

ENCOURAGING FUTURE SOCIAL ENTREPRENEURS: COMMUNITY OUTREACH AND MBA'S

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Abstract

Running a nonprofit program...is much more like running a small business than it is like being a professional in a large corporation (Masaoka, 2009.) Recent studies have indicated concern about future leadership of the nonprofit sector, questioning whether the sector can effectively recruit a workforce that will meet current and future needs. This paper introduces a unique MBA course that uses Service Learning to introduce potential nonprofit leaders and social entrepreneurs to this sector.

Encouraging Future Social Entrepreneurs: Community Outreach and MBA'S

Increased attention and support have been given recently to public service, volunteering, and service learning. President Barack Obama has pledged to strengthen three types of service: an occasional day of volunteering; a longer period (a year or two) with service organizations such as Teach for America or AmeriCorps; and careers in nonprofit organizations or government agencies (Light, 2009).

The Edward M. Kennedy Serve America Act, passed by Congress in April 2009, also supports volunteerism and public service with Summer and Semester of Service programs and educational awards for youth, a September 11 National Day of Service, and a Silver Scholars program of service for individuals 55 and older who perform 350 hours of service (Corporation for National & Community Service, 2009). The Act also authorizes Nonprofit Capacity Building grants which provide assistance with organizational development to small and mid-size nonprofit organizations, as well as a Volunteer Generation Fund whose grants strengthen the nation's volunteer infrastructure.

These actions are well timed, and in some minds, overdue. With the downturn of the economy, human services needs, among others, have increased; while at the same time nonprofits are already struggling with pressing needs to provide services and sustain ongoing programs. While financing these operations is a continual concern, recent studies have indicated a cause for concern about future leadership of the nonprofit sector (Tierney, 2006; Cornelius, Corvington, & Ruesga, 2008).

Some question exists whether the nonprofit sector, with 1.1 million registered organizations, and 11 million employees (Stroup, 2006), can effectively produce or recruit tomorrow's nonprofit leaders and workforce. Several statistics paint a scary picture of the nonprofit leadership crisis. Three quarters of nonprofit executives plan to leave their current jobs within five years (Bell, Moyers, & Wolfred, 2006). The Bridgespan Group estimates that over the next decade the nonprofit sector will need 640,000 new senior managers. A large workforce population of retiring baby boomers can hardly be offset by the "baby bust" or even the "baby echo" generations, suggesting imminent and widespread worker shortages. Segments of the economy that are growing the fastest and have the greatest number of new openings, such as the nonprofit sector, will likely suffer the most shortages (Johnson, 2009).

But some say that there are flaws in the prediction of a nonprofit leadership crisis. “Reasonable – and likely-market and organizational adjustments, including higher executive pay, increased labor force participation of older workers, skill acquisition of younger workers, possible consolidation of nonprofit organizations, board and volunteer skill sharing, and event venture philanthropy, can be expected to moderate the shock of baby boom retirements, much in the way that schools, job markets, and housing markets have accommodated the movement of this “bulging” generation through earlier decades of their lives” (Johnson, 2009).

While studies show that young nonprofit workers are reluctant to fill top-level jobs in the sector (Solomon and Sandahl, 2007), Shelton and Shelton’s (2005) study suggests that job characteristics of the nonprofit sector may lure experienced managers, especially Gen X employees, from other sectors. In a ranking of fifteen job characteristics in order of importance, (Fortune Magazine’s “100 Best Companies to Work For), positive relationships with colleagues, interesting work, and continuous opportunities for learning ranked highest, while recognition/prestige and salary ranked very low. Highly rated companies were supportive of a balanced life outside work and an egalitarian environment. A number of studies (Leete, 2006) indicate that work in the nonprofit sector is perceived as more varied and challenging, and as providing more opportunities for skill development and autonomy, than in the for profit sector. Nonprofit sector work characteristics and benefits such as small organization size, passion for the mission, family sensitive-benefits and pay policies, flat organizational structure and flextime seem also to be advantages that would be attractive to the next generation of nonprofit managers coming from other sectors (Johnson, 2009).

Highlighting attractive characteristics of the nonprofit sector is not the only answer to the leadership deficit question. Insight arises from the social entrepreneurship movement, introduced in the 1960’s and 70’s, which came into widespread use in the 80’s and 90’s. “The main aim of a social entrepreneur as well as social enterprise is to further social and environmental goals for a good cause” (http://en.wikipedia.org/wiki/Social_entrepreneurship).

Although social entrepreneurs often work through nonprofits and citizen groups, the assessment of success can be done in terms of the impact on society as well as in profit and return. Running a nonprofit program or organization is much more like running a small business than it is like being a professional in a large corporation (Masaoka, 2009). Flexibility, connection with a variety of stakeholders, learning and mastery of new skills, and teamwork are required in both sectors because of the sizes of the organizations and the scarcity of resources. One of the demographic groups who share these characteristics is the millennial generation, those born after 1981. (Interchange Group, 2006).

