

Nonprofit Competition in the Socio-Political Domain

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Motivations

- Understand the factors and influences that managers might consider in developing competitive or cooperative engagements.
- What drives those interactions and how should it be structured to better interpret and analyze those influences?

Outline

- Defining the Operational Context
- Perspectives on the “problem”
- Performance Objectives
- Opportunities for Cooperation & Competition
- Drivers
 - Awareness, Motivation, Capability
 - Frames of Engagement - We vs. Me
 - Five Forces
- Perspective on behavior of organizations

Functions of Nonprofits

- ◉ Services
- ◉ Build Social capital – **Social**
- ◉ Preservation
- ◉ Creative/innovative
- ◉ **Advocacy/Political**

Kramer, R., M. (1979). "Voluntary Agencies in the Welfare State: An Analysis of the Vanguard Role." Journal of Social Policy 8(04): 473-488.

Anheier, H., K. (2005). Nonprofit Organizations: Theory, management, policy. New York, Routledge.

Dimensions of Operational Context

	Social	Political
Example activities	Community building, public education	Advocacy and lobbying
Beneficiary engagement	Direct & indirect	Indirect
Target	Individual & group	Political or economic entities
Nature of transformation	Information & Relationship	Advocacy methods
Output	Number engaged	Number of issues addressed
Public Benefit Outcomes	Social capital and norms	Influence social structures
Organizational Outcomes	Legitimacy & Relationship Strength	Preferential treatment

Defining “Problems”

- ◉ **Worldview**

- Definitions of the social problem
- Definitions of the desired outcome

- ◉ **Mission & Vision of the Organization**

Checkland, P. (2000). "Soft systems methodology: a thirty year retrospective." Systems Research and Behavioral Science **17**(S1):S11.

Performance Objectives

● Public Benefits

- Social capital among stakeholders
- Social norms align with worldview
- Influence social structures

● Organizational Benefits

- Legitimacy of organization
- Relationship strength with organization
- Preferential treatment

Opportunities for Cooperation & Competition

- ◉ **Worldview**
 - Problem definition
- ◉ **Common beneficiaries**
- ◉ **Common targets of activity**
- ◉ **Tactical activities relate**
- ◉ **Public Benefit Outcomes**

Drivers of Competitive Dynamics

Awareness, Motivation, Capacity (AMC)
Frames of Individual Competitive & Cooperative Behavior
Porters Five Forces

Drivers of Inter-organizational Interactions

● Awareness

- Who else is operating in similar space?

● Motivation

- What do we hope to accomplish in this domain?

● Capacity

- What limitations do we confront, what assets to we control?

Chen, M.-J. and D. Miller (2012). "Competitive Dynamics: Themes, Trends, and a Prospective Research Platform." [The Academy of Management Annals: 1-76.](#)

Frames on Competition & Cooperation

Competitive Frame	Cooperative Frame
Resource Striving Desire for material goods and resources	Reciprocation Need Return to others, fairness
Status Seeking Status, legitimacy as end in self	Group Identity Desire to belong, give advantage to those in the group

Loch, C. H. Galunic, D.C. & Schneider, S. (2006). Balancing cooperation and competition in human groups: the role of emotional algorithms and evolution. Managerial and Decision Economics 27(2-3): 217-233

Five Forces

- Barriers to Entry
- Threats of Substitutes
- Bargaining power of “buyer” – Target
- Bargaining power of supplies
- Rivalry among existing Players

Porter, M., E. (1998). Competitive Strategy: Techniques for analyzing industries and competitors. New York, Free Press.

Propositions on the Behavior of Organizations

- Competition and/or cooperation is driven by awareness of organizations operating in a similar operational space
- Similarity of operational space is defined by
 - Common beneficiaries
 - Common targets of organizational activity
 - Similarity of Tactics utilized
 - Related Public benefit outcomes

Dynamics of Cooperative or Competitive Activity

	Compete	Cooperate
Worldview & Social Problem Defined	Divergent	Similar
Capacity	Sufficient	Limited
Tactical Methods	Similar	Complimentary or Complex
Target	Weaker	Stronger
Identity	Strong	Weak
Beneficiary Alliance	Strong	Weaker
Interpersonal	Limited/ Distrust	Positive
Benefits	Organizational	Public