyses (LSD), paired-sample t tests, and nonparametric procedures when appropriate) were widely used in this study. An alpha of .05 was used with all inferential procedures in this study, since this study is an exploratory one, trends evidence is being sought, and this is the customary alpha for behavioral studies (Hinkle, Wiersma, & Jurs, 1994).

For actual and desired cultures and the culture gap, means were computed from the respondent scores on the questionnaires. These means were computed across all foundations (staff overall) and within the categories of the size of the paid staff, the asset size of the foundation, and the age of the foundation. Some of the information collected through the essay questions was also examined to determine if patterns/themes emerged across the foundations (e.g., common description of purposes, heroes, sacred cows, rituals, and ceremonies) (Spradley, 1979).

Summary

To explore the three research questions and related hypotheses of the study, a combination of quantitative methods (mailed questionnaire) and qualitative methods
(essay questions on questionnaire) were employed with community foundation staff members in one state in the Midwest of the United States. The 179 staff members of the community foundations in the state were asked to respond to the questionnaire. Procedures were used so that these staff members and their foundations remained anonymous. The community foundation “industry” was the unit of analysis (i.e., computed means for all staff respondents and within each level of size of paid staff, asset size, and age of foundation). SPSS was used for data analysis, which included the use of descriptive statistics and inferential procedures. The essay questions were also examined for emerging patterns/themes across foundations. Finally, this study describes the types of culture found and suggests how the findings could inform community foundation management practices.
CHAPTER IV

FINDINGS

Introduction

The findings for each research question and related hypotheses are presented in this chapter based on the data analysis of the information collected from the Organizational Survey. Patterns/themes that emerged from the information collected on the essay questions on this questionnaire are also presented. A discussion of how the findings could inform management practices is provided in Chapter V.

Research Question #1: What Is the Actual Organizational Culture of Community Foundations?

Table 3 details the actual organizational culture of community foundations (i.e., the community foundation “industry”) as perceived by staff overall and within the categories of the size of paid staff, the asset size of the foundation, and the age of foundation. The results indicate that the actual organizational culture of community foundations across all variables is differentiated.

As illustrated in Table 3, all actual organizational culture means for all variables fell within the range of 46 to 90, the scale for a differentiated culture on the Organizational Survey. Actual organizational means ranged from 47.00 for no paid staff respondents to 78.33 for respondents from foundations 5–10 years old. The mean for staff overall was 68.81.
Table 3

Actual Organizational Culture of Community Foundations Overall and by Paid Staff Size, Asset Size, and Age of Foundation

<table>
<thead>
<tr>
<th>Variable</th>
<th>No. of Cases</th>
<th>Mean</th>
<th>SD</th>
<th>95% Confidence Interval &amp; Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Overall</td>
<td>98</td>
<td>68.81</td>
<td>15.91</td>
<td>65.63–72.00 (D)</td>
</tr>
<tr>
<td>Paid Staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No paid staff</td>
<td>5</td>
<td>47.00</td>
<td>12.47</td>
<td>31.52–62.48 (D)</td>
</tr>
<tr>
<td>1–5</td>
<td>49</td>
<td>71.20</td>
<td>14.75</td>
<td>66.97–75.44 (D)</td>
</tr>
<tr>
<td>6–10</td>
<td>15</td>
<td>61.20</td>
<td>15.74</td>
<td>52.48–69.92 (D)</td>
</tr>
<tr>
<td>Over 10</td>
<td>29</td>
<td>72.48</td>
<td>14.77</td>
<td>66.86–78.10 (D)</td>
</tr>
<tr>
<td>Asset Size</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 5 million</td>
<td>24</td>
<td>64.33</td>
<td>16.51</td>
<td>57.36–71.30 (D)</td>
</tr>
<tr>
<td>5–10 million</td>
<td>18</td>
<td>72.00</td>
<td>11.37</td>
<td>66.35–77.66 (D)</td>
</tr>
<tr>
<td>10–50 million</td>
<td>24</td>
<td>69.58</td>
<td>17.45</td>
<td>62.21–76.95 (D)</td>
</tr>
<tr>
<td>&gt; 50 million</td>
<td>32</td>
<td>69.81</td>
<td>16.43</td>
<td>63.89–75.73 (D)</td>
</tr>
<tr>
<td>Age of Foundation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 5 years</td>
<td>12</td>
<td>65.17</td>
<td>19.69</td>
<td>52.66–77.68 (D)</td>
</tr>
<tr>
<td>5–10 years</td>
<td>12</td>
<td>78.33</td>
<td>14.98</td>
<td>68.82–87.85 (D)</td>
</tr>
<tr>
<td>10–25 years</td>
<td>31</td>
<td>62.87</td>
<td>13.85</td>
<td>57.79–67.95 (D)</td>
</tr>
<tr>
<td>&gt; 25 years</td>
<td>43</td>
<td>71.47</td>
<td>14.98</td>
<td>66.86–76.07 (D)</td>
</tr>
</tbody>
</table>

*Note.* Fragmented (F): 0–45; Differentiated (D): 46–90; Integrated (I): 91–136.

Cultures that are differentiated tend to have inconsistent cultural manifestations (e.g., manager says one thing and does another), consensus only within subcultures, and clarity within subcultures but ambiguity outside the subcultures (Martin, 1992). Subcultures are defined as whatever cultures arise in the divisions, departments, and other fairly stable subgroups of an organization (Schein, 1992). Perhaps the community foundation “industry” has a differentiated culture.
because, as community foundations can afford it, specialization of staff occurs along three functional areas (fundraising or development, programming (grantmaking), and finance and administration) (Council on Foundations, 1996a). This, in turn, may lead to the formation of subcultures.

**Hypothesis 1: There Is a Relationship Between the Size of Paid Staff and the Actual Organizational Culture**

A one-way analysis of variance was conducted to evaluate the relationship between the size of paid staff and the actual organizational culture in community foundations. The ANOVA was significant, $F(3, 94) = 5.95, p = .001 < .05$, indicating a relationship between the size of paid staff and the actual organizational culture. The strength of this relationship, as assessed by $\eta^2$, was .16, a large effect size. Traditionally, $\eta^2$ values of .01, .06, and .14 represent small, medium, and large effect sizes, respectively (Green, Salkind, & Akey, 1997).

A post hoc analysis using the LSD test was conducted to evaluate pairwise differences among the means. The results of these tests, the mean differences, and standard errors for the four groups are reported in Table 4. There were significant differences in the organizational culture means between no paid staff and 1–5 paid staff and no paid staff and over 10 paid staff. There were also significant differences between the 1–5 paid staff group and 6–10 paid staff group and the 6–10 paid staff and over 10 paid staff groups.