This generation, who want a chance to do work that will benefit society, matches well with the goals of the social entrepreneurship movement (Interchange Group, 2006). Used to team-based learning and volunteer requirements at school, members of this generation are looking to grassroots activism to solve the world’s problems as they mature.

Another demographic group, Generation X, born between 1962 and 1981, grew up during the time of the energy crisis, Watergate, and corporate downsizing. Called “latchkey kids,” they survived the onslaught of tripled divorce rates, late working and dual income parents, economic

recessions, hiring freezes, and market crashes. Resilient under pressure, distrustful of hierarchies and sometimes institutions, and valuing autonomy, they are making different career choices which balance work and life. (Interchange-Group, 2006). Resiliency, autonomy, and work life balance are also valued in the nonprofit sector culture.

In the world of civic engagement (defined as organizational activity, volunteering, and fundraising), Gen Xers and Millennials (also called DotNet's) are among the most active (Keeter, et al, 2002.) Civic engagement activities include participating in a walk, run, or bicycle ride for charity; participating in other activities to raise money for charitable causes; working in one's community to solve a problem; and doing volunteer work for non-electoral groups on a regular basis.

Community involvement is the foundation of civic engagement. Responding positively to the statement, "Worked together informally with someone or some group to solve a problem in the community where you live," sends a message of community engagement. Young people are often very mobile and less likely to own their own homes, suggesting that they might have fewer reasons to be invested in their communities. Yet, 22 percent of Xers and 21 percent of DotNets have worked in their communities in the last year, quite similar to the more community invested Baby Boomers with 24 percent (Keeter, et al, 2002).

The challenge is to initiate a "leadership pipeline" that encourages the "next generation leadership" (or generations) toward preparation for social entrepreneurship, leadership, and employment in the nonprofit sector. (Cornelius, et al, 2008, p.5) Based on young people's volunteerism rates and interest in helping others, the time seems ripe for accomplishing this through college student involvement.

Although volunteerism rates have increased for most age groups, (an increase in overall volunteerism from 20.4 percent in 1989, to 26.7 percent in 2006), the volunteer rates of young people, age 16 to 19 (now 19 to 22) almost doubled. (Lester, 2007). Calling these young people, the "9/11 generation," David Eisner (Chief Executive Officer of the Corporation for National and Community Service) explains, "They came of age during 9/11. They learned new habits of responsibility, new habits of volunteering and those have stuck." According to the Higher Education Research Institute (2008), the percentage of beginning college students who believe it is very important to help others in difficulty reached a 25-year high in 2005.

The purpose of this paper is to introduce a unique elective course (Selected Topics-Management: Managing in the Nonprofit Sector) in the Master of Business Administration (MBA) program, that brings together experiential education and service (Dewey, 1938; Kolb, 1984) aspects of live case analysis of nonprofits while introducing potential nonprofit leaders and social entrepreneurs to this sector. Details of the course, ties to university and college outcomes, the community partners, projects, and student responsibilities; and course outcomes and challenges will be discussed in the following sections.

Course Details

Selected Topics- Management: Managing in the Nonprofit Sector (The Managing Nonprofits course or MNC) is an introductory, albeit accelerated, survey of management in the nonprofit sector. Managing Nonprofits is a one-credit, five-week, elective course, which includes readings, discussion, guest speakers and a service-learning experience with a nonprofit organization. Service-learning is a course experience that uses community projects to reinforce class learning materials (Sigmon, 1994).

The Managing Nonprofits course (MNC) is one of the single-credit elective courses of a three credit elective series offered each semester. The other electives vary from Ethics in Managing Business/Government Relations, to Technology Entrepreneurship, to an Innovation Laboratory, among others.

MNC is the second fully integrated (service is required of all students) College of Business & Economics course, and the first fully integrated (service learning is required) MBA course in the College of Business & Economics at this university in the Northwestern United States.

The topics covered range from the management staffing and recruitment crisis in the nonprofit sector, standards of excellence and how to measure them, organizational culture, challenges that executive directors face, and managing the board and volunteers. Specific MBA program objectives include enhancing student personal growth in critical thinking, problem solving, and ethical decision making; and strengthening student interaction skills in presentations, and verbal and written communication.

The integrated Service-Learning component of the course focuses on the following objectives: 1) To develop a spirit of partnership with the community, and to solve problems in the real world through individual and/or group projects designed to benefit both the learner and the local community; 2) To encourage a life-long commitment to service and civic involvement; and 3) To explore how to integrate personal ethical and citizenship ideals with a successful management career. Underlying these umbrella objectives are goals to encourage interest in social entrepreneurship, to provide strategic assistance to executive directors, to provide a designated number of hours of pure service (as opposed to consulting), and to increase awareness of leadership opportunities in this sector.

