

Stanford SOCIAL INNOVATION REVIEW

The Nonprofit Paradox By David La Piana

Stanford Social Innovation Review
Summer 2010

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STANFORD
GRADUATE SCHOOL OF BUSINESS

Stanford Social Innovation Review
Email: info@ssireview.org, www.ssireview.org

The Nonprofit Paradox

Why organizations are so often plagued by the very ills they aim to cure **BY DAVID LA PIANA**

IN THE 1980s, when I was a young executive director of a children's mental health organization, I first noticed a phenomenon that I later discovered to be widespread throughout the nonprofit sector. The emotionally troubled young clients of one of our day treatment programs were increasingly acting out, reaching dangerous levels of distress and even violence. I had to find out why, and also how to reverse this dangerous behavioral trend. Observing the program in action, I immediately noticed that the staff members caring for these children were tense and unusually contentious, openly bickering among themselves and in front of the children.

We held an off-site retreat for the staff soon thereafter. I encouraged participants to talk not about the kids, but about their own relationships with one another. They expressed their pent-up anger and frustration, and it was clear that communication within the group had broken down. Amid lots of tears and hard work, we first identified the main problems troubling the group: tensions about who worked harder, and longer, and better. Once the staff articulated their issues and feelings, they agreed to try to rebuild the team's cohesion.

As the retreat drew to a close, some people wondered aloud whether this clearing of the air would do anything to reduce the kids' acting out. As staff members began to show each other increased respect and care, the kids did indeed calm down.

When I reflected on this experience, it struck me as highly ironic, if not downright embarrassing, that an organization devoted to improving mental health had itself fallen so deeply into dysfunction. Yet in my 30 years working in and consulting to nonprofits, I have come to realize that this was not an isolated incident: Nonprofits tend to recreate within their own organizational cultures the problems they are trying to solve in society. I call this phenomenon the *nonprofit paradox*.

Take, for instance, a human rights organization whose mission was to prevent torture. Despite this laudable goal, one of the group's leaders left subordinates feeling terrorized. Staff members consequently—and without awareness of the irony—described working in the organization as “torture.”

A national nonprofit dedicated to eradicating child abuse faced a similar issue. The staff perceived (with reason, in

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my opinion) their CEO to be abusive, neglectful, and power mad. As a result, they adopted classic abuse avoidance behaviors, such as avoiding contact with him, delaying the delivery of bad news, and generally making themselves invisible. In a family therapy context, these behaviors would be diagnosed as pathological.

An environmental advocacy organization likewise recreated within its walls the very problem it was attempting to solve. Although aiming to save forests by reducing greenhouse gas emissions, the organization mailed a prodigious number of paper fundraising solicitations and relied heavily on air travel, even when phone conferences would have sufficed. Consequently, it generated an enormous carbon footprint.

Even arts and culture nonprofits are not immune to the non-

profit paradox. One well-known group crafted celebrated programs that hewed carefully to its mission of celebrating human creativity. Yet its rigid management structures and stultifying decision-making processes quickly crushed new organizational ideas.

As a consultant, I began to think of the nonprofit paradox as the sector's analog to the old adage about the shoemaker whose children go barefoot. I have found this dynamic in every corner of the sector, and I have made looking for it a standard part of our firm's diagnostic process. In fact, the nonprofit paradox is so common that when I don't find it, I am surprised. Because I know of no research on this dynamic, I can only hypothesize where it comes from. At the same time, I will suggest ways that nonprofits can deal with their own paradoxes.

MISSION OVERDRIVE

The nonprofit paradox seems to have a paradoxical cause—namely, the mission drive of nonprofit sector workers. Social sector organizations attract highly motivated people with deeply held personal values. These values-driven workers pursue their chosen profession despite its inherent difficulty and significant financial sacrifice. It is commonly observed that nonprofit workers are the most mission-driven in the country.