While there were significant differences between paid staff groups, the actual organizational culture means all fell within the differentiated culture range (46–90) (Table 3, p. 62). Perhaps what these differences indicate is varying degrees of differentiation due to the size of staff. For example, a staff with 6–10 individuals may
Table 4

Differences Among Paid Staff Groups on Actual Organizational Culture

<table>
<thead>
<tr>
<th>Paid Staff Pair</th>
<th>Mean Difference</th>
<th>Standard Error</th>
<th>2-tail Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>No &amp; 1-5</td>
<td>-24.20</td>
<td>6.96</td>
<td>.001*</td>
</tr>
<tr>
<td>No &amp; 6-10</td>
<td>-14.20</td>
<td>7.65</td>
<td>.067</td>
</tr>
<tr>
<td>No &amp; over 10</td>
<td>-25.48</td>
<td>7.17</td>
<td>.001*</td>
</tr>
<tr>
<td>1-5 &amp; 6-10</td>
<td>10.00</td>
<td>4.37</td>
<td>.024*</td>
</tr>
<tr>
<td>1-5 &amp; over 10</td>
<td>-1.28</td>
<td>3.47</td>
<td>.713</td>
</tr>
<tr>
<td>6-10 &amp; over 10</td>
<td>-11.28</td>
<td>4.71</td>
<td>.019*</td>
</tr>
</tbody>
</table>

*p < .05.

be less specialized along the three functional divisions of community foundations (fundraising or development, programming (grantmaking), and finance and administration) than a staff of over 10.

Hypothesis 2: There Is a Relationship Between the Asset Size and the Actual Organizational Culture

A one-way analysis of variance was conducted to evaluate the relationship between the asset size and the actual organizational culture in community foundations. The ANOVA was nonsignificant, $F(3, 94) = .93, p = .428 > .05$, indicating no relationship between the asset size and the actual organizational culture in community foundations.

Hypothesis 3: There Is a Relationship Between the Age of the Foundation and the Actual Organizational Culture

A one-way analysis of variance was conducted to evaluate the relationship between the age of the foundation and the actual organizational culture in community
foundations. The ANOVA was significant, \( F(3, 94) = 3.78, p = .013 < .05 \), indicating a relationship between the foundation age and the actual organizational culture. The strength of this relationship, as assessed by \( \eta^2 \), was .11, a medium to large effect size. Traditionally, \( \eta^2 \) values of .01, .06, and .14 represent small, medium, and large effect sizes, respectively (Green et al., 1997).

A post hoc analysis was conducted using the LSD test to evaluate pairwise differences among the means. The results of these tests, the mean differences, and standard errors for the four groups are reported in Table 5. There were significant differences in the organizational culture means between the less than 5 years old and 5–10 years old foundations and the 5–10 years old and 10–25 years old foundations. There was also a significant difference between the 10–25 year old and greater than 25-year-old foundations.

Table 5

<table>
<thead>
<tr>
<th>Foundation Age Pair</th>
<th>Mean Difference</th>
<th>Standard Error</th>
<th>2-tail Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 5 &amp; 1–5</td>
<td>-13.17</td>
<td>6.23</td>
<td>.037*</td>
</tr>
<tr>
<td>&lt; 5 &amp; 10–25</td>
<td>2.30</td>
<td>5.19</td>
<td>.659</td>
</tr>
<tr>
<td>&lt; 5 &amp; &gt;25</td>
<td>-6.30</td>
<td>4.98</td>
<td>.209</td>
</tr>
<tr>
<td>5–10 &amp; 10–25</td>
<td>15.46</td>
<td>5.19</td>
<td>.004*</td>
</tr>
<tr>
<td>5–10 &amp; &gt;25</td>
<td>6.87</td>
<td>4.98</td>
<td>.171</td>
</tr>
<tr>
<td>10–25 &amp; &gt; 25</td>
<td>-8.59</td>
<td>3.60</td>
<td>.019*</td>
</tr>
</tbody>
</table>

*p < .05.

While there were significant differences between the age groups, the means all fell within the differentiated culture range (46–90) (Table 3, p. 62). Perhaps what
these differences indicate varying degrees of differentiation due to the age of the foundation and accompanying specialization in function that may occur as the foundation exists for a longer period of time. For example, a foundation less than 5 years old may be less specialized along the three functional divisions of community foundations (fundraising or development, programming [grantmaking], and finance and administration) than a foundation 5–10 years old.

Research Question #2: What Is the Desired Organizational Culture of Community Foundations?

Table 6 details the desired organizational culture of community foundations as perceived by staff overall and within the categories of the size of paid staff, the asset size of the foundation, and the age of the foundation. The results indicate that the desired organizational culture of community foundations across all variables is integrated.

All of the desired organizational culture means fell within the range of 91–136, the scale for an integrated culture on the Organizational Survey. Desired organizational means ranged from 93.00 for no paid staff respondents to 106.33 for respondents from foundations 5–10 years old. The mean for staff overall was 103.98.

Integrating cultures are characterized by organization-wide consensus, exclusion of ambiguity, and consistent cultural manifestations (e.g., manager says and does the same thing) (Martin, 1992).

Hypothesis 4: There Is a Relationship Between the Size of Paid Staff and the Desired Organizational Culture

A Kruskal-Wallis test was conducted to evaluate the relationship between the size of paid staff and the desired organizational culture in community foundations.
The Kruskal-Wallis was nonsignificant, $\chi^2(3, N = 98) = 2.37, p = .500 > .05$,
indicating no relationship between the size of paid staff and the desired organizational
culture.

Table 6
Desired Organizational Culture of Community Foundations Overall
and by Paid Staff Size, Asset Size, and Age of Foundation

<table>
<thead>
<tr>
<th>Variable</th>
<th>No. of Cases</th>
<th>Mean</th>
<th>SD</th>
<th>95% Confidence Interval &amp; Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Overall</td>
<td>98</td>
<td>103.98</td>
<td>13.92</td>
<td>101.19–106.78 (I)</td>
</tr>
<tr>
<td>Paid Staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No paid staff</td>
<td>5</td>
<td>93.00</td>
<td>19.91</td>
<td>68.28–117.72 (I)</td>
</tr>
<tr>
<td>1–5</td>
<td>49</td>
<td>104.84</td>
<td>13.91</td>
<td>100.84–108.83 (I)</td>
</tr>
<tr>
<td>6–10</td>
<td>15</td>
<td>104.07</td>
<td>17.38</td>
<td>94.44–113.69 (I)</td>
</tr>
<tr>
<td>Over 10</td>
<td>29</td>
<td>104.38</td>
<td>10.43</td>
<td>100.41–108.35 (I)</td>
</tr>
<tr>
<td>Asset Size</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 5 million</td>
<td>24</td>
<td>101.92</td>
<td>16.67</td>
<td>94.88–108.96 (I)</td>
</tr>
<tr>
<td>5–10 million</td>
<td>18</td>
<td>106.06</td>
<td>9.48</td>
<td>101.34–110.77 (I)</td>
</tr>
<tr>
<td>10–50 million</td>
<td>24</td>
<td>104.79</td>
<td>16.74</td>
<td>97.72–111.86 (I)</td>
</tr>
<tr>
<td>&gt; 50 million</td>
<td>32</td>
<td>103.75</td>
<td>11.68</td>
<td>99.54–107.96 (I)</td>
</tr>
<tr>
<td>Age of Foundation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 5 years</td>
<td>12</td>
<td>103.25</td>
<td>19.84</td>
<td>90.65–115.85 (I)</td>
</tr>
<tr>
<td>5–10 years</td>
<td>12</td>
<td>106.33</td>
<td>12.82</td>
<td>98.19–114.48 (I)</td>
</tr>
<tr>
<td>10–25 years</td>
<td>31</td>
<td>103.45</td>
<td>12.99</td>
<td>98.69–108.22 (I)</td>
</tr>
<tr>
<td>&gt; 25 years</td>
<td>43</td>
<td>103.91</td>
<td>13.38</td>
<td>99.79–108.02 (I)</td>
</tr>
</tbody>
</table>

*Note.* Fragmented (F): 0–45; Differentiated (D): 46–90; Integrated (I): 91–136.
Hypothesis 5: There Is a Relationship Between the Asset Size and the Desired Organizational Culture

A Kruskal-Wallis test was conducted to evaluate the relationship between the asset size and the desired organizational culture in community foundations. The Kruskal-Wallis was nonsignificant, \( \chi^2 (3, N = 98) = 1.06, p = .788 > .05 \).