Ties to University Strategies and Goals

These service-learning component objectives tie in very closely to the University's strategic vision of public engagement (Charting the Course: A Strategic Vision for XX University) that links the academic mission with its community partners to address issues of mutual benefit. "Milestones" to reaching this "destination" are facilitating partnerships that contribute to regional growth and development and serving as a center for cultural and intellectual exchange that enriches the community.

Course Requirements

MBA students complete five hours of service, conduct a two hour interview with the Executive Director (ED) about strategic issues, conduct an environmental analysis and evaluation of several local nonprofit organizations as a team, and write and present a report of recommendations for the nonprofit to the class, instructor, and Executive Director.

The instructor's criteria for the five hours service (separate from the two hour interview with the ED) is "anything that will assist the community partner, allows the student to experience the organization on site with minimal training (because of the short timeframe), and keep the student safe." The hope is that the agencies will meet with the student(s) to learn about their interests and abilities, and that a mutually satisfying arrangement will be made to use the student's talents and accomplish something (or things) worthwhile for the agency. Service has ranged from assisting with the design of a computer accounting system, to rewriting the mission statement, to researching the implications of several nonprofits sharing a building and resources, to writing policy manuals, among other responsibilities.

The two hour interview of the ED is enjoyed by both by the Ed and the students, and is done in week four, at the end of the service learning experience. The EDs have expressed their satisfaction with the interview, saying "that's the best part!" They relish the idea of discussing strategic issues, and hearing feedback from business managers. The "external" wisdom seems most gratifying. While they talk well of the quality and productivity of their staff and boards, they also seem to recognize that an outside view from technical professionals is valuable. Because of their business-savvy, volunteers with business background help nonprofits do more with less (Scott, 2009).

In conjunction with their interviews, the students complete an "Environmental Analysis, Evaluation, and Recommendation Paper and Presentation." In addition to a SWOT analysis, students analyze the mission and whether the organization is meeting it, define and measure operational challenges, describe and evaluate funding sources, and critique the relationship of the Board and senior management. The paper also reflects on what was learned from this experience in terms of the student's role as a professional and as a member of the community.

Community Partners

Community partners were selected from a subset of nonprofits that the instructor had worked with in previous service-learning projects and courses, and recommendations from the University Service Learning community liaison program. Primarily small human services organizations, both direct service and advocacy groups, were used. Selection for the MBA class was based on the likelihood that the agency could provide projects with a higher level of rigor for the MBA students. The instructor met with each ED at the site prior to the semester start, to discuss the objectives of the course, and how they fit in with the needs of the community partner organization. Emphasis was put on the requirement that the student will work directly with the ED on strategic issues, rather than the student working with a volunteer coordinator or another manager. The type of assignments, and the idea that most MBA students have both classroom and outside experience, appealed to the ED's. The ED was invited to join the class on the first night to give a presentation about the organization and its needs, and meet with the students, and on the last night to hear the student presentations and critique the viability of their recommendations. Most EDs attended both sessions, often bringing other staff members to the closing presentation.

Outcomes-students, community partners, professor

This course is one that I am especially proud to be a part of, as it probably, more than any other course I've taught, achieves an almost universal positive learning response from students (as supported by course evaluations and anecdotal evidence.) As is the point of experiential learning, the exposure to the live case helps the students to apply and better understand the course content.

Anecdotal evidence and standard course evaluations suggest that students gain a solid understanding of the nonprofit sector, and often plan to continue service after the class. The Service Learning Program also provides site and course evaluations which are completed by the students and the host organizations. These also support the mutual benefit derived by the student and community partners. Examples of outcomes from the qualitative data follow:

“I really enjoyed the class...This was one of the few classes that I could take my learnings outside of the class and really apply it to an organization that really needed my help. So often, I hear professors telling us that we are going to use the knowledge learned from a course later in our career, but this allowed us to do it now.” – D.O. MBA student

The premise of the course was to introduce graduate level students to nonprofit organizational composition. The course was both beneficial and inspiring. While the curriculum was beneficial, the most moving piece of the course was the actual field work we were required to complete. G.T. – MBA student.

One student was so moved by the “selfless motivation that drove the group’s employees and volunteers,” that he was compelled to take further action. As described in the following testimonial, this resulted in a cross-sector alliance between his employer and his service learning host which remains in place several years later.