Yet this very same commitment to progressive social values can drive dysfunctional organizational behavior by blinding workers to their own faults. Recall the 1960s New Left organization Students for a Democratic Society (SDS), for example. SDS was committed to fighting racism, supporting labor, and promoting a truly representative democracy. Yet most SDS meetings in, say, Berkeley, Calif., featured a group of long-haired white men sitting at a table plotting “the revolution” while women scurried around in the background, making coffee and typing manifestos. (The revolution, apparently, was one of long-haired white guys against short-haired white guys.) Perhaps these revolutionaries were so focused on fighting against The Man they did not notice that, in their own world, they had become him.

A more insidious explanation for the nonprofit paradox is that values-driven people sometimes feel that their ethical activities entitle them to act less morally—a process that Stanford University psychologist Benoît Monin calls *moral credentialing*. Because of moral credentialing, Monin shows, an employer who once recruits an African-American or female candidate is later less likely to hire a similar candidate than is an employer who initially recruits a European-American or male candidate. In short, Monin says, being good at first sometimes licenses people to be bad later.

Mental health professionals have identified a third factor that is probably also at work in the nonprofit paradox: *parallel process*. The human drive to imitate underlies parallel process, which happens when two or more people, groups, or organizations in a close relationship start to develop similar thoughts, feelings, and actions. Because of parallel process, a therapist comes to her clinical supervisor to discuss a whiny client, and before she knows it she too is whining. Parents hurl insults at one another in front of their children, who then get into fistfights at school. Likewise, nonprofit workers who are in regular contact with, say, human rights violators, abusive parents, or polluters may them-

selves become exploitative, abusive, and polluting.

A final explanation for the nonprofit paradox goes back to Aristotle: the dual nature of human thought and belief. When people hold a very strong belief, they usually also hold, unconsciously, its shadow side; the stronger the belief, the more likely this is so. Thus someone committed to human rights is concerned generally with issues of power and, once put in a position of power, may be prone to abuse it without being aware of doing so. The same person, in a less powerful position, may be inclined to see abuses of power everywhere, and to feel oppressed by those with power over him or her.

THROUGH THE LOOKING GLASS

The pervasiveness of the nonprofit paradox is not an indictment. Instead, it is a natural byproduct of our values-laden organizational cultures. Nonprofits develop very strong, widely shared mission-oriented belief systems. The singleness of purpose and shared values characteristic of so many organizations create a cohesiveness that is a real strength and enables accomplishments.

Yet if the roots of this dedication are unspoken, and thus unexamined, it can become a weakness. Organizations that confront their cultural quirks and paradoxes with tolerance, a sense of humor, and openness, however, are often able to lessen their effects. And having a named phenomenon to refer to—an external dynamic to blame—can actually make it easier to discuss them.

To shine a light on the nonprofit paradox, organizations must first take the time to look for it. They must ask themselves what fundamental issues they are working on. Is it abuse of power, lack of education, unequal opportunity, the human yearning for beauty or a larger meaning?

They should then examine their culture, structures, and processes. What do staff members tend to care most deeply about? What organizational development or interpersonal issues are in play? Are staff members working well together? Are they focused and efficient? Is the organization's culture one of competition between adversaries or collaboration among colleagues? In what ways do its internal processes mirror the problems it is addressing in society?

Once an organization has examined its underlying values and processes and identified any uncomfortable examples of the nonprofit paradox, it should initiate forthright discussion in a tolerant, non-defensive, and even humorous context. These discussions can help staff members become conscious of their behavior. This awareness is usually sufficient to begin to counter the effects of the nonprofit paradox. As is so often the case, making overt something that is uncomfortable often leads to changing it.

Even consulting firms that serve nonprofits are susceptible to the nonprofit paradox. In our firm's early years, we completed dozens of strategic plans for clients before creating a business plan for ourselves. And today, we work 24/7 counseling nonprofit leaders to avoid burnout by taking time for themselves and their families. We have made a bit of a game out of identifying instances of the nonprofit paradox in our clients and ourselves. We greet new examples eagerly and usually with sympathetic humor—and occasionally, when one hits close to home, with a groan. ■