Hypothesis 6: There Is a Relationship Between the Age of the Foundation and the Desired Organizational Culture

A one-way analysis of variance was conducted to evaluate the relationship between the age of the foundation and the desired organizational culture in community foundations. The ANOVA was nonsignificant, \( F(3, 94) = .137, p = .938 > .05 \).

Research Question #3: Is There a Difference Between the Desired and Actual Organizational Cultures of Community Foundations?

Hypothesis 7: There Is a Difference Between the Desired and Actual Organizational Cultures for Staff Overall

A paired-sample \( t \) test was conducted to evaluate whether there was a difference between the desired and actual organizational cultures (i.e., a culture gap) in community foundations for staff overall. The results indicate that the mean desired organizational culture (\( M = 103.98, SD = 13.92 \)) was significantly greater than the mean actual organizational culture (\( M = 68.82, SD = 15.91 \)), \( t(97) = 21.96, p = .000 < .05 \), indicating the existence of a culture gap in the community foundation “industry.” The magnitude of the difference in the means for the two cultures, Cohen’s \( d \), was 2.22, a large effect size. Traditionally, \( d \) values of .2, .5, and .8 represent small, medium, and large effect sizes, respectively (Cohen, 1988).
Hypotheses 8–11: For Each Level of Paid Staff, There Is a Difference Between the Desired and Actual Organizational Cultures

Since this is an exploration to determine if there is a difference between the desired and actual organizational cultures in community foundations (i.e., a culture gap), it is more useful to analyze this at each level of paid staff (e.g., 1–5 paid staff desired vs. 1–5 paid staff actual) than across these levels. Accordingly, for each level of paid staff, a paired-sample $t$ test was conducted to evaluate whether there was a difference between the desired and actual organizational cultures. The results of these tests are presented in Table 7.

Table 7
Differences Between Desired and Actual Cultures Within Each Level of Paid Staff

<table>
<thead>
<tr>
<th>Paid Staff Level</th>
<th>No. of Cases</th>
<th>Desired Mean</th>
<th>Desired SD</th>
<th>Actual Mean</th>
<th>Actual SD</th>
<th>$t$</th>
<th>2-tail Prob.</th>
<th>$d$</th>
</tr>
</thead>
<tbody>
<tr>
<td>No paid</td>
<td>5</td>
<td>93.00</td>
<td>19.92</td>
<td>47.00</td>
<td>12.47</td>
<td>7.55</td>
<td>.002*</td>
<td>3.38</td>
</tr>
<tr>
<td>1–5</td>
<td>49</td>
<td>104.84</td>
<td>13.91</td>
<td>71.20</td>
<td>14.75</td>
<td>15.56</td>
<td>.000*</td>
<td>2.22</td>
</tr>
<tr>
<td>6–10</td>
<td>15</td>
<td>104.07</td>
<td>17.38</td>
<td>61.20</td>
<td>15.74</td>
<td>8.19</td>
<td>.000*</td>
<td>2.05</td>
</tr>
<tr>
<td>Over 10</td>
<td>29</td>
<td>104.38</td>
<td>10.43</td>
<td>72.48</td>
<td>14.77</td>
<td>12.89</td>
<td>.000*</td>
<td>2.39</td>
</tr>
</tbody>
</table>

Note. $df = 97$.

*p < .05.

As illustrated in Table 7, for each level of paid staff, the mean desired organizational culture was significantly greater than the mean actual organizational culture, indicating the existence of a culture gap at each level. The magnitude of the difference of the means for the two cultures (Cohen's $d$) for the various levels of size of staff ranged from 2.05 to 3.38, large effect sizes. Traditionally, $d$ values of .2, .5,
and .8 represent small, medium, and large effect sizes, respectively (Cohen, 1988). Additionally, for each level, the desired culture mean fell in the integrated range (91–136), and the actual culture mean fell in the differentiated culture range (46–90).

**Hypotheses 12–15: For Each Level of Asset Size, There Is a Difference Between the Desired and Actual Organizational Cultures**

Since this is an exploration to determine if there is a difference between the desired and actual organizational cultures in community foundations (i.e., a culture gap), it is more useful to analyze this at each level of asset size (e.g., 5–10 million in assets desired vs. 5–10 million in assets actual) than across these levels. Accordingly, for each level of asset size, a paired-sample *t* test was conducted to evaluate whether there was a difference between the desired and actual organizational cultures. The results of these tests are presented in Table 8.

**Table 8**

<table>
<thead>
<tr>
<th>Asset Size (mil)</th>
<th>No. of Cases</th>
<th>Desired</th>
<th>Actual</th>
<th><em>t</em></th>
<th>2-tail Prob.</th>
<th><em>d</em></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Mean</td>
<td>SD</td>
<td>Mean</td>
<td>SD</td>
<td></td>
</tr>
<tr>
<td>&lt;5</td>
<td>24</td>
<td>101.92</td>
<td>16.67</td>
<td>64.33</td>
<td>16.51</td>
<td>14.89</td>
</tr>
<tr>
<td>5–10</td>
<td>18</td>
<td>106.06</td>
<td>9.48</td>
<td>72.00</td>
<td>11.37</td>
<td>8.26</td>
</tr>
<tr>
<td>10–50</td>
<td>24</td>
<td>104.79</td>
<td>16.74</td>
<td>69.58</td>
<td>17.45</td>
<td>9.02</td>
</tr>
<tr>
<td>&gt;50</td>
<td>32</td>
<td>103.75</td>
<td>11.68</td>
<td>69.81</td>
<td>16.43</td>
<td>12.75</td>
</tr>
</tbody>
</table>

*Note. df = 97.*

*p < .05.

As illustrated in Table 8, for each level of asset size, the mean desired organizational culture was significantly greater than the mean actual organizational
culture, indicating the existence of a culture gap at each level. The magnitude of the difference of the means for the two cultures (Cohen's $d$) for the various levels of asset size ranged from 1.84 to 3.04, large effect sizes. Traditionally, $d$ values of .2, .5, and .8 represent small, medium, and large effect sizes, respectively (Cohen, 1988). Additionally, for each level, the desired culture mean fell in the integrated range (91–136), and the actual culture mean fell in the differentiated culture range (46–90).

**Hypotheses 16–18: For Each Level of the Age of Foundation, There Is a Difference Between the Desired and Actual Organizational Cultures**

Since this is an exploration to determine if there is a difference between the desired and actual organizational cultures in community foundations (i.e., a culture gap), it is more useful to analyze this at each level of the age of foundation (e.g., 5–10 years in age desired vs. 5–10 years old in age actual) than across these levels. Accordingly, for each level of the age of foundation, a paired-sample $t$ test was conducted to evaluate whether there was a difference between the desired and actual organizational cultures. The results of these tests are presented in Table 9.