“My time there compelled me to take action. Our firm is now partnered with (the community partner). We are scheduled to provide ...training in all of the most contemporary preparation, merchandising, and service practices. Further, we have created a strategic alliance so that graduates of the program have an alternative for employment after graduation. We have also committed to make financial contributions where we can. In short, my requirement became an experience which became a piece of my firm’s corporate mission. While my motivations to take this course surrounded the professor, I am thankful I elected to take this course as it will deliver value to my firm and the community.” G.T. MBA Student

Quantitative reports from student evaluations of the service learning component were compiled by the Service-Learning Program. Scores more than 60% positive were interpreted to show that the instructor was effectively employing service learning pedagogy and active learning strategies. Scores for this MBA course averaged 70 to 99% depending on the question.

The following are examples of the evaluation questions:

1. This class helped me become more interested in helping solve community problems.
2. Structured reflection activities (e.g. journals, reflection sessions) helped me analyze issues about citizenship or my responsibility in the community.
3. Service-learning helped me see how course concepts can be applied to everyday life.
4. Through service-learning I gained practical experience that will appeal to employers, graduate school, and/or scholarship reviewers.”

Evidenced by their attendance and reactions at the final class presentations, the Community Partners' quantitative evaluations of student performance (managed online by the Service Learning Program), and the following comments from emails to the instructor and from the actual online evaluations from the community partners, it appeared that they were pleased with the impact the student service made on their organizations.

“The board has really stepped up since your students SWOT analysis and criteria and honest feedback. I also have made an effort to be a better leader and I think it is working.” –Executive Director

“But I wanted you to know that she stated to me that this was the most Positive SL (service learning) experience yet for (Community Partner). Your students were delightful, thorough, bright, and all demonstrated expert knowledge. They all helped with various segments of the (Community Partner) operations but also rewrote mission statement and demonstrated to (Executive Director) a clear understanding of the work that (Community Partner) does. – email from the university Coordinator for Community Partnerships about the conversation with the Agencies' Executive Director

“(Student) was also a great match for this project. Like the others very motivated and invested. They all also were very creative I believe in problem solving and marketing. (student) was also able to go to a (location) which I believe is the purest form of what (organization) is all about. (Student) was great. I was overall very happy with this project and all the students. They worked well individually and as a group. I also just want to assure you that this experience will impact the future of the organization. -Executive Director

In the evaluations of three team members for a warehousing operation, the Executive Director reflected positively on how each student brought skills (auditing, transportation, and merchandising) from his business background to improve the agency. Most visible of the outcomes achieved is the students' awareness of their part in the community (we are the community.”) It is a bit of an “aha” moment for some of the students, who have perhaps been aware that charitable organizations exist, but have never considered these organizations' relationship to the student, student's family, friends, neighbors, and employers. Other students may have been involved in church and other organizations as part of family tradition, or elementary or high school club service requirements, but have partitioned this off from other parts of their lives, often as something to do “..maybe when I'm done with classes and have more time.”

Improved communication, problem solving, and critical thinking skills are key outcomes sought and assessed by our College and University. Students become immersed in opportunities to enhance these skills in their discussions and organizing with both management and other service learning students and volunteers at the sites. Public speaking and time management skills are improved with agency experiences (some students met and presented to organization boards, for example) and with formal and informal class discussions and presentations.

The diversity of the organizations represented in class, the reflection sessions, and the application of management and leadership principles to these organizations in small and large group discussions made powerful impressions on the students and intensified their desire to contribute and be a stakeholder in the community (Lamb, Lee, Swinth, & Vinton, 2000).

Challenges

Because the course is a 5-week, one credit class, it is a quick turnaround from week one to five. Meeting the community partners, serving, interviewing, and writing and presenting the paper is a “blur” and may detract from the possible richness one could enjoy if the course were longer. Several students have inquired about making the course three credits, over the course of the full semester.

Another possibility is to reconfigure the current elective Service-Learning component and its objectives to a required management course, where civic engagement would become a core component of the MBA program, rather than an elective. Other options are to encourage nonprofit and College of Business and Economics partnerships in other ways: for example, students applying and serving as volunteers or board members; or live case projects that assist nonprofits in accomplishing goals they’ve established through Standards of Excellence training (Standards for Excellence: An ethics and Accountability Code for the Nonprofit Sector, 2005.) Future research could be focused on empirical studies. One study might compare the learning outcomes of students taking the course with the service learning component to those without the service learning component. Longitudinal studies of students’ post-graduation and several years into their careers would be interesting to compare from the perspective of quantifying the number of individuals who actually participate in some way in the nonprofit sector (social entrepreneurs, executive directors, board members, volunteers, managerial and non-managerial employees).

The service learning component in this MBA special issues course appears to have satisfied objectives for several stakeholders. The students have an awareness and respect for the needs of the community, enhanced communication, team and problem solving skills, and secured content knowledge on the nonprofit sector. The Executive Director and nonprofit sector have had the benefit of experienced business professionals examining problems in their organizations, and an opportunity to introduce college students to a nonprofit and encourage future involvement of these individuals, as managers, executive directors, or social entrepreneurs, in the sector.

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