As illustrated in Table 9, for each level of the age of foundation, the mean desired organizational culture was significantly greater than the mean actual organizational culture, indicating the existence of a culture gap at each level. The magnitude of the difference of the means for the two cultures (Cohen's $d$) for the various levels of the age of foundation ranged from 2.15 to 3.43, large effect sizes. Traditionally, $d$ values of .2, .5, and .8 represent small, medium, and large effect sizes, respectively (Cohen, 1988). Additionally, for each level, the desired culture mean fell in the integrated range (91–136), and the actual culture mean fell in the differentiated culture range (46–90).
Table 9
Differences Between Desired and Actual Cultures
Within Each Level of the Age of Foundation

<table>
<thead>
<tr>
<th>Age of Foundation</th>
<th>No. of Cases</th>
<th>Desired</th>
<th>Actual</th>
<th>t</th>
<th>2-tail Prob.</th>
<th>d</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Mean</td>
<td>SD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 5 yr</td>
<td>12</td>
<td>103.25</td>
<td>19.83</td>
<td>65.17</td>
<td>19.69</td>
<td>11.87</td>
</tr>
<tr>
<td>5-10</td>
<td>12</td>
<td>106.33</td>
<td>12.82</td>
<td>78.33</td>
<td>14.98</td>
<td>7.44</td>
</tr>
<tr>
<td>10-25</td>
<td>31</td>
<td>103.45</td>
<td>12.99</td>
<td>62.87</td>
<td>13.85</td>
<td>12.21</td>
</tr>
<tr>
<td>&gt; 25</td>
<td>43</td>
<td>103.91</td>
<td>13.38</td>
<td>71.47</td>
<td>14.98</td>
<td>14.61</td>
</tr>
</tbody>
</table>

Note. df = 97.
*p < .05.

Other Findings

The information collected through the essay questions on the Organizational Culture Survey was also examined to determine if patterns/themes emerged (e.g., common description of purposes, heroes, sacred cows, rituals, and ceremonies) (Spradley, 1979). Many survey respondents provided multiple answers to these questions (e.g., three examples of heroes for the hero question). Therefore, the information was analyzed after totaling the number of answers. For example, 12 respondents provided three examples each for the hero question. The total used for analysis was 36 answers rather than 12 responses.

Common Purposes: Ways That Foundations Benefit Humankind

Respondents were asked to summarize in one or two sentences what their organizations do to benefit humankind. Of the 115 answers provided for this question (i.e., their common purposes), as illustrated in Figure 2, the top four categories that
emerged were: (1) improve quality of life/serve the community (42%), (2) provide funding/resources (31%), (3) help donors/philanthropy (22%), and (4) act as a catalyst (5%).

Figure 2. Ways That Foundations Benefit Humankind.

Some typical statements provided by respondents in regard to improving the quality of life/serving the community were “we strive to make our community a better place to live” and “we strive to improve the quality of life for all citizens.” Common statements given in regard to providing funding/resources were “we provide, in perpetuity, funding to meet community needs,” “we make grants for [several areas of need],” and “we channel resources to organizations that serve those in need in our community.”

Under helping donors/philanthropy, typical statement by respondents included “we help match the donor’s interests with the community needs” and “we help donors with their charitable giving now and in perpetuity.” A common statement for
acting as a catalyst was "we are a catalyst for change. We bring the community together for the common good."

Heroes

Survey respondents were also asked to give examples of heroes. As indicated in Figure 3, of the 172 examples of heroes provided by survey respondents, the top six categories that emerged were (1) founders (27%), (2) donors/contributors/fund creators (27%), (3) board members/trustees (25%), (4) presidents/executive directors/CEO (12%), (5) volunteers (5%), and (6) staff (4%).

Figure 3. Community Foundation Heroes.

Founders were described as "great community heroes" and individuals with a "vision for the community." Donors/contributors/fund creators heroes included "significant donors," "original donors and their families," and "donors who have made sacrifices." A donor who gave her retirement fund to help youth with special needs improve their lives, a widow who started a fund to assist other single women

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become self-sufficient, and young couple with children who established a donor-advised fund were cited as examples of donors making sacrifices.

Board members/trustees were described as “visionary,” “dedicated to the foundation,” and “individuals that believed in us before we believed in ourselves.” Presidents/executive directors/CEOs were characterized as “knowing all the ins and outs of the foundation,” “having built the organization,” and “having relationships with everyone in the community.” Volunteers and staff that were “dedicated” and “worked for the benefit of the community” were also seen as heroes by some of the respondents.

**Sacred Cows**

Survey respondents were asked to give examples of sacred cows. No definition was provided for this term on the questionnaire. Based on the comments made by respondents along with the examples they gave, in most cases, individuals were viewed as “objects of reverence.” This is consistent with Deal and Kennedy’s (1982) definition of sacred cows. However, some procedures/processes named as sacred cows were not viewed as objects of reverence.

Of the 45 sacred cow examples provided by survey respondents, the top four categories that emerged were (1) donors/board members/trustees (40%), (2) procedures/processes (38%), (3) staff/employees (11%), and (4) other people (11%).

Respondents held donors and board members/trustees in high regard. “Honoring donor intent,” “taking care of donors,” and “the donor is always right” were common statements. The “importance of the board members/trustees and donors to the health and longevity of the foundation” was also cited by several
respondents. These board members/trustees and donors were also seen as “people who stand for the ideals of the foundation.”

Respondents named certain procedures and processes. Procedures/processes that were held in high regard included “being helpful,” holding an annual meeting, providing the same information in the annual report each year, and “valuing nonprofits in the community.” Those procedures/processes viewed in a less favorable light included “procedures that become ends rather than processes,” closed board meetings, window offices, “being thorough beyond doubt,” and dress codes.

Respondents held long-term and highly knowledgeable staff/employees in high regard. Staff/employees who didn’t follow human resource policies (e.g., missed work and don’t call in, created own work hours) and didn’t share information were viewed less favorably.

Other people viewed as “objects of reverence” by respondents included “those long-term people who have backed the foundation,” financial planners, estate planning attorneys, and accountants/CPAs.

Rituals and Ceremonies

Survey respondents were asked to give examples of foundation rituals and ceremonies. Of the 75 rituals/ceremonies given by survey respondents, the top five categories that emerged were (1) celebrations/recognition (50%), (2) meetings (17%), (3) socializing (15%), (4) procedures/processes (13%), and (5) none (5%).

Examples of celebrations/recognition included recognizing employees on work anniversaries, celebrating employee birthdays, and recognizing staff with annual luncheons/dinners. Other examples were grant recipient ceremonies, annual volunteer award dinners, and donor appreciation events.
Meeting examples included board/trustee, committee, management, and staff meetings. The annual holiday parties, summer outings, monthly get togethers, and “friendly greeting/informal get together each morning” were cited as examples of socializing.

Certain procedures and processes were also named as examples of rituals and ceremonies. These included “drafting a document several times before it’s considered right,” strictly maintaining office hours, having a senior employee orient new employees (e.g., give history), and maintaining visibility in the community.

Summary

This chapter included the findings for each research question and related hypotheses based on the data analysis of the information collected from the Organizational Survey. This questionnaire was sent to 179 community foundation staff members in one state in the Midwest. Responses were received from 98 of the 179 staff members. Data were analyzed for staff overall and within the categories of the size of paid staff, the asset size of the foundation, and the age of the foundation.

The actual organizational culture of the community foundation “industry” was found to be differentiated across all variables (staff overall, size of paid staff, asset size of foundation, and age of foundation). Additionally, one-way analyses of variance were used to evaluate the relationships between the size of paid staff, the asset size, and the age of the foundation and the actual organizational culture. Significant relationships were found for the size of paid staff and actual organizational culture and the age of the foundation and the actual organizational culture, but not for the asset size and the actual organizational culture.
The desired organizational culture of community foundation "industry" was found to be integrated across all variables (staff overall, size of paid staff, asset size of foundation, and age of foundation). Additionally, one-way analyses of variance (or Kruskal-Wallis tests) were used to evaluate the relationships between the size of paid staff and the desired organizational culture, the asset size and the desired organizational culture, and the age of the foundation and the desired organizational culture. None of these relationships were significant.

A paired-sample t test was conducted to determine if there was a difference between the desired and actual organizational cultures (i.e., a culture gap) in the community foundation "industry" for staff overall. The results indicated that the mean desired organizational culture was significantly greater than the mean actual organizational culture, supporting the existence of a culture gap. Similarly, paired-sample t tests were used to evaluate whether there were differences between the desired and actual organizational cultures at each level of paid staff, asset size, and age of foundation. For each level of these three variables, the mean desired organizational culture was significantly greater than the mean actual organizational culture, supporting the existence of a culture gap in the community foundation "industry." The magnitude of the difference of means for the two cultures was large for each level of these three variables and for staff overall.

The information collected through the essay questions on the Organizational Culture Survey was also examined to determine if patterns/themes emerged. Several common descriptions of purposes, heroes, sacred cows, and rituals and ceremonies were derived from the data collected.
CHAPTER V

CONCLUSIONS

Introduction

One of the purposes of this study is to explore the organizational culture in community foundations so as to build on the limited research conducted to date in the community foundation field. Another purpose of the study is to provide information about the actual and desired types of culture in community foundations (i.e., integrated, differentiated, fragmented) and suggest how the findings could inform management practices.

In this chapter, conclusions, organized by research questions and hypotheses and other findings, are presented. These conclusions are based on the data analysis of the information collected from the Organizational Survey and the research literature. How the findings can inform management practices in the community foundation field are discussed. Limitations and recommendations for future study are also detailed.

Research Question #1: What Is the Actual Organizational Culture of Community Foundations?

The actual organizational culture of community foundations (i.e., community foundation “industry”) across all variables (staff overall, size of paid staff, asset size of foundation, and age of foundation) was differentiated. All actual organizational culture means for all variables fell within the range of 46 to 90, the scale for a differentiated culture on the Organizational Survey. These findings were consistent
with Chatman's and Jehn's (1994) research in which they found empirical support for similarities among organizational cultures in the same industry.

For purposes of this study, organizational culture is defined as a system of knowledge that is shared, to varying degrees, by members of the organization, and which characterizes the organization to both employees and outsiders (Sackmann, 1991). Organizations with a differentiated culture have many small, sometimes competing "subcultures" within a larger culture (Martin, 1992; Martin & Meyerson, 1988), a mosaic of inconsistencies. Any consensus that may exist does so only within the boundaries of the subcultures, which are islands of clarity. Ambiguity is channeled outside these subcultures' boundaries (Martin, 1992; Martin & Meyerson, 1988), and there is only inconsistency between the espoused theory ("what we say we do") and the theory-in-use ("this is what we actually do") (Schein, 1985, 1992) across the organization.

Typical differentiated-culture organizations are large and/or decentralized, and this decentralization is along functional, geographical, or hierarchical divisions. Subcultures usually form along these divisions. Knowledge is shared, but usually most effectively within the subcultures.

Perhaps community foundations have differentiated cultures because they are predominately decentralized organizations due to a specialization of staff along three functional areas (fundraising or development, programming [grantmaking], and finance and administration) (Council on Foundations, 1996a) that occurs as soon as foundations can afford it. This, in turn, may lead to the formation of strong subcultures along these functional areas. This is a question needing additional study.

According to research detailed in Chapter II, organizations with differentiated organizational cultures view differences in their organizations as functional and
organizational conflict as potentially constructive. Subcultures are most likely highly functioning (i.e., have higher levels of consistency, subculture-wide consensus, and clarity) and thus are linked to higher levels of subculture effectiveness (i.e., achievement of goals), subculture member commitment, and productivity (Martin, 1992).

In organizations with differentiated organizational cultures, leaders only have a secondary influence on the change process. Change is either localized in a subculture or brought about incrementally throughout the entire subculture configuration in these organizations.

Hypotheses 1–3: Exploring the Relationships Between the Size of Paid Staff, Asset Size, and the Age of Foundation and the Actual Organizational Culture

Significant relationships were found for the size of paid staff and actual organizational culture and the age of the foundation and the actual organizational culture, but not for the asset size and the actual organizational culture. While there were significant differences between certain groups of paid staff on actual organizational culture, their actual organizational culture means all fell within the differentiated culture range (46–90).

What these differences between paid staff groups may indicate is varying degrees of differentiation due to the size of the staff. The culture may become more differentiated (i.e., have more and stronger subcultures) as the size of staff, with accompanying staff specialization, increases. For example, a foundation with a staff of over 10 may be more specialized along the three functional divisions of community foundations (fundraising or development, programming [grantmaking], and finance and administration) than a foundation with a staff of 6 to 10. This, perhaps, would
lead to a more differentiated organizational culture for the foundation with a larger staff. This question needs further study.

A similar conclusion could be made in regard to the significant differences between certain foundation age groups on actual organizational culture. Perhaps what the differences between foundation age groups may indicate is varying degrees of differentiation due to the age of the foundation, since all group means fell within the differentiation organizational culture range. The culture may become more differentiated (i.e., have more and stronger subcultures) as the foundation, with accompanying staff specialization, matures. For example, a foundation that is 5–10 years old may have more staff specialization than a foundation less than 5 years old. Again, this is a question needing additional study.

Research Question #2: What Is the Desired Organizational Culture of Community Foundations?

The desired organizational culture of community foundations (i.e., community foundation “industry”) across all variables (staff overall, size of paid staff, asset size of foundation, and age of foundation) was integrated. All desired organizational culture means for all variables fell within the range of 91–136, the scale for an integrated culture on the Organizational Survey. This finding is consistent with Chatman and Jehn’s (1994) research in which they found empirical support for similarities among organizational cultures in the same industry.

Community foundations staff members expressed a desire to have an integrated organizational culture; a homogeneous culture characterized by “comprehensively” shared cultural knowledge and organization-wide consensus (Martin, 1992; Martin & Meyerson, 1988). There is no room for ambiguity in this type of organizational culture.
An integrated culture is characterized by consistency between the espoused theory ("what we say we do") and the theory-in-use ("this is what we actually do"). This consistency promotes a shared sense of loyalty, commitment, and productivity and brings about clarity. Descriptive metaphors for this type of culture are a "clearing in a jungle" (Morgan, 1986) and a hologram (Martin, 1992).

According to research as described in Chapter II, organizations with integrated cultures tend to have higher levels of organizational effectiveness (i.e., goal achievement), organizational member commitment, and productivity (Martin, 1992). Integrated culture organizations view cultural change as leader-centered and a process of either active maintenance or "revolutionary" replacement of one unity with another unity by the leader. According to researchers, typical integrated-culture organizations included small, ideology or founder-centered organizations, or large and centralized organizations.

Community foundations have historically tended to be founder-centered organizations based on the ideology of helping their communities. In this sample, 70% of respondents were in foundations with 0–10 staff, relatively small organizations. Being founder-centered and relatively small could be factors in why community foundation staff members, on average, desired an integrated organizational culture. The industry context may also be a factor to take into account (i.e., empirical support for similarities among the organizational cultures in the same industry). These are all questions for future study.

Hypotheses 4–6: Exploring the Relationships Between the Size of Paid Staff, Asset Size, and the Age of Foundation and the Desired Organizational Culture

There was no support for relationships between the size of paid staff, asset size, and the age of the foundation and the desired organizational culture. Perhaps the
desire of community foundation staff to be part of an integrated organizational culture transcends these factors. The industry context must also be taken into account (i.e., empirical support for similarities among the organizational cultures in the same industry). Having no differences among the levels of these variables is consistent with being part of an industry.

**Research Question #3: Is There a Difference Between the Desired and Actual Organizational Cultures of Community Foundations?**

**Hypotheses 7-18: Exploring the Differences Between the Desired and Actual Organizational Cultures for Staff Overall, Size of Paid Staff, Asset Size, and the Age of Foundation**

It can be concluded that, on average, community foundation staff members overall and within each level of size of paid staff, asset size, and the age of the foundation desired to have an integrated culture rather than a differentiated culture. For staff overall and within each level of size of paid staff, asset size, and the age of foundation, the desired organizational culture mean was significantly greater than the actual organizational culture mean, supporting the existence of a culture gap. This gap exists when the preferred/desired culture form (integrated) differs from the dominant organizational culture form (differentiated) (Bourantas & Papalexandris, 1992). Additionally, the magnitude of the difference between the two cultures was large for each level of the three variables and for staff overall, indicating a large culture gap.

Community foundations staff members expressed a strong desire to have an organizational culture that is homogeneous and has foundation-wide consensus (Martin, 1992; Martin & Meyerson, 1988). Staff members desired to have a culture
in which cultural knowledge is shared comprehensively, and there is consistency between “what we say we do” and “this is what we actually do.”

Community foundation staff members, through their responses to the survey, clearly indicated they wanted an organizational culture with more emphasis on Deal and Kennedy’s (1982) traits than would be found in a differentiated culture. These traits are: (a) a shared philosophy of management, (b) emphasis on the importance of people, (c) encouragement of rituals and ceremonies, (d) identifiable corporate heroes, (e) a functioning network of culture communicators, (f) shared informal rules of behavior, (g) shared and strong norms/values, (h) the setting of high standards of performance, and (i) a definitive corporate character or identity.

Other Findings

Data collected through the essay questions on the Organizational Culture Survey were also examined to determine if patterns/themes emerged. Several common descriptions of purposes, heroes, sacred cows, and rituals and ceremonies were derived from these data.

Categories of what community foundations do to benefit humankind (i.e., their purposes) that emerged were: (a) improving the quality of life, serving the community; (b) providing funding/resources; (c) helping donors/philanthropy; and (d) acting as a catalyst. These four purposes are consistent with common characteristics for community foundations detailed in Chapter II (pp. 19–24). It could be useful in a future study to explore if these purposes varied by staff size, asset size, age of foundation, and staff function.

_founders, donors/contributors/fund creators, board members/trustees, presidents/executive directors/CEOs volunteers, and staff emerged as categories of_
heroes. Deal and Kennedy (1982) viewed "heroes" as having pivotal roles in organizational culture. Heroes create the role models for employees to follow and personify and reinforce the values of the culture. These heroes may be "positional" leaders, founders of the organization, and "ordinary" individuals selected by their peers in recognition for some exemplary behavior (e.g., supersalesperson of the month, the elder statesperson corporate president, the maverick scientist). The categories that emerged from this study appear to be consistent with Deal and Kennedy's characterization of heroes. It could be useful in a future study to explore if the categories of heroes varied by staff size, asset size, age of foundation, and staff function.

Based on the comments made by survey respondents along with the examples given, in most cases, individuals named as sacred cows were viewed as "objects of reverence." This is consistent with Deal and Kennedy's (1982) definition of sacred cows. Categories of sacred cows that emerged included: (a) donors/board members/trustees, (b) procedures/processes, (c) staff, employees, and (d) other people (e.g., local financial planner, local attorney). There was some overlap in categories between heroes and sacred cows (e.g., donors, board members/trustees), probably due to the fact that sacred cows were viewed in a positive light (i.e., much like heroes). It could be useful in a future study to explore if the categories of sacred cows varied by staff size, asset size, age of foundation, and staff function.

Categories of rituals and ceremonies that emerged were: (a) celebrations/recognition, (b) meetings, (c) socializing, (d) procedures/processes, and (e) none. Most of these categories are consistent with what Deal and Kennedy (1982) envisioned for rituals and ceremonies (e.g., informal communication and mingling across groups of organizational members). Again, it could be useful in a future study
to explore if the categories of rituals and ceremonies and frequency varied by staff size, asset size, age of foundation, and staff function.

How the Findings Can Inform Management Practices

Experts have viewed organizational culture as the personality of an organization—a hidden, yet unifying theme that provides meaning, direction, and mobilization (Kilmann et al., 1985). Having knowledge of an organization's culture is central to understanding and predicting any behavior and practice of an organization, including management practices (Deal & Kennedy, 1982). Thus, for the community foundations studied, the findings of this study can inform management practices by helping organizational members to understand the existing management practices and to determine what practices are needed in the future. Suggesting how the study findings can be used in the development and implementation of management practices, including gaining support for these practices, is also a means of informing management practices.

From the findings, it is known that the community foundation “industry” studied has a differentiated organizational culture. The subcultures that exist, probably formed along functional lines (fundraising or development, programming [grantmaking], and finance and administration) are most likely islands where knowledge is shared, consensus is reached, change occurs, goals are achieved, and commitment is strongest. However, these islands are probably loosely coupled (Hoyle, 1986) (i.e., weakly linked) at best. While loose coupling among subcultures may have beneficial effects (e.g., permits experimentation), it may also cause problems (e.g., may inhibit top-down planned change programs) (Deal & Kennedy,
The existence of these islands may also make it difficult to transmit, on an organization-wide basis, lessons learned and management practices.

Existing community foundation management practices are most likely reflective of these loosely-coupled subcultures. While each subculture in the community foundation may have management practices that work effectively for the subcultures, many of these practices may not work as well on an organization-wide basis.

Thus, those responsible for developing, implementing, and striving to gain support for organization-wide management practices need to keep the power of the subcultures in differentiated cultures in mind. These management practices (e.g., governance, planning, administrative systems, fiscal, human resources) need to be developed and implemented at the subculture level with subculture leadership involved throughout the process to maximize support within the subcultures for the practices.

However, for these management practices to be supported across a foundation, those in a position to bring the subcultures together (e.g., board, president/executive director/CEO) need to focus the various subcultures on unifying purposes (i.e., superordinate goals) in order to overcome the problems associated with having loosely-coupled subcultures. Fortunately, in community foundations, several inspirational unifying purposes exist (e.g., improving the quality of life, serving the community, providing funding/resources, helping donors/philanthropy, and acting as a catalyst) that could be utilized to bring the subcultures together around management practices needed organization wide.

Those regional associations of grantmakers and funders providing technical assistance (e.g., training, consultation) and capacity building to community
foundations also need to be aware of the strong subculture influence in differentiated cultures. While these associations and funders need to target their technical assistance and capacity-building efforts at the subculture level, they, too, need to focus the subcultures on the unifying purposes of the community foundation to avoid the pitfalls associated with having loosely-coupled subcultures (e.g., problems with sharing knowledge foundation wide). For example, a regional association of grantmakers' training program for fiscal staff would need to focus on both the best fiscal management practices (e.g., investment, audit, financial reporting, etc.) and how these practices serve the unifying purposes of the foundation.

Community foundation staff members expressed a strong desire to have an integrated organizational culture rather than a differentiated one, pointing out the existence of a large culture gap. As detailed in Chapter II, leaders have pivotal roles in organizational culture. These roles include that of creator, manager, destroyer, transmitter, hero, role model, and cultural-change agent.

Culture change-agent leaders are able to totally transform an imbedded organizational culture by creating a new vision of and for the organization, and successfully selling that vision—by rallying commitment and loyalty to make the vision become a reality (Bennis, 1984; Tichy & Ulrich, 1984). Thus, leaders in community foundations are the individuals that need to address this gap, especially since it has been found that culture gaps can negatively affect employee commitment toward their organizations, and, in turn, their productivity (Bourantas & Papalexandris, 1992).

What can leaders do to transform the organizational culture from differentiated to integrated as desired by community foundation staff members? It has been found that, while the values of the founders and other key leaders undoubtedly
shape organizational cultures, shared practices are the core of organizational culture (Hofstede et al., 1990). Therefore, a good start in transforming the culture from differentiated to integrated would be to use the process described on page 88 to develop and implement shared management practices for the integrated culture. This primarily involves developing and implementing practices with and through the subcultures and their leaders while focusing the subcultures on the unifying purposes of the foundations.

Leaders (e.g., president/executive director/CEO, subculture leaders) could also use Deal and Kennedy's (1982) organizational culture transformation process. Steps include: (a) positioning a hero with a vision to be in charge of the process; (b) identifying a good reason for change (e.g., culture gap's negative effect on employee commitment and productivity); (c) making transition rituals the pivotal elements of change (e.g., involve many people, especially subculture leaders; allow people to mourn the old ways, renegotiate new values and relationships, and anoint heroes); and (d) providing transition training in new values and behavior patterns (e.g., training of cross functional teams).

Deal and Kennedy (1982) also suggest bringing in outside "shamans" to act as lightening rods to defuse conflict, beacons for where the change is heading, and talismans that the transformation will really work (p. 176). Tangible symbols (structural) of the new culture also need to be built. This may include published "slogans" summarizing the unifying purposes of the community foundations. This would assist in developing a definitive corporate character or identity. Community foundation members must also be made to feel "safe" while the transformation process is occurring. Finally, a network of cultural communicators would need to be established (e.g., former subculture leaders, cross-functional teams).
In addition to developing shared management practices and using this transformation process, another critical step needed to move toward a more integrated culture would be to focus on the importance of people rather than on hierarchy and formal rules. Leaders would need to emphasize unwritten rules and shared understanding rather than a well-defined hierarchy of formal rules, procedures, and organizational charts (Deal & Kennedy, 1982).

A role for regional associations of grantmakers and funders providing technical assistance and capacity building in the culture transformation process would be to provide resources such as funding for consultants trained in organizational culture transformation (i.e., shamans). Training programs designed by these regional associations would need to focus on the unifying purposes of the foundations, but also include material on how to detect when management practices are becoming obsolete and when there is resistance to change.

Limitations and Recommendations for Future Study

This study is not without limitation. The research design employed in this study was a survey-based design with a qualitative element, an ex-post facto design. Prior to this study, the variations in the staff overall, size of paid staff, asset size, and age of foundation variables occurred naturally and through no direct control by the researcher. An ex-post facto design also does not control for the effects of extraneous variables. Therefore, inferences of relationships between the various variables in the study are made with caution, since there exists the possibility of extraneous variables.

Another limitation of this study is that the inquiry was confined to respondent perceptions of actual and desired organizational culture, primarily due to respondent
anonymity issues. Other methods (e.g., focus groups, on-site interviews, artifact analysis) should be considered in future studies. Finally, the study was conducted in one state to eliminate the potential influence of other types of culture (e.g., regional, ethnic, and other cultural influences). Therefore, findings may only be generalized to another state in the Midwest of the United States with similar demographics. While being careful not to introduce the potential influence of other types of culture, perhaps this study could be expanded beyond one state to address this limitation.

Because of the current and future critical roles community foundations play in their geographical areas, the limited research to inform the community foundation field, and the importance of studying organizational culture, organizational culture in community foundations is an area worthy of additional study. In addition to varying the data collection methods and expanding the geographic region beyond a state, a recommendation for future study would be to include staff function or specialization as a variable.

The staff function variable was not included in this study in order to maintain respondent anonymity. Levels of this variable could include (a) fundraising or development, (b) programming (grantmaking), and (c) finance and administration, the historical functional areas of community foundations. Studying the staff function variable could provide findings not available in this study because of the anonymity constraint. For example, exploration of relationships between (a) staff function and actual culture; (b) staff size, staff function, and actual culture; (c) foundation age, staff function, and actual culture; and (d) staff function and desired culture could occur with the addition of the staff function variable.

An area of concern that needs further research is the large culture gap that existed in the community foundation “industry” in this study. Staff members strongly
expressed a desire for an organizational culture that was integrated, not differentiated. Because of the role of founders in integrated cultures (Deal & Kennedy, 1982; Schein, 1992), it is recommended that an exploration of the relationships between founder roles, founder length of time involved with the foundations, and desired and actual organizational cultures occur. Not only could this exploration provide insights into why gaps exist, findings from the exploration could possibly suggest ways to close gaps when they occur. Closing culture gaps could improve employee commitment and productivity, since research has shown that having gaps can negatively affect employee commitment toward their organizations, which, in turn, can negatively affect productivity (Bourantas & Papalexandris, 1992).

Some common categories for purposes, heroes, sacred cows, and rituals and ceremonies emerged from this study. Examining this information by staff function, staff size, asset size, and age of foundation could assist in providing a more complete picture of the actual organizational culture of the community foundation “industry.”

Summary

This chapter included conclusions for each research question and related hypotheses based on the data analysis of the information collected from the Organizational Survey and the research literature. The actual organizational culture of the community foundation “industry” was found to be differentiated across all variables (staff overall, size of paid staff, asset size of foundation, and age of foundation), perhaps due to the decentralized nature and specialization of staff along three functional areas (development, programming, finance/administration). Significant relationships were found for the size of paid staff and actual organizational culture and the age of the foundation and the actual organizational
culture, but not for the asset size and the actual organizational culture. These findings may indicate varying degrees of differentiation due to the size of staff (and accompanying specialization of staff) and age of the foundation (and accompanying specialization of staff) rather than differences in actual organizational culture.

The desired organizational culture of the community foundation “industry” was found to be integrated across all variables (staff overall, size of paid staff, asset size of foundation, and age of foundation). Relationships between the size of paid staff and the desired organizational culture, the asset size and the desired organizational culture, and the age of the foundation and the desired organizational culture were found to be nonsignificant. These findings may be attributable to community foundations historically being small founder-centered organizations, typical integrated-culture organizations, and community foundation staff members’ strong desire for an integrated culture that transcended the size of staff, asset level, and age of foundation factors.

Community foundation staff members overall and within each level of paid staff size, asset size, and the age of the foundation desired to have an integrated culture rather than a differentiated culture, supporting the existence of a culture gap. The magnitude of the difference between the two cultures for all variables was large.

The information collected through the essay questions on the Organizational Culture Survey was also examined to determine if patterns/themes emerged. Several common descriptions of purposes, heroes, sacred cows, and rituals and ceremonies were derived from the data collected.

The findings of this study can inform management practices in community foundations through helping organizational members to understand existing practices and determine future practices. Using the study findings to assist in the development
and implementation of management practices is another means of informing these practices.

Because the community foundation "industry" has a differentiated culture, those responsible for management practices and providing support for these practices (e.g., leaders, regional association of grantmakers, funders of technical assistance and capacity building) need to be aware of the power of the subcultures. Involving subculture leaders at every step of development and implementation of practices is one suggestion. Another is to focus the organizational members on unifying purposes of the foundation to gain support of management practices organization wide.

The large culture gap identified in this study needs to be addressed by leaders in the foundations due to their pivotal roles in organizational culture. Developing and implementing shared management practices with and through the subcultures is a first step. Another step would be to engage outside assistance to transform the culture from differentiated to integrated. Regional associations of grantmakers and funders could assist by providing funding for the outside assistance and training tailored to an integrated culture (e.g., focus on unifying purposes).

Varying data collection methods and expanding the study beyond one state could address some of the limitations of the study. Recommendations for future study include adding variables in order to explore relationships between: (a) staff function and actual culture; (b) staff size, staff function, and actual culture; (c) foundation age, staff function, and actual culture; (d) staff function and desired culture; and (e) founder roles, founder length of time involved with the foundation, and desired and actual culture. Examining the common categories that emerged from the study for purposes, heroes, sacred cows, and ritual and ceremonies by staff function, staff size, asset size, and age of foundation would also assist in providing a more
comprehensive view of the actual organizational culture of the community foundation “industry.”
Appendix A

Letter of Permission to Use Questionnaire
May 27, 1999

Nanette Keiser
3645 Woodcliff Drive
Kalamazoo, MI 49008

Dear Nanette:

This is to formally give you permission to use The Organizational Culture Survey as enclosed in the study you are conducting for your dissertation that examines organizational culture in community foundations. While I have agreed to the addition of a demographics page, small language changes for use with your sample of community foundations, and the addition of some open ended questions (#35-38), any additional changes would compromise the integrity of the instrument, and therefore are not advised.

Very truly yours,

Gary L. Best, PhD

cc: Dr. Van Cooley

enclosures
Appendix B

Protocol Clearance From the Human Subjects
Institutional Review Board
Date: 6 July 1999

To: Van Cooley, Principal Investigator  
Nanette Keiser, Student Investigator for dissertation

From: Sylvia Culp, Chair

Re: HSIRB Project Number 99-06-05

This letter will serve as confirmation that your research project entitled "Organizational Culture in Community Foundations" has been approved under the exempt category of review by the Human Subjects Institutional Review Board. The conditions and duration of this approval are specified in the Policies of Western Michigan University. You may now begin to implement the research as described in the application.

Please note that you may only conduct this research exactly in the form it was approved. You must seek specific board approval for any changes in this project. You must also seek reapproval if the project extends beyond the termination date noted below. In addition if there are any unanticipated adverse reactions or unanticipated events associated with the conduct of this research, you should immediately suspend the project and contact the Chair of the HSIRB for consultation.

The Board wishes you success in the pursuit of your research goals.

Approval Termination: 6 July 2000
Appendix C

Transmittal Letter to Community Foundation Staff
September 15, 1999

NAME
FOUNDATION
ADDRESS
CITY, STATE ZIP

Dear FIRST NAME:

You are invited to participate in a research project entitled "The Organizational Culture in Community Foundations". This study is designed to examine the organizational culture, both actual and desired, in community foundations. It is hoped that the findings of this study can be useful to you as a staff member by providing you with insights for management practices based on the types of culture found. Further, we hope that the aggregate (and anonymous) findings may be useful to organizations like the ________________________________ and the ___________ Foundation that provide you with technical assistance and funding for capacity building in the management practices area.

The two of us are conducting this research, and we are part of Western Michigan University's Department of Teaching, Learning, and Leadership (formerly the Department of Educational Leadership). This research is being conducted as part of the dissertation requirements for Nanette.

To participate in this project, please read the enclosed Anonymous Survey Consent and The Organizational Culture Survey and then fill out and return The Organizational Culture Survey in the stamped envelope provided. This should only take a few minutes of your time. Since this needs to be an anonymous process, both at the foundation and individual levels, you will not be asked for your name or foundation name when completing the Survey.

You also need to fill out and return the stamped postcard provided. The information you are providing on the postcard will only be used to give us the information needed to mail you an executive summary of the findings. Further, there is no way to match up your survey (e.g., no coding on form or envelope) with the postcard you are returning.

We appreciate your consideration of our invitation to participate in our study. If you have any questions, please do not hesitate to contact us as indicated on the enclosed Anonymous Survey Consent.

Very truly yours,

Van E. Cooley, EdD

Nanette M. Keiser

enclosures
Appendix D

Anonymous Consent Form
You are invited to participate in a research project entitled "The Organizational Culture in Community Foundations". This study is designed to examine the organizational culture, both actual and desired, in community foundations, and is being conducted by Dr. Van Cooley and Nanette M. Kaiser from Western Michigan University, Department of Teaching, Learning, and Leadership. This research is being conducted as part of the dissertation requirements for Nanette Kaiser. It is hoped that the findings of this study can be useful to you as a staff member of a community foundation by providing you with insights and possible prescriptions for management practices based on the types of culture found.

The enclosed survey is comprised of 34 questions requiring a rating and 4 open ended questions. It will take approximately 15-20 minutes to complete. Your replies will be completely anonymous for you and for your foundation, so do not put your name or your foundation's name anywhere on the form. You may choose not to answer any question and simply leave it blank. If you choose not to participate in this survey, you may either return the blank survey or you may discard it.

Returning the survey indicates your consent for use of the answers you supply. If you have any questions, you may contact Dr. Van Cooley at 616.387.3891, Nanette Kaiser at 616.372.8168, the Human Subjects Institutional Review Board (616.387.8293) or the vice president for research (616.387.8298).

If the postcard is not returned, you will continue to receive other mailings. This consent document has been approved for use for one year by the Human Subjects Institutional Review Board as indicated by the stamped date and signature of the board chair in the upper right hand corner. You should not participate in this project if the corner does not have a stamped date and signature.
BIBLIOGRAPHY


Gherardi, S. (1994). The gender we think, the gender we do in our everyday organizational lives. *Human Relations, 47*(6), 591-610.


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